EAGLE MATERIALS INC

FORM 10-Q
(Quarterly Report)

Filed 07/28/17 for the Period Ending 06/30/17

Address	3811 TURTLE CREEK BLVD SUITE 1100 DALLAS, TX 75219
Telephone	214-432-2000
CIK	0000918646
Symbol	EXP
SIC Code	3241 - Cement, Hydraulic
Industry	Construction Materials
Sector	Basic Materials
Fiscal Year	03/31

United States
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-Q

QUARTERLY REPORT

Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934
For the Quarterly Period Ended

June 30, 2017

Commission File Number 1-12984

Eagle Materials Inc.

(Exact name of registrant as specified in its charter)

Delaware
(State or other jurisdiction of incorporation or organization)

75-2520779
(I.R.S. Employer Identification No.)

3811 Turtle Creek Blvd., Suite 1100, Dallas, Texas 75219
(Address of principal executive offices)

(214) 432-2000
(Registrant's telephone number, including area code)

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

Yes ☒ No ☐

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files).

YES ☒ NO ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer	☒	Accelerated filer	☐
Non-accelerated filer	☐ (Do not check if a smaller reporting company)	Smaller reporting company	☐
Emerging growth company	☐		

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act.)

Yes ☐ No ☒

As of July 24, 2017, the number of outstanding shares of common stock was:

Class	Outstanding Shares
Common Stock, $.01 Par Value	48,497,960

Eagle Materials Inc. and Subsidiaries
Form 10-Q
June 30, 2017

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PART I. FINANCIAL INFORMATION (unaudited)

Eagle Materials Inc. and Subsidiaries
Consolidated Statements of Earnings
(dollars in thousands, except share data)
(unaudited)

	For the Three Months Ended June 30, 2017	2016
Revenues	$ 366,121	$ 297,504
Cost of Goods Sold	280,062	225,549
Gross Profit	86,059	71,955
Equity in Earnings of Unconsolidated Joint Venture	9,876	7,980
Corporate General and Administrative	(9,679)	(9,833)
Other Income	757	1,075
Interest Expense, Net	(7,483)	(3,901)
Earnings Before Income Taxes	79,530	67,276
Income Tax Expense	(24,648)	(21,932)
Net Earnings	$ 54,882	$ 45,344
EARNINGS PER SHARE:		
Basic	$ 1.14	$ 0.94
Diluted	$ 1.13	$ 0.93
AVERAGE SHARES OUTSTANDING:		
Basic	48,121,890	48,014,195
Diluted	48,655,553	48,522,207
CASH DIVIDENDS PER SHARE:	$ 0.10	$ 0.10

See notes to unaudited consolidated financial statements.

Eagle Materials Inc. and Subsidiaries
Consolidated Statements of Comprehensive Earnings
(unaudited – dollars in thousands)

	For the Three Months Ended June 30,	
	2017	2016
Net Earnings	$ 54,882	$ 45,344
Change in Funded Status of Defined Benefit Plans:		
Amortization of Net Actuarial Loss	314	500
Tax Expense	(117)	(188)
Comprehensive Earnings	$ 55,079	$ 45,656

See notes to unaudited consolidated financial statements.

Eagle Materials Inc. and Subsidiaries
Consolidated Balance Sheets
(dollars in thousands)

	June 30, 2017 (unaudited)	March 31, 2017
ASSETS		
Current Assets -		
Cash and Cash Equivalents	$ 12,233	$ 6,561
Accounts and Notes Receivable	175,002	136,313
Inventories	244,886	252,846
Prepaid and Other Assets	8,181	4,904
Total Current Assets	440,302	400,624
Property, Plant and Equipment -	2,454,800	2,439,438
Less: Accumulated Depreciation	(919,732)	(892,601)
Property, Plant and Equipment, net	1,535,068	1,546,837
Notes Receivable	653	815
Investment in Joint Venture	53,750	48,620
Goodwill and Intangible Assets	234,707	235,505
Other Assets	15,110	14,723
	$ 2,279,590	$ 2,247,124
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current Liabilities -		
Accounts Payable	$ 78,763	$ 92,193
Accrued Liabilities	53,288	55,379
Income Tax Payable	26,462	733
Current Portion of Long-term Debt	81,214	81,214
Total Current Liabilities	239,727	229,519
Long-term Debt	580,421	605,253
Other Long-term Liabilities	42,026	42,878
Deferred Income Taxes	162,329	166,024
Total Liabilities	1,024,503	1,043,674
Stockholders' Equity -		
Preferred Stock, Par Value $0.01; Authorized 5,000,000 Shares; None Issued	—	—
Common Stock, Par Value $0.01; Authorized 100,000,000 Shares; Issued and Outstanding 48,547,960 and 48,453,268 Shares, respectively	485	485
Capital in Excess of Par Value	151,141	149,014
Accumulated Other Comprehensive Losses	(7,199)	(7,396)
Retained Earnings	1,110,660	1,061,347
Total Stockholders' Equity	1,255,087	1,203,450
	$ 2,279,590	$ 2,247,124

See notes to the unaudited consolidated financial statements.

Eagle Materials Inc. and Subsidiaries
Consolidated Statements of Cash Flows
(unaudited – dollars in thousands)

	For the Three Months Ended June 30, 2017	2016
CASH FLOWS FROM OPERATING ACTIVITIES		
Net Earnings	$ 54,882	$ 45,344
Adjustments to Reconcile Net Earnings to Net Cash Provided by Operating Activities -		
Depreciation, Depletion and Amortization	28,947	22,863
Deferred Income Tax Provision	(3,812)	1,822
Stock Compensation Expense	3,399	2,594
Excess Tax Benefits from Share Based Payment Arrangements	—	(3,299)
Equity in Earnings of Unconsolidated Joint Venture	(9,876)	(7,980)
Distributions from Joint Venture	4,750	8,750
Changes in Operating Assets and Liabilities:		
Accounts and Notes Receivable	(38,527)	(22,057)
Inventories	7,960	2,596
Accounts Payable and Accrued Liabilities	(16,062)	(12,913)
Other Assets	(3,720)	(2,478)
Income Taxes Payable	25,729	18,841
Net Cash Provided by Operating Activities	53,670	54,083
CASH FLOWS FROM INVESTING ACTIVITIES		
Property, Plant and Equipment Additions	(16,160)	(8,978)
Net Cash Used in Investing Activities	(16,160)	(8,978)
CASH FLOWS FROM FINANCING ACTIVITIES		
Increase (Decrease) in Credit Facility	(25,000)	(9,000)
Dividends Paid to Stockholders	(4,853)	(4,828)
Shares Redeemed to Settle Employee Taxes on Stock Compensation	(1,378)	(2,284)
Purchase and Retirement of Common Stock	(1,880)	(39,135)
Proceeds from Stock Option Exercises	1,273	10,632
Excess Tax Benefits from Share Based Payment Arrangements	—	3,299
Net Cash Used in Financing Activities	(31,838)	(41,316)
NET INCREASE IN CASH AND CASH EQUIVALENTS	5,672	3,789
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	6,561	5,391
CASH AND CASH EQUIVALENTS AT END OF PERIOD	$ 12,233	$ 9,180

See notes to the unaudited consolidated financial statements.

(A) BASIS OF PRESENTATION

The accompanying unaudited consolidated financial statements as of and for the three-month period ended June 30, 2017 include the accounts of Eagle Materials Inc. ("Eagle" or "Parent") and its majority-owned subsidiaries (collectively, the "Company", "us" or "we") and have been prepared by the Company, without audit, pursuant to the rules and regulations of the Securities and Exchange Commission. These unaudited consolidated financial statements should be read in conjunction with the audited consolidated financial statements and the notes thereto included in our Annual Report on Form 10-K filed with the Securities and Exchange Commission on May 24, 2017.

Certain information and footnote disclosures normally included in financial statements prepared in accordance with generally accepted accounting principles have been condensed or omitted pursuant to such rules and regulations, although we believe that the disclosures are adequate to make the information presented not misleading. In our opinion, all adjustments (consisting solely of normal recurring adjustments) necessary to present fairly the information in the following unaudited consolidated financial statements of the Company have been included. The results of operations for interim periods are not necessarily indicative of the results for the full year.

The preparation of financial statements in conformity with accounting principles generally accepted in the United States requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Recent Accounting Pronouncements

In March 2016, the Financial Accounting Standards Board ("FASB"), issued Accounting Standards Update "(ASU") 2016-09, "Improvements to Employee Share-Based Payment Accounting," which provides for simplification of certain aspects of employee share-based payment accounting, including income taxes, classification of awards as either equity or liabilities, and classification on the statement of cash flows. The Company adopted ASU 2016-09 on April 1, 2017. The new standard provides for changes to accounting for stock compensation including 1) excess tax benefits and tax deficiencies related to share based payment awards will be recognized as income tax benefit or expense in the reporting period in which they occur; 2) excess tax benefits will be classified as an operating activity in the statement of cash flow; 3) the option to elect to estimate forfeitures or account for them when they occur; and 4) an increase in the tax withholding requirements threshold to qualify for equity classification. The primary impact of adoption was the recognition of excess tax benefits for our stock awards in the provision for income taxes rather than additional paid-in capital. As provided by the new standard, the Company changed its method of accounting for forfeitures, and will now recognize forfeitures as the occur, which resulted in an approximately $0.7 million reduction to retained earnings. Additional amendments to the accounting for income taxes and minimum statutory withholding tax requirements had no impact to retained earnings.

Adoption of the new standard resulted in the recognition of excess tax benefits in our provision for income taxes rather than paid-in capital of $1.0 million for the three months ended June 30, 2017. The presentation of excess tax benefits on stock-based compensation was adopted prospectively within the unaudited Condensed Consolidated Statements of Cash Flows. The presentation requirements for cash flows related to employee taxes paid for withheld shares had no impact to any of the periods presented on the unaudited Condensed Consolidated Statements of Cash Flows as the Company has historically presented them as a financing activity.

In May 2014, the FASB issued ASU 2014-09, "Revenue from Contracts with Customers." ASU 2014-09 supersedes the revenue recognition requirements in "Revenue Recognition (Topic 605)," and requires entities to recognize revenue in a way that depicts the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expe cts to be entitled to in exchange for those goods or services. The standard will be effective for us in the first quarter of fiscal 2019. We will adopt the new standard using the modified retrospective approach, which requires the standard be applied only to the most current period presented, with the cumulative effect of initially applying the standard recognized at the date of initial application. We are currently performing an evaluation of segments with long-term customer contracts. The businesses with the majority of the long-term customer contracts are not a significant part of our consolidated revenues. We do not expect the adoption of this standard to materially impact our consolidated financial statements, but we are still evaluating the impact on our financial statement disclosures.

In March 2017, the FASB issued ASU 2017-07, "Improving the Presentation of Net Periodic Pension Cost and Net Periodic Postretirement Benefit Cost", which revises the accounting for periodic pension and postretirement expense. This ASU requires net periodic benefit cost, with the exception of service cost, to be presented retrospectively as nonoperating expense. Service cost will remain a component of cost of goods sold and represent the only cost of pension and postretirement expense eligible for capitalization. We will adopt the standard on April 1, 2018 using the retrospective method for presentation of service cost and other components in the income statement. We will prospectively adopt the requirement to limit the capitalization of benefit cost to the service cost component. The impact of adopting this standard will be a reduction to cost of goods sold and an increase in other expense. Had we adopted this standard on April 1, 2017, our gross profit would have increased by approximately $0.5 million, and other income would have decreased by $0.5 million.

In February 2016, the FASB issued ASU 2016-02, "Leases", which supersedes existing lease guidance to require lessees to recognize assets and liabilities on the balance sheet for the rights and obligations created by long-term leases and to disclose additional quantitative and qualitative information about leasing arrangements. The standard will be effective for us in the first quarter of fiscal 2020, and we will adopt using the modified retrospective approach. We are currently assessing the impact of the ASU on our consolidated financial statements and disclosures, as well as our internal lease accounting processes.

(B) ACQUISITION

Fairborn Acquisition

On February 10, 2017, we completed the previously announced acquisition (the "Fairborn Acquisition") of certain assets of CEMEX Construction Materials Atlantic, LLC (the "Seller"). The assets acquired by the Company in the Fairborn Acquisition include a cement plant located in Fairborn, Ohio, a cement distribution terminal located in Columbus, Ohio, and certain other related assets.

Purchase Price : The purchase price (the "Fairborn Purchase Price") of the Fairborn Acquisition was approximately $400.5 million. We funded the payment of the Fairborn Purchase Price at closing and expenses incurred in connection with the Fairborn Acquisition through a combination of cash on hand and borrowings under our bank credit facility.

Recording of assets acquired and liabilities assumed : The transaction has been accounted for using the acquisition method of accounting which requires, among other things, that assets acquired and liabilities assumed be recognized at their fair values as of the acquisition date. The Company engaged a third-party to perform a valuation to support the Company's preliminary estimate of the fair value of certain assets acquired in the Fairborn Acquisition.

The preparation of the valuation of the assets acquired and liabilities assumed in the Fairborn Acquisi tion requires the use of significant assumptions and estimates. Critical estimates include, but are not limited to, replacement value and condition of property and equipment, future expected cash flows, including projected revenues and expenses, and applic able discount rates for intangible and other assets. These estimates are based on assumptions that we believe to be reasonable. However, actual results may differ from these estimates.

The Company has determined preliminary fair values of the assets acquired and liabilities assumed in the Fairborn Acquisition. These values are subject to change as we perform additional reviews of the property and equipment, repair parts and the asset retirement obligation. The following table summarizes the provisional allocation of the Fairborn Purchase Price to assets acquired and liabilities assumed as of the acquisition date:

Purchase price allocation at acquisition date (in thousands)		As of February 10, 2017
Inventories	$	11,106
Property and Equipment		314,897
Intangible Assets		10,000
Other Assets		4,000
Asset Retirement Obligation		(4,000)
Total Net Assets		336,003
Goodwill		64,485
Total Estimated Purchase Price	$	400,488

Goodwill represents the excess purchase price over the fair values of assets acquired and liabilities assumed. The goodwill was generated by the availability of co-product sales and the opportunity associated with the expansion of our cement business to the eastern region of the United States. All of the goodwill generated by the transaction will be deductible for income tax purposes.

Intangible Assets : The following table is a summary of the fair value estimates of the identifiable intangible assets (in thousands) and their weighted-average useful lives:

	Weighted Average Life		Estimated Fair Value
Customer Relationships	15		9,000
Permits	40		1,000
Total Intangible Assets		$	10,000

Actual and pro forma impact of the Fairborn Acquisition : The following table presents the net sales and operating earnings related to the Fairborn Acquisition that has been included in our consolidated statement of earnings for the three months ended June 30, 2017:

		For the Three Months Ended June 30, 2017 (dollars in thousands)
Revenues	$	22,155
Operating Earnings	$	5,978

Operating earnings shown above for the three months ended June 30, 2017 has been impacted by approximately \$3.3 million and \$0.6 million related to depreciation and amortization and the recording of acquired inventory at fair value, respectively.

The unaudited pro forma results presented below include the effects of the Fairborn Acquisition as if it had been consummated as of Ap ril 1, 2016. The pro forma results include the amortization associated with an estimate for acquired intangible assets and interest expense associated with debt used to fund the Fairborn Acquisition and depreciation from the fair value adjustments for prop erty and equipment. To better reflect the combined operating results, material nonrecurring charges directly related to the Fairborn Acquisition of approximately $5.5 million have been excluded from pro forma net income for fiscal 2017.

		For the Three Months Ended June 30, 2016
		(dollars in thousands)
Revenues	$	320,686
Net Income	$	47,865
Earnings per share – basis	$	1.00
Earnings per share - diluted	$	0.99

The pro forma results do not include any anticipated synergies or other expected benefits of the Fairborn Acquisition. Accordingly, the unaudited pro forma results are not necessarily indicative of either future results of operations or results that might have been achieved had the Fairborn Acquisition been consummated as of April 1, 2016.

Wildcat Acquisition

On July 27, 2017, we acquired all of the outstanding equity interests in Wildcat Minerals LLC (the “Wildcat Acquisition”). Wildcat Minerals LLC operates transload facilities serving the oil and gas industry in several oil and gas basins across the United States. The purchase price (the “Purchase Price”) of the Wildcat Acquisition was approximately $37.0 million, subject to adjustments for working capital and other customary post-closing adjustments. The Purchase Price and expenses incurred in connection with the Wildcat Acquisition were funded through operating cash flow and borrowings under our bank credit facility.

(C) CASH FLOW INFORMATION—SUPPLEMENTAL

Cash payments made for interest were $5.3 million for both of the three months ended June 30, 2017 and 2016, respectively. Net payments made for federal and state income taxes during the three months ended June 30, 2017 and 2016, were $0.5 million and $1.6 million, respectively.

(D) ACCOUNTS AND NOTES RECEIVABLE

Accounts and notes receivable have been shown net of the allowance for doubtful accounts of $10.8 million and $10.7 million at June 30, 2017 and March 31, 2017, respectively. We perform ongoing credit evaluations of our customers' financial condition and generally require no collateral from our customers. The allowance for non-collection of receivables is based upon analysis of economic trends in the construction industry, detailed analysis of the expected collectability of accounts receivable that are past due and the expected collectability of overall receivables. We have no significant credit risk concentration among our diversified customer base.

We had notes receivable totaling approximately $4.0 million at June 30, 2017, of which approximately $3.4 million has been classified as current and presented with accounts receivable on the balance sheet. We lend funds to certain companies in the ordinary course of business, and the notes bear interest, on average, at LIBOR plus 3.5%. Remaining unpaid amounts, plus accrued interest, mature in fiscal 2018 and 2021. The notes are collateralized by certain assets of the borrowers, namely property and equipment, and are generally payable monthly. We monitor the credit risk of each borrower by focusing on the timeliness of payments, review of credit history and credit metrics and interaction with the borrowers.

(E) STOCKHOLDERS' EQUITY

A summary of changes in stockholders' equity follows:

		For the Three Months Ended June 30, 2017 (dollars in thousands)
Common Stock –		
Balance at Beginning of Period	$	485
Issuance of Restricted Stock		1
Stock Option Exercises		(1)
Balance at End of Period		485
Capital in Excess of Par Value –		
Balance at Beginning of Period		149,014
Stock Compensation Expense		3,399
Cumulative Impact of the Adoption of ASU 2016-09		713
Shares Redeemed to Settle Employee Taxes		(1,378)
Stock Option Exercises		1,273
Purchase and Retirement of Common Stock		(1,880)
Balance at End of Period		151,141
Retained Earnings –		
Balance at Beginning of Period		1,061,347
Dividends Declared to Stockholders		(4,856)
Cumulative Impact of the Adoption of ASU 2016-09		(713)
Net Earnings		54,882
Balance at End of Period		1,110,660
Accumulated Other Comprehensive Loss -		
Balance at Beginning of Period		(7,396)
Change in Funded Status of Pension Plan, net of tax		197
Balance at End of Period		(7,199)
Total Stockholders' Equity	$	1,255,087

During the three months ended June 30, 2017, we repurchased 20,000 shares at an average price of $94.03. Subsequent to June 30, 2017 we repurchased an additional 65,000 shares at an average price of $92.74. Including the repurchases subsequent to June 30, 2017, we have authorization to purchase an additional 4,712,200 shares.

(F) INVENTORIES

Inventories are stated at the lower of average cost (including applicable material, labor, depreciation, and plant overhead) or market, and consist of the following:

	As of	
	June 30, 2017	March 31, 2017
	(dollars in thousands)	
Raw Materials and Material-in-Progress	$ 120,202	$ 122,736
Finished Cement	22,894	24,428
Gypsum Wallboard	7,615	7,951
Paperboard	7,050	8,635
Frac Sand	2,429	2,907
Aggregates	7,679	7,686
Repair Parts and Supplies	71,989	73,732
Fuel and Coal	5,028	4,771
	$ 244,886	$ 252,846

(G) ACCRUED EXPENSES

Accrued expenses consist of the following:

	As of	
	June 30, 2017	March 31, 2017
	(dollars in thousands)	
Payroll and Incentive Compensation	$ 13,566	$ 22,850
Benefits	12,412	11,503
Interest	7,971	5,992
Property Taxes	6,286	4,759
Power and Fuel	1,708	1,536
Sales and Use Tax	1,161	2,459
Legal	2,231	944
Acquisition Related Expenses	242	350
Other	7,711	4,986
	$ 53,288	$ 55,379

(H) S HARE -BASED EMPLOYEE COMPENSATION

On August 7, 2013, our stockholders approved the Eagle Materials Inc. Amended and Restated Incentive Plan (the “Plan”), which increased the shares we are authorized to issue as awards by 3,000,000 (1,500,000 of which may be stock awards). Under the terms of the Plan, we can issue equity awards, including stock options, restricted stock units (“RSUs”), restricted stock and stock appreciation rights to employees of the Company and members of the Board of Directors. Awards that were already outstanding prior to the approval of the Plan on August 7, 2013 remain outstanding. The Compensation Committee of our Board of Directors specifies the terms for grants of equity awards under the Plan.

Long-Term Compensation Plans -

Options. In May 2017, the Compensation Committee approved the granting of an aggregate of 58,055 performance vesting stock options pursuant to the Plan to certain officers and key employees that will be earned if certain performance conditions are satisfied (the “Fiscal 2018 Employee Performance Stock Option Grant”). The performance criterion for the Fiscal 2018 Employee Performance Stock Option Grant is based upon the achievement of certain levels of return on equity (as defined in the option agreements), ranging from 11.0% to

18.0%, for the fiscal year ending March 31, 2018. All stock options will be earned if the return on equity is 18.0% or greater, and the percentage of shares earned will be reduced proportionately to approximately 66.7% if the return on equit y is 11.0%. If the Company does not achieve a return on equity of at least 11.0%, all stock options granted will be forfeited. Following any such reduction, restrictions on the earned stock options will lapse ratably over four years, with the first fourt h lapsing promptly following the determination date, and the remaining restrictions lapsing on March 31, 2019 through 2021. The stock options have a term of ten years from the date of grant. The Compensation Committee also approved the granting of 48,379 t ime vesting stock options to the same officers and key employees, which vest ratably over four years (the "Fiscal 2018 Employee Time Vesting Stock Option Grant). The Fiscal 2018 Employee Performance Stock Option Grant and Fiscal 2018 Employee Time Vesting Stock Option Grant were valued at the grant date using the Black-Scholes option pricing model.

The weighted-average assumptions used in the Black-Scholes model to value the option awards in fiscal 2018 are as follows:

	Fiscal 2018
Dividend Yield	1.3%
Expected Volatility	36.3%
Risk Free Interest Rate	2.1%
Expected Life	6.0 years

Stock option expense for all outstanding stock option awards totaled approximately $0.9 million and $1.2 million for the three months ended June 30, 2017 and 2016, respectively. At June 30, 2017, there was approximately $10.0 million of unrecognized compensation cost related to outstanding stock options, which is expected to be recognized over a weighted-average period of 3.0 years.

The following table represents stock option activity for the three months ended June 30, 2017:

	Number of Shares	Weighted-Average Exercise Price
Outstanding Options at Beginning of Period	1,323,379	$ 66.07
Granted	113,934	$ 100.58
Exercised	(44,534)	$ 28.59
Cancelled	(16,742)	$ 78.05
Outstanding Options at End of Period	1,376,037	$ 70.00
Options Exercisable at End of Period	970,765	$ 64.25
Weighted-Average Fair Value of Options Granted during the Period	$ 33.51	

The following table summarizes information about stock options outstanding at June 30, 2017:

	Outstanding Options			Exercisable Options	
Range of Exercise Prices	Number of Shares Outstanding	Weighted - Average Remaining Contractual Life	Weighted - Average Exercise Price	Number of Shares Outstanding	Weighted - Average Exercise Price
$23.17 – $ 30.74	107,435	3.39	$ 24.52	107,435	$ 24.52
$33.43 – $ 37.34	177,333	4.96	$ 33.88	174,333	$ 33.82
$53.22 – $ 77.67	426,216	7.31	$ 70.05	270,173	$ 68.49
$79.73 – $ 106.00	665,053	7.99	$ 86.94	418,824	$ 84.36
	1,376,037	7.03	$ 70.00	970,765	$ 64.25

At June 30, 2017, the aggregate intrinsic value for outstanding and exercisable options was approximately $30.9 million and $27.4 million, respectively. The total intrinsic value of options exercised during the three months ended June 30, 2017 was approximately $3.0 million.

Restricted Stock. In May 2017, the Compensation Committee approved the granting of an aggregate of 52,646 shares of performance vesting restricted stock to certain officers and key employees that will be earned if certain performance conditions are satisfied (the "Fiscal 2018 Employee Restricted Stock Performance Award"). The performance criterion for the Fiscal 2018 Employee Restricted Stock Performance Award is based upon the achievement of certain levels of return on equity (as defined in the award agreement), ranging from 11.0% to 18.0%, for the fiscal year ending March 31, 2018. All restricted shares will be earned if the return on equity is 18.0% or greater, and the percentage of shares earned will be reduced proportionately to approximately 66.7% if the return on equity is 11.0%. If the Company does not achieve a return on equity of at least 11.0%, all awards will be forfeited. Following any such reduction, restrictions on the earned shares will lapse ratably over four years, with the first fourth lapsing promptly following the determination date, and the remaining restrictions lapsing on March 31, 2019 through 2021. The Compensation Committee also approved the granting of 43,874 shares of time vesting restricted stock to the same officers and key employees, which vest ratably over four years (the "Fiscal 2018 Employee Restricted Stock Time Vesting Award). Both of the Fiscal 2018 Employee Restricted Stock Performance Award and the Fiscal 2018 Employee Restricted Stock Time Vesting Award were valued at the closing price of the stock on the date of grant, and are being expensed over a four year period.

Expense related to restricted shares was approximately $2.5 million and $1.4 million for the three months ended June 30, 2017 and 2016, respectively. At June 30, 2017, there was approximately $18.9 million of unearned compensation from restricted stock, which will be recognized over a weighted-average period of 2.9 years.

The number of shares available for future grants of stock options, restricted stock units, stock appreciation rights and restricted stock under the Plan was 4,169,374 at June 30, 2017.

(I) COMPUTATION OF EARNINGS PER SHARE

The calculation of basic and diluted common shares outstanding is as follows:

	For the Three Months Ended June 30,	
	2017	2016
Weighted-Average Shares of Common Stock Outstanding	48,121,890	48,014,195
Common Equivalent Shares:		
Assumed Exercise of Outstanding Dilutive Options	1,259,741	1,039,189
Less: Shares Repurchased from Assumed Proceeds of Assumed Exercised Options	(928,723)	(715,139)
Restricted Shares	202,645	183,962
Weighted-Average Common and Common Equivalent Shares Outstanding	48,655,553	48,522,207
Shares Excluded Due to Anti-dilution Effects	63,359	692,219

(J) PENSION AND EMPLOYEE BENEFIT PLANS

We sponsor several defined benefit and defined contribution pension plans which together cover substantially all our employees. Benefits paid under the defined benefit plans covering certain hourly employees are based on years of service and the employee's qualifying compensation over the last few years of employment.

The following table shows the components of net periodic cost for our plans:

	For the Three Months Ended June 30,	
	2017	2016
	(dollars in thousands)	
Service Cost – Benefits Earned During the Period	$ 250	$ 222
Interest Cost of Benefit Obligations	396	399
Expected Return on Plan Assets	(401)	(416)
Recognized Net Actuarial Loss	428	425
Amortization of Prior-Service Cost	90	75
Net Periodic Pension Cost	$ 763	$ 705

(K) INCOME TAXES

Income taxes for the interim period presented have been included in the accompanying financial statements on the basis of an estimated annual effective tax rate. In addition to the amount of tax resulting from applying the estimated annual effective tax rate to pre-tax income, we will, when appropriate, include certain items treated as discrete events to arrive at an estimated overall tax amount. The effective tax rate for the three months ended June 30, 2017 was approximately 31%, which was lower than the effective tax rate of 33% for the three months ended June 30, 2016, primarily due to the discrete benefit of approximately $1.0 million related to share based compensation, in accordance with ASU 2016-09.

(L) LONG-TERM DEBT

Long-term debt consists of the following:

	As of	
	June 30, 2017	March 31, 2017
	(dollars in thousands)	
Credit Facility	$ 200,000	$ 225,000
4.500% Senior Unsecured Notes Due 2026	350,000	350,000
Private Placement Senior Unsecured Notes	117,714	117,714
Total Debt	667,714	692,714
Less: Current Portion of Long-term Debt	(81,214)	(81,214)
Less: Debt Origination Costs	(6,079)	(6,247)
Total Long-term Debt	$ 580,421	$ 605,253

Credit Facility –

We have a $500.0 million revolving credit facility (the “Credit Facility”), including a swingline loan sublimit of $25.0 million, which terminates on August 2, 2021. Borrowings under the Credit Facility are guaranteed by substantially all of the Company’s subsidiaries. At the option of the Company, outstanding principal amounts on the Credit Facility bear interest at a variable rate equal to (i) The London Interbank Offered Rate (“LIBOR”) for the selected period, plus an applicable rate (ranging from 100 to 225 basis points), which is to be established quarterly based upon the Company’s ratio of consolidated EBITDA, defined as earnings before interest, taxes, depreciation and amortization, to the Company’s consolidated indebtedness (the “Leverage Ratio”), or (ii) an alternative base rate which is the higher of (a) the prime rate or (b) the federal funds rate plus 1/2% per annum plus an applicable rate (ranging from 0 to 125 basis points). Interest payments are payable, in the case of loans bearing interest at a rate based on the federal funds rate, quarterly, or in the case of loans bearing interest at a rate based on LIBOR, at the end of the applicable interest period. The Company is also required to pay a commitment fee on unused available borrowings under the Credit Facility ranging from 10 to 35 basis points depending upon the Leverage Ratio. The Credit Facility contains customary covenants that restrict our ability to incur additional debt, encumber our assets, sell assets, make or enter into certain investments, loans or guaranties and enter into sale and leaseback arrangements. The Credit Facility also requires us to maintain a consolidated indebtedness ratio (calculated as consolidated indebtedness to consolidated earnings before int erest, taxes, depreciation, amortization, certain transaction-related deductions and other non-cash deductions) of 3.5:1.0 or less and an interest coverage ratio (consolidated earnings before interest, taxes, depreciation, amortization, certain transaction -related deductions and other non-cash deductions to consolidated interest expense) of at least 2.5:1.0. We had $200.0 million of borrowings outstanding at June 30, 2017. Based on our Leverage Ratio, we had $290.6 million of available borrowings, net of the outstanding letters of credit, at June 30, 2017.

The Credit Facility has a $40.0 million letter of credit facility. Under the letter of credit facility, the Company pays a fee at a per annum rate equal to the applicable margin for Eurodollar loans in effect from time to time plus a one-time letter of credit fee in an amount equal to 0.125% of the initial stated amount. At June 30, 2017, we had $9.4 million of letters of credit outstanding.

4.500% Senior Unsecured Notes Due 2026 –

On August 2, 2016, the Company issued $350.0 million aggregate principal amount of 4.500% senior notes ("Senior Unsecured Notes") due August 2026. Interest on the Senior Unsecured Notes is payable semiannually on February 1 and August 1 of each year until all of the outstanding notes are paid. The Senior Unsecured Notes rank equal to existing and future senior indebtedness, including the Credit Facility and the Private Placement Senior Unsecured Notes. Prior to August 1, 2019, we may redeem up to 40% of the original aggregate principal amount of the Senior Unsecured Notes with the proceeds of certain equity offerings at a redemption price of 104.5% of the principal amount of the notes. On or after August 1, 2019 and prior to August 1, 2021, we may redeem some or all of the Senior Unsecured Notes at a price equal to 100% of the principal amount, plus a “make-whole” premium. Beginning on August 1, 2021, we may redeem some or all of the Senior Unsecured Notes at the redemption prices set forth below (expressed as a percentage of the principal amount being redeemed):

	Percentage
2021	102.25%
2022	101.50%
2023	100.75%
2024 and thereafter	100.00%

The Senior Unsecured Notes contain covenants that limit our ability and/or our guarantor subsidiaries' ability to create or permit to exist certain liens; enter into sale and leaseback transactions; and consolidate, merge, or transfer all or substantially all of our assets. The Company’s Senior Unsecured Notes are fully and unconditionally and jointly and severally guaranteed by each of our subsidiaries that is a guarantor under the Credit Facility and Private Placement Senior Unsecured Notes. See Footnote (P) to the Unaudited Consolidated Financial Statements for more information on the guarantors of the Senior Public Notes.

Private Placement Senior Unsecured Notes -

We entered into a Note Purchase Agreement on November 15, 2005 (the “2005 Note Purchase Agreement”) in connection with our sale of $200.0 million of senior, unsecured notes, designated as Series 2005A Senior Notes (the “Series 2005A Senior Unsecured Notes”) in a private placement transaction. The Series 2005A Senior Unsecured Notes, which are guaranteed by substantially all of our subsidiaries, were sold at par and issued in three tranches. At June 30, 2017, the amount outstanding for the remaining tranche is as follows:

	Principal	Maturity Date	Interest Rate
Tranche C	$57.2 million	November 15, 2017	5.48%

Interest for this tranche of Series 2005A Senior Unsecured Notes is payable semi-annually on May 15 and November 15 of each year until all principal is paid.

We also entered into an additional Note Purchase Agreement on October 2, 2007 (the “2007 Note Purchase Agreement”) in connection with our sale of $200.0 million of senior unsecured notes, designated as Series 2007A Senior Notes (the “Series 2007A Senior Unsecured Notes” and together with the Series 2005 A Senior Unsecured Notes, the “Private Placement Senior Unsecured Notes”) in a private placement transaction. The Series 2007A Senior Unsecured Notes, which are guaranteed by substantially all of our subsidiaries, were sold at par and issued in four tranch es. At June 30, 2017, the amounts outstanding for each of the remaining tranches were as follows:

	Principal	Maturity Date	Interest Rate
Tranche C	$24.0 million	October 2, 2017	6.36%
Tranche D	$36.5 million	October 2, 2019	6.48%

Interest for each tranche of Notes is payable semi-annually April 2 and October 2 of each year until all principal is paid for the respective tranche.

Our obligations under the 2005 Note Purchase Agreement and 2007 Note Purchase Agreement (together, the “Private Placement Note Purchase Agreements”) and the Private Placement Senior Unsecured Notes are equal in right of payment with all other senior, unsecured indebtedness of the Company, including our indebtedness under the Credit Facility and Senior Unsecured Notes. The Private Placement Note Purchase Agreements contain customary restrictive covenants, including, but not limited to, covenants that place limits on our ability to encumber our assets, to incur additional debt, to sell assets, or to merge or consolidate with third parties.

The Private Placement Note Purchase Agreements require us to maintain a Consolidated Debt to Consolidated EBITDA (calculated as consolidated indebtedness to consolidated earnings before interest, taxes, depreciation, depletion, amortization, certain transaction related deductions and other non-cash charges) ratio of 3.50 to 1.00 or less. The 2007 Note Purchase Agreement requires us to maintain an interest coverage ratio (Consolidated EBITDA to Consolidated Interest Expense (calculated as consolidated EBITDA, as defined above, to consolidated interest expense)) of at least 2.50:1.00. In addition, the 2007 Note Purchase Agreement requires the Company to ensure that at all times either (i) Consolidated Total Assets equal at least 80% of the consolidated total assets of the Company and its Subsidiaries, determined in accordance with GAAP, or (ii) consolidated total revenues of the Company and its Restricted Subsidiaries for the period of four consecutive fiscal quarters most recently ended equals at least 80% of the consolidated total revenues of the Company and its Subsidiaries during such period. We were in compliance with all financial ratios and tests at June 30, 2017.

Pursuant to a Subsidiary Guaranty Agreement, substantially all of our subsidiaries have guaranteed the punctual payment of all principal, interest, and Make-Whole Amounts (as defined in the Private Placement Note Purchase Agreements) on the Private Placement Senior Unsecured Notes and the other payment and performance obligations of the Company contained in the Private Placement Senior Unsecured Notes and in the Private Placement Note Purchase Agreements. We are permitted, at our option and without penalty, to prepay from time to time at least 10% of the original aggregate principal amount of the Private Placement Senior Unsecured Notes at 100% of the principal amount to be prepaid, together with interest accrued on such amount to be prepaid to the date of payment, plus a Make-Whole Amount. The Make-Whole Amount is computed by discounting the remaining scheduled payments of interest and principal of the Private Placement Senior Unsecured Notes being prepaid at a discount rate equal to the sum of 50 basis points and the yield to maturity of U.S. treasury securities having a maturity equal to the remaining average life of the Private Placement Senior Unsecured Notes being prepaid.

We lease one of our cement plants from the city of Sugar Creek, Missouri. The city of Sugar Creek issued industrial revenue bonds to partly finance improvements to the cement plant. The lease payments due to the city of Sugar Creek under the cement plant lease, which was entered into upon the sale of the industrial revenue bonds, are equal in amount to the payments required to be made by the city of Sugar Creek to the holders of the industrial revenue bonds. Because we are the holder of all of the outstanding industrial revenue bonds, no debt is reflected on our financial statements in connection with our lease of the cement plant. At the conclusion of the lease in fiscal 2021, we have the option to purchase the cement plant for a nominal amount.

(M) SEGMENT INFORMATION

Operating segments are defined as components of an enterprise that engage in business activities that earn revenues, incur expenses and prepare separate financial information that is evaluated regularly by our chief operating decision maker in order to allocate resources and assess performance.

We operate in five business segments: Cement, Gypsum Wallboard, Recycled Paperboard, Oil and Gas Proppants and Concrete and Aggregates. These operations are conducted in the U.S. and include the mining of limestone and the manufacture, production, distribution and sale of Portland cement and slag (basic construction materials which are the essential binding ingredient in concrete), the grinding the mining of gypsum and the manufacture and sale of gypsum wallboard, the manufacture and sale of recycled paperboard to the gypsum wallboard industry and other paperboard converters, the sale of readymix concrete and the mining and sale of aggregates (crushed stone, sand and gravel) and sand used in hydraulic fracturing ("frac sand"). The products that we manufacture, distribute and sell are basic materials used with broad application as construction products, building materials, and basic materials used for oil and natural gas extraction. Our construction products are used in residential, industrial, commercial and infrastructure construction and include cement, slag, concrete and aggregates. Our building materials are sold into similar markets and include gypsum wallboard. Our basic materials used for oil and natural gas extraction include frac sand and oil well cement.

We operate seven cement plants, one slag grinding facility, seventeen cement distribution terminals, five gypsum wallboard plants, including the plant idled in Bernalillo, N.M., a gypsum wallboard distribution center, a recycled paperboard mill, seventeen readymix concrete batch plant locations, four aggregates processing plant locations, two frac sand processing facilities, including the mine idled in Utica, Illinois, three frac sand drying facilities, including the facility idled in Corpus Christi, Texas, and six frac sand trans-load locations. The principal markets for our cement products are Texas, northern Illinois (including Chicago), the central plains, the Rocky Mountains, northern Nevada, and northern California. Gypsum wallboard and recycled paperboard are distributed throughout the continental U.S, with the exception of the northeast. Concrete and aggregates are sold to local readymix producers and paving contractors in the Austin, Texas area, north of Sacramento, California and the greater Kansas City, Missouri area, while frac sand is currently sold into shale deposit zones across the United States.

We conduct one of our seven cement plant operations, Texas Lehigh Cement Company LP in Buda, Texas, through a Joint Venture. For segment reporting purposes only, we proportionately consolidate our 50% share of the Joint Venture's revenues and operating earnings, which is consistent with the way management reports the segments within the Company for making operating decisions and assessing performance.

We account for intersegment sales at market prices. The following table sets forth certain financial information relating to our operations by segment:

	For the Three Months Ended June 30, 2017	2016
	(dollars in thousands)	
Revenues -		
Cement	$ 182,935	$ 144,792
Gypsum Wallboard	126,813	113,262
Paperboard	44,413	42,815
Oil and Gas Proppants	18,910	5,096
Concrete and Aggregates	43,919	34,751
Sub-total	416,990	340,716
Less: Intersegment Revenues	(22,699)	(18,324)
Net Revenues, including Joint Venture	394,291	322,392
Less: Joint Venture	(28,170)	(24,888)
Net Revenues	$ 366,121	$ 297,504

	For the Three Months Ended June 30, 2017	2016
	(dollars in thousands)	
Intersegment Revenues -		
Cement	$ 4,929	$ 3,535
Paperboard	17,357	14,506
Concrete and Aggregates	413	283
	$ 22,699	$ 18,324
Cement Sales Volume (in thousands of tons) -		
Wholly –owned Operations	1,268	1,033
Joint Venture	243	218
	1,511	1,251

	For the Three Months Ended June 30, 2017	2016
	(dollars in thousands)	
Operating Earnings -		
Cement	$ 43,181	$ 31,600
Gypsum Wallboard	43,821	39,336
Paperboard	4,938	11,227
Oil and Gas Proppants	(2,026)	(5,912)
Concrete and Aggregates	6,021	3,684
Other, net	757	1,075
Sub-total	96,692	81,010
Corporate General and Administrative	(9,679)	(9,833)
Earnings Before Interest and Income Taxes	87,013	71,177
Interest Expense, net	(7,483)	(3,901)
Earnings Before Income Taxes	$ 79,530	$ 67,276
Cement Operating Earnings -		
Wholly–owned Operations	$ 33,305	$ 23,620
Joint Venture	9,876	7,980
	$ 43,181	$ 31,600
Capital Expenditures -		
Cement	$ 7,718	$ 5,245
Gypsum Wallboard	5,642	1,328
Paperboard	764	1,304
Oil and Gas Proppants	579	57
Concrete and Aggregates	1,412	1,044
Other	45	—
	$ 16,160	$ 8,978
Depreciation, Depletion and Amortization -		
Cement	$ 12,479	$ 8,611
Gypsum Wallboard	4,442	4,762
Paperboard	2,137	2,100
Oil and Gas Proppants	7,606	5,184
Concrete and Aggregates	1,914	1,749
Other, net	369	457
	$ 28,947	$ 22,863

	As of June 30, 2017	March 31, 2017
	(dollars in thousands)	
Identifiable Assets -		
Cement	$ 1,263,484	$ 1,234,617
Gypsum Wallboard	377,562	379,414
Paperboard	126,583	124,356
Oil and Gas Proppants	373,964	376,306
Concrete and Aggregates	110,575	110,413
Corporate and Other	27,422	22,018
	$ 2,279,590	$ 2,247,124

Segment operating earnings, including the proportionately consolidated 50% interest in the revenues and expenses of the Joint Venture, represent revenues, less direct operating expenses, segment depreciation, and segment selling, general and administrative expenses. Corporate assets consist primarily of cash and cash equivalents, general office assets, miscellaneous other assets and unrecognized tax benefits. The segment breakdown of goodwill is as follows:

	As of	
	June 30, 2017	March 31, 2017
	(dollars in thousands)	
Cement	$ 74,214	$ 74,214
Gypsum Wallboard	116,618	116,618
Paperboard	7,538	7,538
	$ 198,370	$ 198,370

Summarized financial information for the Joint Venture that is not consolidated is set out below (this summarized financial information includes the total amount for the Joint Venture and not our 50% interest in those amounts):

	For the Three Months Ended June 30,	
	2017	2016
	(dollars in thousands)	
Revenues	$ 56,340	$ 49,776
Gross Margin	$ 21,312	$ 17,337
Earnings Before Income Taxes	$ 19,917	$ 16,138

	As of	
	June 30, 2017	March 31, 2017
	(dollars in thousands)	
Current Assets	$ 75,940	$ 73,767
Non-Current Assets	$ 47,184	$ 42,337
Current Liabilities	$ 18,944	$ 22,293

(N) INTEREST EXPENSE

The following components are included in interest expense, net:

	For the Three Months Ended June 30,	
	2017	2016
	(dollars in thousands)	
Interest (Income)	$ (3)	$ —
Interest Expense	7,176	3,749
Other Expenses	310	152
Interest Expense, net	$ 7,483	$ 3,901

Interest income includes interest on investments of excess cash. Components of interest expense include interest associated with the Private Placement Senior Unsecured Notes, the Credit Facility, the Senior Unsecured Notes and commitment fees based on the unused portion of the Credit Facility. Other expenses include amortization of debt issuance costs, and credit facility costs.

(O) COMMITMENTS AND CONTINGENCIES

We have certain deductible limits under our workers' compensation and liability insurance policies for which reserves are established based on the undiscounted estimated costs of known and anticipated claims. We have entered into standby letter of credit agreements relating to workers' compensation and auto and general liability self-insurance. At June 30, 2017, we had contingent liabilities under these outstanding letters of credit of approximately $9.4 million.

In the ordinary course of business, we execute contracts involving indemnifications that are standard in the industry and indemnifications specific to a transaction such as sale of a business. These indemnifications may include claims relating to any of the following: environmental and tax matters; intellectual property rights; governmental regulations and employment-related matters; customer, supplier, and other commercial contractual relationships; construction contracts and financial matters. While the maximum amount to which the Company may be exposed under such agreements cannot be estimated, it is the opinion of management that these indemnifications are not expected to have a material adverse effect on our consolidated financial position, results of operations or cash flows. We currently have no outstanding guarantees.

We are currently contingently liable for performance under $20.1 million in performance bonds required by certain states and municipalities, and their related agencies. The bonds are principally for certain reclamation obligations and mining permits. We have indemnified the underwriting insurance company against any exposure under the performance bonds. In our past experience, no material claims have been made against these financial instruments.

EPA Notice of Violation

On October 5, 2010, Region IX of the EPA issued a Notice of Violation and Finding of Violation ("NOV") alleging violations by our subsidiary, Nevada Cement Company ("NCC"), of the Clean Air Act ("CAA"). The NOV alleges that NCC made certain physical changes to its facility in the 1990s without first obtaining permits required by the Prevention of Significant Deterioration requirements and Title V permit requirements of the CAA. The EPA also alleges that NCC has failed to submit to the EPA since 2002 certain reports required by the National Emissions Standard for Hazardous Air Pollutants General Provisions and the Portland Cement Manufacturing Industry Standards. On March 12, 2014, the EPA Region IX issued a second NOV to NCC. The second NOV is materially similar to the 2010 NOV except that it alleges violations of the new source performance standards ("NSPS") for Portland cement plants. The NOVs state that the EPA may seek penalties although it does not propose or assess any specific level of penalties or specify what relief the EPA will seek for the alleged violations. In January 2017, NCC entered into a Consent Decree in which NCC agreed to install at its Fernley, Nevada plant certain emission control equipment (selective non-catalytic reduction) to reduce nitrous oxide emissions and to pay a penalty of $0.6 million. NCC also agreed to replace two existing vehicles with two new vehicles with more efficient Tier 4 engines. Under the terms of the Consent Decree, NCC will complete the installation of the emission control equipment and vehicle replacement in approximately 2 years. It is anticipated that the investment in the new emission control equipment and vehicles will cost approximately $3.0 million. In the Consent Decree NCC denies all allegations set forth in the NOVs and the Complaint which is to be filed simultaneously with the entry of the Consent Decree, and the Consent Decree resolves all such claims by the government. The Consent Decree was signed by the EPA and the US Department of Justice and lodged in US District Court for the District of Nevada in May 2017. The consent decree is subject to approval of the Court after a 30-day public comment period.

Domestic Wallboard Antitrust Litigation

Since late December 2012, several purported class action lawsuits were filed in various United States District Courts, including the Eastern District of Pennsylvania, Western District of North Carolina and the Northern District of Illinois, against the Company's subsidiary, American Gypsum Company LLC ("American Gypsum"), alleging that the defendant wallboard manufacturers conspired to fix the price for drywall sold in the

United States in violation of federal antitrust laws and, in some cases related provisions of state law. The complaints allege that the defendant wallboard manufacturers conspired to increase prices through the announcement and im plementation of coordinated price increases, output restrictions, and other restraints of trade, including the elimination of individual "job quote" pricing. In addition to American Gypsum, the defendants in these lawsuits include CertainTeed Corp., USG Co rporation and United States Gypsum (together "USG"), New NGC, Inc., Lafarge North America ("Lafarge"), Temple Inland Inc. ("TIN") and PABCO Building Products LLC. On April 8, 2013, the Judicial Panel on Multidistrict Litigation ("JPML") transferred and con solidated all related cases to the Eastern District of Pennsylvania for coordinated pretrial proceedings.

On June 24, 2013, the direct and indirect purchaser plaintiffs filed consolidated amended class action complaints. The direct purchasers' complaint added the Company as a defendant. The plaintiffs in the consolidated class action lawsuits bring claims on behalf of purported classes of direct or indirect purchasers of wallboard from January 1, 2012 to the present for unspecified monetary damages (including treble damages) and in some cases injunctive relief. On July 29, 2013, the Company and American Gypsum answered the complaints, denying all allegations that they conspired to increase the price of drywall and asserting affirmative defenses to the plaintiffs' claims.

In 2014, USG and TIN entered into agreements with counsel representing the direct and indirect purchaser classes pursuant to which they agreed to settle all claims against them. Under the terms of its settlement agreement, USG agreed to pay $48.0 million to resolve the direct and indirect purchaser class actions. In its settlement agreement, TIN agreed to pay $7.0 million to resolve the direct and indirect purchaser class actions. On August 20, 2015, the court entered orders finally approving USG and TIN's settlements with the direct and indirect purchaser plaintiffs. Initial discovery in this litigation is complete. Following completion of the initial discovery, the Company and remaining co-defendants moved for summary judgement. On February 18, 2016, the court denied the Company's motion for summary judgement. On June 16, 2016, Lafarge entered into an agreement with counsel for the direct purchaser class under which it agreed to settle all claims against it for $23.0 million. The court entered an order finally approving this settlement on December 7, 2016. On July 28, 2016, Lafarge entered into an agreement with counsel representing the indirect purchaser class under which it agreed to settle all claims against it for $5.2 million. Indirect purchaser plaintiffs filed a motion for preliminary approval of this settlement in September 2016. On July 14, 2016, the Company's motion for permission to appeal the summary judgement decision to the U.S. Court of Appeals for the Third Circuit was denied. Direct purchaser plaintiffs and indirect purchaser plaintiffs filed their motions for class certification on August 3, 2016 and October 12, 2016, respectively. Class certification proceedings are ongoing. The Court held an evidentiary hearing on the direct purchaser plaintiff's motion for class certification in April 2017 and held a hearing on indirect purchaser plaintiff's motion for class certification in June 2017. We are unable to estimate the amount of any reasonably possible loss or range of reasonably possible losses. We deny the allegations in these lawsuits and will vigorously defend ourselves against these claims.

On March 17, 2015, a group of homebuilders filed a complaint against the defendants, including American Gypsum, based upon the same conduct alleged in the consolidated class action complaints. On March 24, 2015, the JPML transferred this action to the multidistrict litigation already pending in the Eastern District of Pennsylvania. Following the transfer, the homebuilder plaintiffs filed two amended complaints, on December 14, 2015 and March 25, 2016. Discovery in this lawsuit is ongoing. At this stage, we are unable to estimate the amount of any reasonably possible loss or range of reasonably possible losses.

In June 2015, American Gypsum and an employee received grand jury subpoenas from the United States District Court for the Western District of North Carolina seeking information regarding an investigation of the gypsum drywall industry by the Antitrust Division of the Department of Justice. We believe the investigation, although a separate proceeding, is related to the same subject matter at issue in the litigation described above and we intend to fully cooperate with government officials. Given its preliminary nature, we are currently unable to determine the ultimate outcome of such investigation.

(P) FAIR VALUE OF FINANCIAL INSTRUMENTS

The fair value of our long-term debt has been estimated based upon our current incremental borrowing rates for similar types of borrowing arrangements. The fair value of our Senior Notes at June 30, 2017 is as follows:

	Fair Value (dollars in thousands)
Series 2005A Tranche C	$ 57,754
Series 2007A Tranche C	24,212
Series 2007A Tranche D	38,887
4.5% Senior Unsecured Notes Due 2026	361,900

The estimated fair value of our long-term debt was based on quoted prices of similar debt instruments with similar terms that are publicly traded (level 2 input). The carrying values of cash and cash equivalents, accounts and notes receivable, accounts payable and accrued liabilities approximate their fair values at June 30, 2017 due to the short-term maturities of these assets and liabilities. The fair value of our Credit Facility also approximates its carrying value at June 30, 2017.

(Q) FINANCIAL STATEMENTS FOR GUARANTORS OF THE 4.500% SENIOR UNSECURED NOTES

On August 2, 2016, the Company completed a public offering of its Senior Unsecured Notes. The Senior Unsecured Notes are senior unsecured obligations of the Company and were offered under the Company's existing shelf registration statement filed with the Securities and Exchange Commission.

The Senior Unsecured Notes are guaranteed by all of the Company's wholly-owned subsidiaries, and all guarantees are full and unconditional and are joint and several. The following unaudited condensed consolidating financial statements present separately the earnings and comprehensive earnings, financial position and cash flows of the parent issuer (Eagle Materials Inc.) and the guarantors (all wholly-owned subsidiaries of Eagle Materials Inc.) on a combined basis with eliminating entries (dollars in thousands) .

Condensed Consolidating Statement of Earnings and Comprehensive Earnings For the Three Months Ended June 30, 2017	**Parent**	**Guarantor Subsidiaries**	**Eliminations**	**Consolidated**
Revenues	$ —	$ 366,121	$ —	$ 366,121
Cost of Goods Sold	—	280,062	—	280,062
Gross Profit	—	86,059	—	86,059
Equity in Earnings of Unconsolidated Joint Venture	9,876	9,876	(9,876)	9,876
Equity in Earnings of Subsidiaries	68,173	—	(68,173)	—
Corporate General and Administrative Expenses	(8,648)	(1,031)	—	(9,679)
Other Income (Loss)	(167)	924	—	757
Interest Expense, net	(12,962)	5,479	—	(7,483)
Earnings before Income Taxes	56,272	101,307	(78,049)	79,530
Income Taxes	8,487	(33,135)	—	(24,648)
Net Earnings	$ 64,759	$ 68,172	$ (78,049)	$ 54,882
Net Earnings	$ 64,759	$ 68,172	$ (78,049)	$ 54,882
Net Actuarial Change in Benefit Plans, net of tax	197	197	(197)	197
Comprehensive Earnings	$ 64,956	$ 68,369	$ (78,246)	$ 55,079

Condensed Consolidating Statement of Earnings and Comprehensive Earnings For the Three Months Ended June 30, 2016	Parent	Guarantor Subsidiaries	Eliminations	Consolidated
Revenues	$ —	$ 297,504	$ —	$ 297,504
Cost of Goods Sold	—	225,549	—	225,549
Gross Profit	—	71,955	—	71,955
Equity in Earnings of Unconsolidated Joint Venture	7,980	7,980	(7,980)	7,980
Equity in Earnings of Subsidiaries	49,703	—	(49,703)	—
Corporate General and Administrative Expenses	(8,231)	(1,602)	—	(9,833)
Other Income (Loss)	(77)	1,152	—	1,075
Interest Expense, net	(10,011)	6,110	—	(3,901)
Earnings before Income Taxes	39,364	85,595	(57,683)	67,276
Income Taxes	5,980	(27,912)	—	(21,932)
Net Earnings	$ 45,344	$ 57,683	$ (57,683)	45,344
Net Earnings	$ 45,344	$ 57,683	$ (57,683)	45,344
Net Actuarial Change in Benefit Plans, net of tax	312	312	(312)	312
Comprehensive Earnings	$ 45,656	$ 57,995	$ (57,995)	$ 45,656

Condensed Consolidating Balance Sheet At June 30, 2017	Parent	Guarantor Subsidiaries	Eliminations	Consolidated
ASSETS				
Current Assets -				
Cash and Cash Equivalents	$ 10,682	$ 1,551	$ —	$ 12,233
Accounts and Notes Receivable	399	174,603	—	175,002
Inventories	—	244,886	—	244,886
Income Tax Receivable	10,252	—	(10,252)	—
Prepaid and Other Current Assets	689	7,492	—	8,181
Total Current Assets	22,022	428,532	(10,252)	440,302
Property, Plant and Equipment -	2,925	2,451,875	—	2,454,800
Less: Accumulated Depreciation	(968)	(918,764)	—	(919,732)
Property, Plant and Equipment, net	1,957	1,533,111	—	1,535,068
Notes Receivable	—	653	—	653
Investment in Joint Venture	56	53,694	—	53,750
Investments in Subsidiaries and Receivables from Affiliates	5,230,160	3,309,550	(8,539,710)	—
Goodwill and Intangible Assets, net	—	234,707	—	234,707
Other Assets	5,605	9,505	—	15,110
	$ 5,259,800	$ 5,569,752	$ (8,549,962)	$ 2,279,590
LIABILITIES AND STOCKHOLDERS' EQUITY				
Current Liabilities-				
Accounts Payable	$ 6,139	$ 72,624	$ —	$ 78,763
Accrued Liabilities	21,225	32,063	—	53,288
Income Tax Payable	—	36,714	(10,252)	26,462
Current Portion of Long-term Debt	81,214	—	—	81,214
Total Current Liabilities	108,578	141,401	(10,252)	239,727
Long-term Debt	580,421	—	—	580,421
Other Long-term Liabilities	173	41,853	—	42,026
Payables to Affiliates	3,309,550	2,861,409	(6,170,959)	—
Deferred Income Taxes	5,991	156,338	—	162,329
Total Liabilities	4,004,713	3,201,001	(6,181,211)	1,024,503
Total Stockholders' Equity	1,255,087	2,368,751	(2,368,751)	1,255,087
	$ 5,259,800	$ 5,569,752	$ (8,549,962)	$ 2,279,590

Condensed Consolidating Balance Sheet
At March 31, 2017

	Parent	Guarantor Subsidiaries	Eliminations	Consolidated
ASSETS				
Current Assets -				
Cash and Cash Equivalents	$ 5,184	$ 1,377	$ —	$ 6,561
Accounts and Notes Receivable	422	135,891	—	136,313
Inventories	—	252,846	—	252,846
Income Tax Receivable	33,196	—	(33,196)	—
Prepaid and Other Current Assets	484	4,420	—	4,904
Total Current Assets	39,286	394,534	(33,196)	400,624
Property, Plant and Equipment -	2,914	2,436,524	—	2,439,438
Less: Accumulated Depreciation	(937)	(891,664)	—	(892,601)
Property, Plant and Equipment, net	1,977	1,544,860	—	1,546,837
Notes Receivable	—	815	—	815
Investment in Joint Venture	51	48,569	—	48,620
Investments in Subsidiaries and Receivables from Affiliates	5,126,289	3,252,309	(8,378,598)	—
Goodwill and Intangible Assets, net	—	235,505	—	235,505
Other Assets	5,687	9,036	—	14,723
	$ 5,173,290	$ 5,485,628	$ (8,411,794)	$ 2,247,124
LIABILITIES AND STOCKHOLDERS' EQUITY				
Current Liabilities-				
Accounts Payable	$ 6,687	$ 85,506	$ —	$ 92,193
Accrued Liabilities	21,043	34,336	—	55,379
Income Tax Payable	733	33,196	(33,196)	733
Current Portion of Long-term Debt	81,214	—	—	81,214
Total Current Liabilities	109,677	153,038	(33,196)	229,519
Long-term Debt	605,253	—	—	605,253
Other Long-term Liabilities	189	42,689	—	42,878
Payables to Affiliates	3,252,309	2,825,710	(6,078,019)	—
Deferred Income Taxes	2,412	163,612	—	166,024
Total Liabilities	3,969,840	3,185,049	(6,111,215)	1,043,674
Total Stockholders' Equity	1,203,450	2,300,579	(2,300,579)	1,203,450
	$ 5,173,290	$ 5,485,628	$ (8,411,794)	$ 2,247,124

Condensed Consolidating Statement of Cash Flows Three Months ended June 30, 2017	Parent	Guarantor Subsidiaries	Eliminations	Consolidated
CASH FLOWS FROM OPERATING ACTIVITIES				
Net Cash Provided by (Used in) Operating Activities	$ 16,506	$ 37,164	$ —	$ 53,670
CASH FLOWS FROM INVESTING ACTIVITIES				
Additions to Property, Plant and Equipment	—	(16,160)	—	(16,160)
Net Cash Used in Investing Activities	—	(16,160)	—	(16,160)
CASH FLOWS FROM FINANCING ACTIVITIES				
Repayment of Credit Facility	(25,000)	—	—	(25,000)
Dividends Paid to Stockholders	(4,853)	—	—	(4,853)
Purchase and Retirement of Common Stock	(1,880)	—	—	(1,880)
Proceeds from Stock Option Exercises	1,273	—	—	1,273
Shares Redeemed to Settle Employee Taxes on Stock Compensation	(1,378)	—	—	(1,378)
Intra-entity Activity, net	20,830	(20,830)	—	—
Net Cash Provided by (Used in) Financing Activities	(11,008)	(20,830)	—	(31,838)
NET INCREASE IN CASH AND CASH EQUIVALENTS	5,498	174	—	5,672
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	5,184	1,377	—	6,561
CASH AND CASH EQUIVALENTS AT END OF PERIOD	$ 10,682	$ 1,551	$ —	$ 12,233

Condensed Consolidating Statement of Cash Flows Three Months ended June 30, 2016	Parent	Guarantor Subsidiaries	Eliminations	Consolidated
CASH FLOWS FROM OPERATING ACTIVITIES				
Net Cash Provided by (Used in) Operating Activities	$ (35,457)	$ 89,540	$ —	$ 54,083
CASH FLOWS FROM INVESTING ACTIVITIES				
Additions to Property, Plant and Equipment	—	(8,978)	—	(8,978)
Net Cash Used in Investing Activities	—	(8,978)	—	(8,978)
CASH FLOWS FROM FINANCING ACTIVITIES				
Repayment of Credit Facility	(9,000)	—	—	(9,000)
Dividends Paid to Stockholders	(4,828)	—	—	(4,828)
Shares Redeemed to Settle Employee Taxes on Stock Compensation	(2,284)	—	—	(2,284)
Purchase and Retirement of Common Stock	(39,135)	—	—	(39,135)
Proceed from Stock Option Exercises	10,632	—	—	10,632
Excess Tax Benefits from Share Based Payment Arrangements	3,299	—	—	3,299
Intra-entity Activity, net	77,474	(77,474)	—	—
Net Cash Provided by (Used in) Financing Activities	36,158	(77,474)	—	(41,316)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	701	3,088	—	3,789
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	3,507	1,884	—	5,391
CASH AND CASH EQUIVALENTS AT END OF PERIOD	$ 4,208	$ 4,972	$ —	$ 9,180

Ite m 2. Management's Discussion and Analysis of Results of Operations and Financial Condition

EXECUTIVE SUMMARY

Eagle Materials Inc. is a diversified producer of basic building materials and construction products used in residential, industrial, commercial and infrastructure construction. Information presented for the three months ended June 30, 2017 and 2016, respectively, reflects the Company's business segments, consisting of Cement, Gypsum Wallboard, Recycled Paperboard, Oil and Gas Proppants and Concrete and Aggregates. These operations are conducted in the U.S. and include the mining of limestone and the manufacture, production, distribution and sale of Portland cement (a basic construction material which is the essential binding ingredient in concrete) and specialty oil well cement; the grinding of slag; the mining of gypsum and the manufacture and sale of gypsum wallboard; the manufacture and sale of recycled paperboard to the gypsum wallboard industry and other paperboard converters; the sale of readymix concrete, the mining and sale of aggregates (crushed stone, sand and gravel) and the mining and sale of sand used in hydraulic fracturing ("frac sand"). The products that we manufacture, distribute and sell are basic materials with broad application as construction products, building materials and basic materials used for oil and natural gas extraction. Our construction products are used in residential, industrial, commercial and infrastructure construction and include cement, concrete and aggregates. Our building materials are sold into similar markets and include gypsum wallboard. Our basic materials used for oil and gas extraction include frac sand and oil well cement. Certain information for each of Concrete and Aggregates is broken out separately in the segment discussions.

We operate in cyclical commodity businesses that are affected by changes in market conditions and the overall construction environment. Our operations, depending on the business segment, range from local to national businesses. We have operations in a diverse set of geographic markets, which subject us to the economic conditions in those geographic markets as well as economic conditions in the national market. General economic downturns or localized downturns in the regions where we have operations may have a material adverse effect on our business, financial condition and results of operations.

On February 10, 2017, the Company completed the acquisition of the following assets (the "Fairborn Acquisition") of CEMEX Construction Materials Atlantic LLC ("the Seller"), (i) a cement distribution terminal located in Columbus, Ohio, and (ii) certain other properties and assets used by the Seller in connection with the foregoing (collectively, the "Fairborn Business"). The Purchase Price in the Fairborn Acquisition was approximately $400.5 million. In addition, the Company assumed certain liabilities and obligations of the Seller relating to the Fairborn Business, including contractual obligations, reclamation obligations and various other liabilities and obligations arising out of or relating to the Fairborn Business. The Company funded the payment of the Fairborn Purchase Price and expenses incurred in connection with the Fairborn Acquisition through a combination of cash on hand and borrowings under the Company's existing bank credit facility.

On July 27, 2017, we acquired all of the outstanding equity interests in Wildcat Minerals LLC (the "Wildcat Acquisition"). Wildcat Minerals LLC operates transload facilities serving the oil and gas industry in several oil and gas basins across the United States. The purchase price (the "Purchase Price") of the Wildcat Acquisition was approximately $37.0 million, subject to adjustments for working capital and other customary post-closing adjustments. The Purchase Price and expenses incurred in connection with the Wildcat Acquisition were funded through operating cash flow and borrowings under our bank credit facility.

We conduct one of our cement operations through a joint venture, Texas Lehigh Cement Company LP, which is located in Buda, Texas (the "Joint Venture"). We own a 50% interest in the Joint Venture and account for our interest under the equity method of accounting. We proportionately consolidate our 50% share of the Joint Venture's revenues and operating earnings in the presentation of our cement segment, which is the way management organizes the segments within the Company for making operating decisions and assessing performance.

GENERAL CONDITIONS AND OUTLOOK

The drivers of construction products demand continue to improve with the prospects for increased infrastructure spending which should positively impact both our cement, concrete and aggregates businesses. We expect to continue to benefit from an expanding U.S. economic cycle, as it relates to our businesses. Many of the key factors driving the construction products and building materials markets are positive in nature, and we expect these to continue to be positive throughout the remainder of calendar 2017.

Our cement sales network stretches across the central U.S., both east to west and north to south. While we anticipate construction grade cement consumption to continue to increase during calendar 2017, each region will increase at a different pace. Cement, concrete and aggregates markets are affected by infrastructure spending, residential home building and industrial construction activity. We expect volume and pricing improvements to vary in each of our cement markets. Overall, we expect an increase in cement, concrete and aggregates sales volumes and operating income in fiscal 2018.

Wallboard demand is heavily influenced by new residential housing construction as well as repair and remodeling. Most forecasts point to a continued pick-up in demand in both of these areas into calendar 2017. Industry shipments of gypsum wallboard were 24.7 billion square feet in calendar 2016, and we are expecting shipments to increase approximately 6% to 8% during calendar 2017. Residential housing construction and repair and remodeling are also expected to continue to grow. We are planning to restart our Bernalillo plant during fiscal 2018, and anticipate running this plant as necessary to meet customer demand. The cost to recommission the plant is not expected to be material.

We expect our recycled paperboard sales volumes to remain consistent as we are currently close to our production capacity. We expect the cost of recycled fiber to remain greater in fiscal 2018 than fiscal 2017. We currently have sales contracts that have a mechanism to adjust sales prices for increases in the cost of fiber and energy, but these price increases are only allowed at specified times, so increases in the cost of fiber may have an adverse impact on our operating earnings in the interim prior to our ability to increase the sales price of finished paper.

Demand for frac sand has recently been improving. The improved demand is due to several factors, namely increased horizontal drilling and increased sand intensity per well. We expect drilling activity and rig counts as well as proppant intensity per well to continue to increase throughout the remainder of calendar 2017, which should result in increased demand for frac sand. We are currently planning the build out of our Utica, Illinois facility. This build out will include the addition of a dry plant and distribution system. We estimate that this build out will cost approximately $70.0 million and will be completed in the summer of 2018.

RESULTS OF OPERATIONS

Consolidated Results

	For the Three Months Ended June 30, 2017	For the Three Months Ended June 30, 2016	Change
	(In thousands except per share)		
Revenues	$ 366,121	$ 297,504	23%
Cost of Goods Sold	(280,062)	(225,549)	24%
Gross Profit	86,059	71,955	20%
Equity in Earnings of Unconsolidated Joint Venture	9,876	7,980	24%
Corporate General and Administrative	(9,679)	(9,833)	(2)%
Other Income	757	1,075	(30)%
Interest Expense, net	(7,483)	(3,901)	92%
Earnings Before Income Taxes	79,530	67,276	18%
Income Tax Expense	(24,648)	(21,932)	12%
Net Earnings	$ 54,882	$ 45,344	21%
Diluted Earnings per Share	$ 1.13	$ 0.93	22%

Revenues. Revenues were $366.1 million and $297.5 million for the three months ended June 30, 2017 and 2016, respectively. Revenues from the Fairborn Acquisition positively impacted revenues by approximately $22.2 million. Excluding revenues from the Fairborn Acquisition, revenues from our legacy businesses increased in all of our segments. The increases were due primarily to improved average net sales prices in all segments, and increased sales volumes in all segments except recycled paperboard and aggregates, both of which declined approximately 5%. The increase in average net sales prices and sales volumes positively impacted net revenue by approximately $7.4 million and $39.0 million, respectively.

Cost of Goods Sold. Cost of goods sold was $280.1 million and $225.6 million during the three months ended June 30, 2017 and 2016, respectively. Approximately $16.2 million of the increase in cost of goods sold related to the Fairborn Acquisition. The remaining increase in cost of goods sold was related to increased sales volumes and operating costs, which increased cost of goods sold by approximately $27.2 million and $11.1 million, respectively. The increase in operating costs primarily related to our cement and recycled paperboard segments and are discussed further on pages 32 and 33.

Gross Profit. Gross profit was $86.1 million and $72.0 million during the three months ended June 30, 2017 and 2016, respectively. Approximately $6.0 million of the increase in gross profit is attributable to the Fairborn Acquisition, while the remaining increase is primarily related to increased average net sales prices and sales volumes, as noted above. The gross margin remained consistent at 24%, as increased operating costs offset the increase in average net sales prices.

Equity in Earnings of Joint Venture. Equity in earnings of our unconsolidated joint venture increased $1.9 million, or 24%, for the three months ended June 30, 2017. The increase is primarily due to an 11% and 4% increase in sales volumes and average net sales prices, respectively, partially offset by increased operating costs. The impact of the increase in sales volumes and average net sales prices was approximately $1.0 million and $1.1 million, respectively, partially offset by increased operating costs of approximately $0.2 million. The increase in operating costs was primarily due to an increase in purchased cement of approximately $0.8 million, partially offset by lower maintenance costs of approximately $0.6 million.

Corporate General and Administrative. Corporate general and administrative expenses decreased 2% for the three months ended June 30, 2017, compared the similar period in 2016. The decrease in corporate general and administrative expenses is due primarily to a decrease of approximately $0.8 million in legal expense, partially offset by acquisition related expenses of approximately $0.6 million.

Other Income. Other income consists of a variety of items that are non-segment operating in nature and includes non-inventoried aggregates i ncome, gypsum wallboard distribution center income, asset sales and other miscellaneous income and cost items.

Interest Expense, Net. Interest expense, net, increased approximately $3.6 million during the three months ended June 30, 2017, compared to the three months ended June 30, 2016. The increase in interest expense, net is due primarily to our issuance of $350.0 million of 4.5% senior notes during August 2016, which increased interest expense by approximately $3.9 million, partially offset by reduced interest on our line of credit of approximately $0.4 million.

Earnings Before Income Taxes. Earnings before income taxes were $79.5 million and $67.3 million during the three months ended June 30, 2017 and 2016, respectively. The increase was primarily due to an approximately $14.1 million increase in gross profit, a $1.9 million increase in equity in earnings of unconsolidated joint venture, a $0.2 million decrease in corporate general and administrative expenses, partially offset by an increase in interest expense, net of approximately $3.6 million and a $0.4 million decrease in other income.

Income Taxes. Income tax expense was $24.6 million and $21.9 million for the three months ended June 30, 2017 and 2016, respectively. The estimated effective tax rate for fiscal 2018 was approximately 31%, which is less than the 33% tax rate for fiscal 2017. The reduction in the effective rate was primarily due to the discrete income tax benefit of $1.0 million realized during the quarter related to share based compensation.

Net Earnings and Diluted Earnings per Share. Net earnings for the quarter ended June 30, 2017 of approximately $54.9 million increased 21% compared to net earnings for the quarter ended June 30, 2016 of approximately $45.3 million. Diluted earnings per share for the three months ended June 30, 2017 were $1.13, compared to diluted earnings per share of $0.93 for the three months ended June 30, 2016.

The following table highlights certain operating information related to our five business segments:

	For the Three Months Ended June 30, 2017	For the Three Months Ended June 30, 2016	Percentage Change
	(In thousands except per unit)		
Revenues [1]			
Cement [2]	$ 182,935	$ 144,792	26%
Gypsum Wallboard	126,813	113,262	12%
Recycled Paperboard	44,413	42,815	4%
Oil and Gas Proppants	18,910	5,096	271%
Concrete and Aggregates	43,919	34,751	26%
Gross Revenues	416,990	340,716	22%
Less: Intersegment Revenues	(22,699)	(18,324)	24%
Less: Joint Venture Revenues	(28,170)	(24,888)	13%
	$ 366,121	$ 297,504	23%
Sales Volume			
Cement (M Tons) [2]	1,511	1,251	21%
Gypsum Wallboard (MMSF)	654	587	11%
Recycled Paperboard (M Tons)	79	83	(5%)
Concrete (M Yards)	357	287	24%
Aggregates (M Tons)	895	944	(5%)
Frac Sand (M Tons)	315	74	326%
Average Net Sales Prices [3]			
Cement [2]	$ 106.95	$ 100.63	6%
Gypsum Wallboard	159.01	157.69	1%
Recycled Paperboard	549.69	498.92	10%
Concrete	98.96	92.73	7%
Aggregates	9.22	8.30	11%
Operating Earnings			
Cement [2]	$ 43,181	$ 31,600	37%
Gypsum Wallboard	43,821	39,336	11%
Recycled Paperboard	4,938	11,227	(56%)
Oil and Gas Proppants	(2,026)	(5,912)	66%
Concrete and Aggregates	6,021	3,684	63%
Other, net	757	1,075	(30%)
Net Operating Earnings	$ 96,692	$ 81,010	19%

(1) Gross revenue, before freight and delivery costs.
(2) Includes proportionate share of our Joint Venture.
(3) Net of freight and delivery costs.

Cement Operations. Cement revenues were $182.9 million for the three months ended June 30, 2017, which is a 26% increase over revenues of $144.8 million for the three months ended June 30, 2016. Approximately $22.2 million of the increase in revenues was related to the Fairborn Acquisition. The remaining increase in revenue is primarily due to increased average net sales price and sales volumes, which positively impacted revenues by approximately $5.1 million and $10.8 million, respectively.

Cement operating earnings increased 37% to $43.2 million from $31.6 million for the three months ended June 30, 2017 and 2016, respectively. Approximately $6.0 million of the increase in operating earnings was related to the Fairborn Acquisition. The remaining increase in operating earnings was due primarily to increased average net sales prices and sales volumes, which positively impacted operating earnings by approximately $5.1 million and $2.3 million, respectively, partially offset by increased operating costs of approximately $.8 million. Approximately $1.5 million of the increase in operating cost was due to an outage at our Nevada Cement plant, where one kiln was down for the quarter in connection with the installation of certain pollution control equipment required for the plant to burn solid-fuel waste. The remaining increase is due to increased pur chased cement and other raw materials costs of approximately $2.2 million and $0.2 million, respectively, partially offset by reduced maintenance and fuel costs of approximately $1.4 million and $0.8 million, respectively. The operating margin increased t o 24% from 22% during the three months ended June 30, 2017, primarily due to increased sales average net sales prices, partially offset by increased operating costs.

Gypsum Wallboard Operations. Sales revenues increased 12% to $126.8 million for the three months ended June 30, 2017, from $113.3 million for the three months ended June 30, 2016, primarily due to a 11% increase in sales volumes and a 1% increase in average net sales price. The increase in sales volumes and average net sales prices positively impacted revenues by approximately $12.9 million and $0.6 million, respectively. The increased sales volumes are primarily due to increased construction activity in fiscal 2018. Our market share was essentially unchanged during the last year.

Operating earnings increased to $43.8 million for the three months ended June 30, 2017, compared to $39.3 million for the three months ended June 30, 2016, primarily due to the increase in our sales volumes and average net sales prices, which positively impacted operating earnings by approximately $4.5 million and $0.6 million, respectively, partially offset by increased operating costs, which adversely impacted operating earnings by approximately $0.6 million. The increase in operating costs was primarily due to increased paper and natural gas costs, which adversely impacted operating earnings by approximately $1.2 million and $1.1 million, respectively, partially offset by decreased freight and other material costs of approximately $0.4 million and $1.0 million. Our operating margin was 35% for both of the three months ended June 30, 2017 and 2016. Fixed costs are not a significant part of the overall cost of wallboard; therefore, changes in utilization have a relatively minor impact on our operating cost per unit.

Recycled Paperboard Operations. Revenues increased 4% to $44.4 million during the three months ended June 30, 2017, compared to $42.8 million for the three months ended June 30, 2016. The increase in revenues is due primarily to the 10% increase in average net sales prices, partially offset by a 5% reduction in sales volume. The increase in average net sales prices positively impacted revenues by approximately $2.7 million, partially offset by a $1.1 million decrease in sales revenues due to lower sales volumes. The decrease in sales volumes is primarily due to a change in timing of third-party purchases.

Operating earnings decreased to $4.9 million for the first quarter of fiscal 2018, compared to $11.2 million for the first quarter of fiscal 2017. The decrease in operating earnings is primarily due to decreased sales volumes and increased operating costs, which adversely impacted operating earnings by approximately $0.5 million and $9.4 million, respectively, partially offset by increased average net sales price, which positively impacted operating earnings by approximately $2.7 million. The increase in operating costs is primarily related to increased recycled fiber, maintenance and energy costs, which adversely impacted operating earnings by approximately $6.0 million, $1.3 million and $0.5 million. The increase in operating costs was the primary reason operating margin decreased during the first quarter of fiscal 2018 to 11% from 26%.

Oil and Gas Proppants. Revenues for our oil and gas proppants segment increased to approximately $18.9 million during the three months ended June 30, 2017, compared to $5.1 million during the three months ended June 30, 2016. The increase in sales revenue was due primarily an increase in sales volumes, which positively impacted revenues by approximately $16.6 million, partially offset by decreased gross sales price that adversely impacted revenues by approximately $2.8 million. The decrease in gross sales price was offset by decreased freight expenses, which resulted in an increase in average net sales price for the quarter.

Operating loss for the three months ended June 30, 2017 was approximately $2.0 million, compared to an operating loss of approximately $5.9 million during the three months ended June 30, 2016. The reduction in operating loss was primarily due to lower operating costs, which positively impacted earnings by $6.7 million, partially offset by lower average net sales price, which adversely impacted earnings by approximately $2.8 million. The reduction in operating expenses is due primarily to increased production levels, due to increased demand for frac sand.

Concrete and Aggregates Operations. Concrete and aggregates revenues increased 26% to $43.9 million for the three months ended June 30, 2017, compared to $34.8 million for the three months ended June 30, 2016. The primary reason for the increase in revenue was the 7% and 11% increase in average net sales prices for concrete and aggregates, respectively, which positively impacted revenues by approximately $3.0 million. Sales re venue was also positively impacted by the 24% increase in concrete sales volumes, partially offset by a 5% decline in aggregates sales volumes, of approximately $6.1 million.

Operating earnings increased 63% to approximately $6.0 million for the three months ended June 30, 2017, compared to $3.7 million for the three months ended June 30, 2016. Operating earnings were positively impacted by increased average net sales prices and sales volumes, which positively impacted operating earnings by approximately $3.0 million and $0.5 million, respectively, partially offset by an increase in operating costs of approximately $1.2 million. The increase in operating costs was primarily due to increased purchased materials, which adversely impacted operating earnings by approximately $1.3 million.

CRITICAL ACCOUNTING POLICIES AND ESTIMATES

The preparation of financial statements in accordance with accounting principles generally accepted in the United States requires management to adopt accounting policies and make significant judgments and estimates to develop amounts reflected and disclosed in the financial statements. In many cases, there are alternative policies or estimation techniques that could be used. We maintain a thorough process to review the application of our accounting policies and to evaluate the appropriateness of the many estimates that are required to prepare our financial statements. However, even under optimal circumstances, estimates routinely require adjustment based on changing circumstances and the receipt of new or better information.

Information regarding our “Critical Accounting Policies and Estimates” can be found in our Annual Report. The five critical accounting policies that we believe either require the use of the most judgment, or the selection or application of alternative accounting policies, and are material to our financial statements, are those relating to long-lived assets, goodwill, environmental liabilities, accounts receivable and income taxes. Management has discussed the development and selection of these critical accounting policies and estimates with the Audit Committee of our Board of Directors and with our independent registered public accounting firm. In addition, Note (A) to the financial statements in our Annual Report contains a summary of our significant accounting policies.

Recent Accounting Pronouncements

Refer to Note (A) in the Notes to Unaudited Consolidated Financial Statements of the Form 10-Q for information regarding recently issued accounting pronouncements that may affect our financial statements.

LIQUIDITY AND CAPITAL RESOURCES

Cash Flow.

The following table provides a summary of our cash flows:

	For the Three Months Ended June 30,	
	2017	2016
	(dollars in thousands)	
Net Cash Provided by Operating Activities	$ 53,670	$ 54,083
Investing Activities:		
Capital Expenditures	(16,160)	(8,978)
Net Cash Used in Investing Activities	(16,160)	(8,978)
Financing Activities:		
Decrease in Credit Facility	(25,000)	(9,000)
Dividends Paid	(4,853)	(4,828)
Shares Repurchased to Settle Employee Taxes on Stock Compensation	(1,378)	(2,284)
Purchase and Retirement of Common Stock	(1,880)	(39,135)
Proceeds from Stock Option Exercises	1,273	10,632
Excess Tax Benefits from Share Based Payment Arrangements	—	3,299
Net Cash Used in Financing Activities	(31,838)	(41,316)
Net Increase in Cash	$ 5,672	$ 3,789

Cash flows from operating activities decreased to $53.7 million during three months ended June 30, 2017, compared to $54.1 million during the similar period in 2016. This decrease was primarily attributable to lower dividends from our Joint Venture, and a decrease in cash from changes in working capital, which adversely impacted cash flows by approximately $4.0 million and $8.6 million, partially offset by an increase in net income, which positively impacted cash flows by approximately $9.6 million. The decrease in cash flows from changes in working capital are primarily due to changes in accounts receivable, accounts payable and accrued liabilities and other assets, which decreased cash flows by approximately $16.4 million, $3.2 million and $1.2 million, respectively, partially offset by increased cashflows from changes in inventory and income taxes payable of approximately $5.4 million and $6.9 million.

Working capital increased to $200.6 million at June 30, 2017, compared to $171.1 million at March 31, 2016, primarily due to the increased cash and accounts receivable, and decreased accounts payable of approximately $5.6 million, $38.7 million and $13.4 million, respectively, partially offset by increased income taxes payable and decreased inventory of approximately $25.7 million and $7.9 million, respectively. The increase in accounts and notes receivable is due primarily to increased revenues during the quarter. The decrease in inventory is due primarily to increased revenues and our cement plant outages in April 2017. The increase in income tax payable is due to the first quarter estimate not being due until July 2017.

The increase in accounts and notes receivable at June 30, 2017, is primarily due to the increase in sales revenue during the three months ended June 30, 2017 as compared to the three months ended March 31, 2017. As a percentage of quarterly sales generated in the quarter then ended, accounts receivable was approximately 48% at June 30, 2017 and 49% at March 31, 2017. Management measures the change in accounts receivable by monitoring the days sales outstanding on a monthly basis to determine if any deterioration has occurred in the collectability of the accounts receivable. No significant deterioration in the collectability of our accounts receivable in our construction products and building materials businesses was identified at June 30, 2017. Notes receivable are monitored on an individual basis, and no significant deterioration in the collectability of notes receivable was identified at June 30, 2017.

Our inventory balance at June 30, 2017 declined approximately $7.9 million from our inventory balance at March 31, 2017. Within our inventory, raw materials and materials-in-progress, finished cement and paperboard decreased approximately $2. 5 million, $1.6 million and $1.5 million, respectively. The decline in finished cement is consistent with our business cycle as we generally build inventory over the winter to meet the demand in the spring and summer. The largest individual balance in ou r inventory is our repair parts. These parts are necessary given the size and complexity of our manufacturing plants, as well as the age of certain of our plants, which creates the need to stock a high level of repair parts inventory. We believe all of the se repair parts are necessary and we perform semi-annual analyses to identify obsolete parts. We have less than one year's sales of all product inventories, and our inventories have a low risk of obsolescence due to our products being basic construction ma terials.

Net cash used in investing activities during the three months ended June 30, 2017 was approximately $16.2 million, compared to net cash used in investing activities of approximately $9.0 million during the similar period in 2016, an increase of $7.2 million. The increase in cash used in investing activities is primarily due to capital expenditures in our cement and gypsum wallboard segments. In addition to the expected $37.0 million purchase of the frac sand distribution company, we anticipate spending between $30.0 million and $35.0 million on sustaining capital expenditures for all of our businesses during fiscal 2018. We also anticipate starting the build out of our Utica, Illinois facility, which will include the addition of a dry plant and distribution system. The total cost of the buildout is estimated at approximately $70.0 million, and is expected to be competed in the summer of 2018.

Net cash used in financing activities was approximately $31.8 million during the three months ended June 30, 2017, compared to net cash used in financing activities of approximately $41.3 million during the similar period in 2016. This $9.5 million decrease in net cash used in financing activities is primarily due to the reduction in the repurchase and retirement of common stock, which decreased cash flows approximately $37.3 million, partially offset increased repayments of long-term debt of approximately $16.0 million and decreased proceeds from exercise of options of approximately $9.3 million. Our debt-to-capitalization ratio and net-debt-to-capitalization ratio was 34.7% and 34.3%, respectively, at June 30, 2017, compared to 36.3% and 36.1%, respectively, at March 31, 2017.

Debt Financing Activities.

Credit Facility

We have a $500.0 million revolving credit facility (the "Credit Facility"), including a swingline loan sublimit of $25.0 million, which terminates on August 2, 2021. Borrowings under the Credit Facility are guaranteed by substantially all of the Company's subsidiaries. At the option of the Company, outstanding principal amounts on the Credit Facility bear interest at a variable rate equal to (i) The London Interbank Offered Rate ("LIBOR") for the selected period, plus an applicable rate (ranging from 100 to 225 basis points), which is to be established quarterly based upon the Company's ratio of consolidated EBITDA, defined as earnings before interest, taxes, depreciation and amortization, to the Company's consolidated indebtedness (the "Leverage Ratio"), or (ii) an alternative base rate which is the higher of (a) the prime rate or (b) the federal funds rate plus 1⁄2% per annum plus an applicable rate (ranging from 0 to 125 basis points). Interest payments are payable, in the case of loans bearing interest at a rate based on the federal funds rate, quarterly, or in the case of loans bearing interest at a rate based on LIBOR, at the end of the applicable interest period. The Company is also required to pay a commitment fee on unused available borrowings under the Credit Facility ranging from 10 to 35 basis points depending upon the Leverage Ratio. The Credit Facility contains customary covenants that restrict our ability to incur additional debt, encumber our assets, sell assets, make or enter into certain investments, loans or guaranties and enter into sale and leaseback arrangements. The Credit Facility also requires us to maintain a consolidated indebtedness ratio (calculated as consolidated indebtedness to consolidated earnings before interest, taxes, depreciation, amortization, certain transaction-related deductions and other non-cash deductions) of 3.5:1.0 or less and an interest coverage ratio (consolidated earnings before interest, taxes, depreciation, amortization, certain transaction-related deductions and other non-cash deductions to consolidated interest expense) of at least

2.5:1.0. We had $200.0 million of borrowings outstanding at June 30, 2017. Based on our Leverage Ratio, we had $290.6 million of available borrowings, net of the outstanding letters of credit, at June 30 , 2017.

The Credit Facility has a $40.0 million letter of credit facility. Under the letter of credit facility, the Company pays a fee at a per annum rate equal to the applicable margin for Eurodollar loans in effect from time to time plus a one-time letter of credit fee in an amount equal to 0.125% of the initial stated amount. At June 30, 2017, we had $9.4 million of letters of credit outstanding.

4.500% Senior Unsecured Notes Due 2026 –

On August 2, 2016, the Company issued $350.0 million aggregate principal amount of 4.500% senior notes ("Senior Unsecured Notes") due August 2026. Interest on the Senior Unsecured Notes is payable semiannually on February 1 and August 1 of each year until all of the outstanding notes are paid. The Senior Unsecured Notes rank equal to existing and future senior indebtedness, including the Credit Facility and the Private Placement Senior Unsecured Notes. Prior to August 1, 2019, we may redeem up to 40% of the original aggregate principal amount of the Senior Unsecured Notes with the proceeds of certain equity offerings at a redemption price of 104.5% of the principal amount of the notes. On or after August 1, 2019, and prior to August 1, 2021, we may redeem some or all of the Senior Unsecured Notes at a price equal to 100% of the principal amount, plus a “make-whole” premium. Beginning on August 1, 2021, we may redeem some or all of the Senior Unsecured Notes at the redemption prices set forth below (expressed as a percentage of the principal amount being redeemed):

	Percentage
2021	102.25%
2022	101.50%
2023	100.75%
2024 and thereafter	100.00%

The Senior Unsecured Notes contain covenants that limit our ability and/or our guarantor subsidiaries' ability to create or permit to exist certain liens; enter into sale and leaseback transactions; and consolidate, merge, or transfer all or substantially all of our assets. The Company’s Senior Unsecured Notes are fully and unconditionally and jointly and severally guaranteed by each of our subsidiaries that is a guarantor under the Credit Facility and Private Placement Senior Unsecured Notes. See Footnote (P) to the Unaudited Consolidated Financial Statements for more information on the guarantors of the Senior Public Notes.

Private Placement Senior Unsecured Notes –

We entered into a Note Purchase Agreement on November 15, 2005 (the “2005 Note Purchase Agreement”) in connection with our sale of $200.0 million of senior unsecured notes, designated as Series 2005A Senior Notes (the “Series 2005A Senior Notes”) in a private placement transaction. The Series 2005A Senior Notes, which are guaranteed by substantially all of our subsidiaries, were sold at par and issued in three tranches. At June 30, 2017, the amount outstanding for the remaining tranche was as follows:

	Principal	Maturity Date	Interest Rate
Tranche C	$57.2 million	November 15, 2017	5.48%

Interest for this tranche of Series 2005A Senior Notes is payable semi-annually on May 15 and November 15 of each year until all principal is paid.

We also entered into an additional Note Purchase Agreement on October 2, 2007 (the “2007 Note Purchase Agreement”) in connection with our sale of $200.0 million of senior unsecured notes, designated as Series 2007A Senior Notes (the “Series 2007A Senior Notes” and together with the Series 2005A Senior Notes, the “Private Placement Senior Unsecured Notes”) in a private placement transaction. The Series 2007A Senior Notes, which are guaranteed by substantially all of our subsidiaries, were sold at par and iss ued in four tranches on October 2, 2007. At June 30, 2017, the amounts outstanding for each of the remaining tranches are as follows:

	Principal	Maturity Date	Interest Rate
Tranche C	$24.0 million	October 2, 2017	6.36%
Tranche D	$36.5 million	October 2, 2019	6.48%

Interest for each tranche of Series 2007A Senior Notes is payable semi-annually on April 2 and October 2 of each year until all principal is paid for the respective tranche.

Our obligations under the 2005 Note Purchase Agreement and 2007 Note Purchase Agreement (together, the "Private Placement Note Purchase Agreements") and the Private Placement Senior Unsecured Notes are equal in right of payment with all other senior, unsecured indebtedness of the Company, including our indebtedness under the Credit Facility and Senior Unsecured Notes. The Private Placement Note Purchase Agreements contain customary restrictive covenants, including, but not limited to, covenants that place limits on our ability to encumber our assets, to incur additional debt, to sell assets, or to merge or consolidate with third parties.

The Private Placement Note Purchase Agreements require us to maintain a Consolidated Debt to Consolidated EBITDA (calculated as consolidated indebtedness to consolidated earnings before interest, taxes, depreciation, depletion, amortization, certain transaction related deductions and other non-cash charges) ratio of 3.50 to 1.00 or less. The 2007 Note Purchase Agreement requires us to maintain an interest coverage ratio (Consolidated EBITDA to Consolidated Interest Expense (calculated as consolidated EBITDA, as defined above, to consolidated interest expense)) of at least 2.50:1.00. In addition, the 2007 Note Purchase Agreement requires the Company to ensure that at all times either (i) Consolidated Total Assets equal at least 80% of the consolidated total assets of the Company and its Subsidiaries, determined in accordance with GAAP, or (ii) consolidated total revenues of the Company and its Restricted Subsidiaries for the period of four consecutive fiscal quarters most recently ended equals at least 80% of the consolidated total revenues of the Company and its Subsidiaries during such period. We were in compliance with all financial ratios and tests at June 30, 2017.

Pursuant to a Subsidiary Guaranty Agreement, substantially all of our subsidiaries have guaranteed the punctual payment of all principal, interest, and Make-Whole Amounts (as defined in the Private Placement Note Purchase Agreements) on the Private Placement Senior Unsecured Notes and the other payment and performance obligations of the Company contained in the Senior Notes and in the Private Placement Note Purchase Agreements. We are permitted, at our option and without penalty, to prepay from time to time at least 10% of the original aggregate principal amount of the Private Placement Senior Unsecured Notes at 100% of the principal amount to be prepaid, together with interest accrued on such amount to be prepaid to the date of payment, plus a Make-Whole Amount. The Make-Whole Amount is computed by discounting the remaining scheduled payments of interest and principal of the Private Placement Senior Unsecured Notes being prepaid at a discount rate equal to the sum of 50 basis points and the yield to maturity of U.S. treasury securities having a maturity equal to the remaining average life of the Private Placement Senior Unsecured Notes being prepaid.

We lease one of our cement plants from the city of Sugar Creek, Missouri. The city of Sugar Creek issued industrial revenue bonds to partly finance improvements to the cement plant. The lease payments due to the city of Sugar Creek under the cement plant lease, which was entered into upon the sale of the industrial revenue bonds, are equal in amount to the payments required to be made by the city of Sugar Creek to the holders of the industrial revenue bonds. Because we are the holder of all of the outstanding industrial revenue bonds, no debt is reflected on our financial statements in connection with our lease of the cement plant. At the conclusion of the lease in fiscal 2021, we have the option to purchase the cement plant for a nominal amount.

Other than the Credit Facility, we have no other source of committed external financing in place. In the event the Credit Facility should be terminated; no assurance can be given as to our ability to secure a new source of financing. Consequently, if any balance were outstanding on the Credit Facility at the time of termination, and an alternative source of fi nancing could not be secured; it would have a material adverse impact on us. None of our debt is rated by the rating agencies.

We do not have any off-balance sheet debt, except for approximately $40.0 million of operating leases, which have an average remaining term of approximately fifteen years. Also, we have no outstanding debt guarantees. We have available under the Credit Facility a $40.0 million Letter of Credit Facility. At June 30, 2017, we had $9.4 million of letters of credit outstanding that renew annually. We are contingently liable for performance under $20.1 million in performance bonds relating primarily to our mining operations.

We believe that our cash flow from operations and available borrowings under our Credit Facility should be sufficient to meet our currently anticipated operating needs, capital expenditures and dividend and debt service requirements for at least the next twelve months. However, our future liquidity and capital requirements may vary depending on a number of factors, including market conditions in the construction industry, our ability to maintain compliance with covenants in our Credit Facility, the level of competition and general and economic factors beyond our control. These and other developments could reduce our cash flow or require that we seek additional sources of funding. We cannot predict what effect these factors will have on our future liquidity.

As market conditions warrant, the Company may from time to time seek to purchase or repay its outstanding debt securities or loans, including the Private Placement Senior Unsecured Notes, Senior Unsecured Notes and borrowings under the Credit Facility, in privately negotiated or open market transactions, by tender offer or otherwise. Subject to any applicable limitations contained in the agreements governing our indebtedness, any purchases made by us may be funded by the use of cash on our balance sheet or the incurrence of new debt. The amounts involved in any such purchase transactions, individually or in the aggregate, may be material. Any such purchases of the notes offered hereby may be with respect to a substantial amount of such notes, with an attendant reduction in the trading liquidity of such notes.

Dividends.

Dividends paid were $4.9 million and $4.8 million for the three-month periods ended June 30, 2017 and 2016, respectively. Each quarterly dividend payment is subject to review and approval by our Board of Directors, who will continue to evaluate our dividend payment amount on a quarterly basis.

Share Repurchases.

	Common Stock	
	Shares Purchased	Average Price Paid Per Share
April 1 through April 30, 2017	—	$ —
May 1 through May 31, 2017	—	—
June 1 through June 30, 2017	20,000	94.03
Year-to-Date Totals	20,000	$ 94.03

On August 10, 2015, the Board of Directors authorized the Company to repurchase up to an additional 6,782,700 shares, for a total outstanding authorization of 7,500,000 shares. During the three months ended June 30, 2017, we repurchased 20,000 shares at an average price of $94.03. Subsequent to June 30, 2017 we repurchased an additional 65,000 shares at an average price of $92.74. Including the repurchases subsequent to June 30, 2017, we have authorization to purchase an additional 4,712,200 shares.

Share repurchases may be made from time-to-time in the open market or in privately negotiated transactions. The timing and amount of any repurchases of shares will be determined by management, based on its evaluation of market and economic conditions and other factors. In some cases, repurchases may be made pursuant to plans, programs or directions established from time to time by the Company’s management, including plans intended to comply with the safe-harbor provided by Rule 10b5-1.

During the three months en ded June 30, 2017, 14,054 shares of stock were withheld from employees upon the vesting of Restricted Shares that were granted under the Plan. These shares were withheld by us to satisfy the employees' statutory tax withholding requirements, which is requi red once the Restricted Shares or Restricted Shares Units are vested.

Capital Expenditures.

The following table compares capital expenditures:

	For the Three Months Ended June 30,	
	2017	2016
	(dollars in thousands)	
Land and Quarries	$ 884	$ 1,016
Plants	9,234	6,149
Buildings, Machinery and Equipment	6,042	1,813
Total Capital Expenditures	$ 16,160	$ 8,978

We anticipate maintenance capital expenditures will be approximately $30.0 to $35.0 million for fiscal 2018. Historically, we have financed such expenditures with cash from operations and borrowings under our revolving credit facility. We are currently planning the build out of our Utica, Illinois facility. This build out will include the addition of a dry plant and distribution system. We estimate that this build out will cost approximately $70.0 million and will be completed in the summer of 2018.

It em 3. Quantitative and Qualitative Disclosures About Market Risk

We are exposed to market risks related to fluctuations in interest rates on our Credit Facility. From time-to-time we have utilized derivative instruments, including interest rate swaps, in conjunction with our overall strategy to manage the debt outstanding that is subject to changes in interest rates. We have a $500.0 million Credit Facility available at June 30, 2017, under which borrowings bear interest at a variable rate. A hypothetical 100 basis point increase in interest rates on the $200.0 million of borrowings outstanding at June 30, 2017 would increase interest expense by approximately $2.0 million on an annual basis. At present, we do not utilize derivative financial instruments.

We are subject to commodity risk with respect to price changes principally in coal, coke, natural gas and power. We attempt to limit our exposure to changes in commodity prices by entering into contracts or increasing our use of alternative fuels.

Item 4. Controls and Procedures

We have established a system of disclosure controls and procedures that are designed to ensure that information relating to the Company, which is required to be disclosed by us in the reports that we file or submit under the Securities Exchange Act of 1934 ("Exchange Act"), is recorded, processed, summarized and reported within the time periods specified by the SEC's rules and forms, and that such information is accumulated and communicated to management, including our Chief Executive Officer and Chief Financial Officer, in a timely fashion. An evaluation of the effectiveness of the design and operation of our disclosure controls and procedures (as defined in Rule 13a-15(e) under the Exchange Act) was performed as of the end of the period covered by this quarterly report. This evaluation was performed under the supervision and with the participation of management, including our CEO and CFO. Based upon that evaluation, our CEO and CFO have concluded that these disclosure controls and procedures were effective.

P ART II. OTHER INFORMATION

Item 1. Legal Proceedings

EPA Notice of Violation

On October 5, 2010, Region IX of the EPA issued a Notice of Violation and Finding of Violation (“NOV”) alleging violations by our subsidiary, Nevada Cement Company (“NCC”), of the Clean Air Act (“CAA”). The NOV alleges that NCC made certain physical changes to its facility in the 1990s without first obtaining permits required by the Prevention of Significant Deterioration requirements and Title V permit requirements of the CAA. The EPA also alleges that NCC has failed to submit to the EPA since 2002 certain reports required by the National Emissions Standard for Hazardous Air Pollutants General Provisions and the Portland Cement Manufacturing Industry Standards. On March 12, 2014, the EPA Region IX issued a second NOV to NCC. The second NOV is materially similar to the 2010 NOV except that it alleges violations of the new source performance standards (“NSPS”) for Portland cement plants. The NOVs state that the EPA may seek penalties although it does not propose or assess any specific level of penalties or specify what relief the EPA will seek for the alleged violations. In January 2017, NCC entered into a Consent Decree in which NCC agreed to install at its Fernley, Nevada plant certain emission control equipment (selective non-catalytic reduction) to reduce nitrous oxide emissions and to pay a penalty of $0.6 million. NCC also agreed to replace two existing vehicles with two new vehicles with more efficient Tier 4 engines. Under the terms of the Consent Decree, NCC will complete the installation of the emission control equipment and vehicle replacement in approximately 2 years. It is anticipated that the investment in the new emission control equipment and vehicles will cost approximately $3.0 million. In the Consent Decree NCC denies all allegations set forth in the NOVs and the Complaint which is to be filed simultaneously with the entry of the Consent Decree, and the Consent Decree resolves all such claims by the government. The Consent Decree was signed by the EPA and DOJ and was lodged in US District Court for the District of Nevada in May 2017. The Consent Decree is subject to approval by the Court after a thirty-day comment period.

Domestic Wallboard Antitrust Litigation

Since late December 2012, several purported class action lawsuits were filed in various United States District Courts, including the Eastern District of Pennsylvania, Western District of North Carolina and the Northern District of Illinois, against the Company’s subsidiary, American Gypsum Company LLC (“American Gypsum”), alleging that the defendant wallboard manufacturers conspired to fix the price for drywall sold in the United States in violation of federal antitrust laws and, in some cases related provisions of state law. The complaints allege that the defendant wallboard manufacturers conspired to increase prices through the announcement and implementation of coordinated price increases, output restrictions, and other restraints of trade, including the elimination of individual “job quote” pricing. In addition to American Gypsum, the defendants in these lawsuits include CertainTeed Corp., USG Corporation and United States Gypsum (together “USG”), New NGC, Inc., Lafarge North America (“Lafarge”), Temple Inland Inc. (“TIN”) and PABCO Building Products LLC. On April 8, 2013, the Judicial Panel on Multidistrict Litigation (“JPML”) transferred and consolidated all related cases to the Eastern District of Pennsylvania for coordinated pretrial proceedings.

On June 24, 2013, the direct and indirect purchaser plaintiffs filed consolidated amended class action complaints. The direct purchasers’ complaint added the Company as a defendant. The plaintiffs in the consolidated class action lawsuits bring claims on behalf of purported classes of direct or indirect purchasers of wallboard from January 1, 2012 to the present for unspecified monetary damages (including treble damages) and in some cases injunctive relief. On July 29, 2013, the Company and American Gypsum answered the complaints, denying all allegations that they conspired to increase the price of drywall and asserting affirmative defenses to the plaintiffs’ claims.

In 2014, USG and TIN entered into agreements with counsel representing the direct and indirect purchaser classes pursuant to which they agreed to settle all claims against them. Under the terms of its settlement agreement, USG agreed to pay $48.0 million to resolve the direct and indirect purchaser class actions. In its settlement agreement, T IN agreed to pay $7.0 million to resolve the direct and indirect purchaser class actions. On August 20, 2015, the court entered orders finally approving USG and TIN's settlements with the direct and indirect purchaser plaintiffs. Initial discovery in thi s litigation is complete. Following completion of the initial discovery, the Company and remaining co-defendants moved for summary judgement. On February 18, 2016, the court denied the Company's motion for summary judgement, but granted Certainteed's mot ion for summary judgement. On June 16, 2016, Lafarge entered into an agreement with counsel for the direct purchaser class under which it agreed to settle all claims against it for $23.0 million. The court entered an order finally approving this settleme nt on December 7, 2016. On July 28, 2016, Lafarge entered into an agreement with counsel representing the indirect purchaser class under which it agreed to settle all claims against it for $5.2 million. On July 14, 2016, the Company's motion for permissi on to appeal the summary judgement decision to the U.S. Court of Appeals for the Third Circuit was denied. Direct purchaser plaintiffs and indirect purchaser plaintiffs filed their motions for class certification on August 3, 2016 and October 12, 2016, re spectively. Class certification proceedings are ongoing. The Court held an evidentiary hearing on the direct purchaser plaintiff's motion for class certification in April 2017 and held a hearing on indirect purchase plaintiff's motion for class certificat ion in June 2017. We are unable to estimate the amount of any reasonably possible loss or range of reasonably possible losses. We deny the allegations in these lawsuits and will vigorously defend ourselves against these claims.

On March 17, 2015, a group of homebuilders filed a complaint against the defendants, including American Gypsum, based upon the same conduct alleged in the consolidated class action complaints. On March 24, 2015, the JPML transferred this action to the multidistrict litigation already pending in the Eastern District of Pennsylvania. Following the transfer, the homebuilder plaintiffs filed two amended complaints, on December 14, 2015 and March 25, 2016. Discovery in this lawsuit is ongoing. At this stage, we are unable to estimate the amount of any reasonably possible loss or range of reasonably possible losses.

In June 2015, American Gypsum and an employee received grand jury subpoenas from the United States District Court for the Western District of North Carolina seeking information regarding an investigation of the gypsum drywall industry by the Antitrust Division of the Department of Justice. We believe the investigation, although a separate proceeding, is related to the same subject matter at issue in the litigation described above and we intend to fully cooperate with government officials. We are currently unable to determine the ultimate outcome of such investigation.

Item 1A. Risk Factors

We are affected by the level of demand in the construction industry.

Demand for our construction products and building materials is directly related to the level of activity in the construction industry, which includes residential, commercial and infrastructure construction. While the most recent downturn in residential and commercial construction, which began in calendar 2007, materially impacted our business, certain economic fundamentals began improving in calendar 2012, and have continued to improve through calendar 2016; however, the rate and sustainability of such improvement remains uncertain. Infrastructure spending continues to be adversely impacted by a number of factors, including the budget constraints currently being experienced by federal, state and local governments. Any decrease in the amount of government funds available for such projects or any decrease in construction activity in general (including any weakness in residential construction or commercial construction) could have a material adverse effect on our business, financial condition and results of operations.

Our business is seasonal in nature, and this causes our quarterly results to vary significantly.

A majority of our business is seasonal with peak revenues and profits occurring primarily in the months of April through November when the weather in our markets is more suitable for construction activity. Quarterly results have varied significantly in the past and are likely to vary significantly in the future. Such variations could have a negative impact on the price of our common stock.

We are subject to the risk of unfavorable weather conditions, particularly during peak construction periods, as well a s other unexpected operational difficulties.

Unfavorable weather conditions, such as snow, cold weather, hurricanes, tropical storms and heavy or sustained rainfall, can reduce construction activity and adversely affect demand for construction products. Such weather conditions can also increase our costs, reduce our production or impede our ability to transport our products in an efficient and cost-effective manner. Similarly, operational difficulties, such as business interruption due to required maintenance, capital improvement projects or loss of power, can increase our costs and reduce our production. In particular, the occurrence of unfavorable weather conditions and other unexpected operational difficulties during peak construction periods could adversely affect operating income and cash flow and could have a disproportionate impact on our results of operations for the full year.

We and our customers participate in cyclical industries and regional markets, which are subject to industry downturns.

A majority of our revenues are from customers who are in industries and businesses that are cyclical in nature and subject to changes in general economic conditions. For example, many of our customers operate in the construction industry, which is affected by a variety of factors, such as general economic conditions, changes in interest rates, demographic and population shifts, levels of infrastructure spending and other factors beyond our control. In addition, since our operations are in a variety of geographic markets, our businesses are subject to differing economic conditions in each such geographic market. Economic downturns in the industries to which we sell our products or localized downturns in the regions where we have operations generally have an adverse effect on demand for our products and adversely affect the collectability of our receivables. In general, any downturns in these industries or regions could have a material adverse effect on our business, financial condition and results of operations.

Many of our products are commodities, which are subject to significant changes in supply and demand and price fluctuations.

Many of the products sold by us are commodities and competition among manufacturers is based largely on price. Prices are often subject to material changes in response to relatively minor fluctuations in supply and demand, general economic conditions and other market conditions beyond our control. Increases in the production capacity of industry participants for products such as gypsum wallboard or cement or increases in cement imports tend to create an oversupply of such products leading to an imbalance between supply and demand, which can have a negative impact on product prices. Currently, there continues to be significant excess nameplate capacity in the gypsum wallboard industry in the United States. There can be no assurance that prices for products sold by us will not decline in the future or that such declines will not have a material adverse effect on our business, financial condition and results of operations.

Our Cement business is capital intensive, resulting in significant fixed and semi-fixed costs. Therefore, our earnings are sensitive to changes in volume.

Due to the high levels of fixed capital required to produce cement, our profitability is susceptible to significant changes in volume. Although we believe that our current cash balance, along with our projected internal cash flows and our available financing resources, will provide sufficient cash to support our currently anticipated operating and capital needs, if we are unable to generate sufficient cash to purchase and maintain the property and machinery necessary to operate our cement business, we may be required to reduce or delay planned capital expenditures or incur additional debt. In addition, given the level of fixed and semi-fixed costs within our cement business and at our cement production facilities, decreases in volumes could have an adverse effect on our financial condition, results of operations and liquidity.

Our Oil and Gas Proppants business and financial performance depends on the level of activity in the oil and natural gas industries.

Our operations that produce frac sand are materially dependent on the levels of activity in natural gas and oil exploration, development and production. More specifically, the demand for the frac sand we produce is closely related to the number of natural gas and oil wells completed in geological formations where sand-based proppants are used in fracture treatments. Th ese activity levels are affected by both short- and long-term trends in natural gas and oil prices. In recent years, natural gas and oil prices and, therefore, the level of exploration, development and production activity, have experienced significant fluc tuations. Worldwide economic, political and military events, including war, terrorist activity, events in the Middle East and initiatives by the Organization of the Petroleum Exporting Countries, have contributed, and are likely to continue to contribute, to price volatility. Additionally, warmer than normal winters in North America and other weather patterns may adversely impact the short-term demand for natural gas and, therefore, demand for our products. Reduction in demand for natural gas to generate el ectricity could also adversely impact the demand for frac sand. A prolonged reduction in natural gas and oil prices would generally depress the level of natural gas and oil exploration, development, production and well completion activity and result in a c orresponding decline in the demand for the frac sand we produce. In addition, any future decreases in the rate at which oil and natural gas reserves are discovered or developed, whether due to increased governmental regulation, limitations on exploration a nd drilling activity or other factors, could have material adverse effect on our oil and gas proppants business, even in a stronger natural gas and oil price environment.

Any material nonpayment or nonperformance by any of our key customers could have a material adverse effect on our business and results of operations.

Any material nonpayment or nonperformance by any of our key customers could have a material adverse effect on our revenue and cash flows, in particular with respect to our Oil and Gas Proppants business. Our contracts with our customers provide for different potential remedies to us in the event a customer fails to purchase the minimum contracted amount of product in a given period. If we were to pursue legal remedies in the event a customer failed to purchase the minimum contracted amount of product under a fixed-volume contract or failed to satisfy the take-or-pay commitment under a take-or-pay contract, we may receive significantly less in a judgment or settlement of any claimed breach than we would have received had the customer fully performed under the contract. In the event of any customer's breach, we may also choose to renegotiate any disputed contract on less favorable terms (including with respect to price and volumes) to us to preserve the relationship with that customer. Accordingly, any material nonpayment or performance by our customers could have a material adverse effect on our revenue and cash flows.

Volatility and disruption of financial markets could affect access to credit.

Difficult economic conditions can cause a contraction in the availability, and increase the cost, of credit in the marketplace. A number of our customers or suppliers have been and may continue to be adversely affected by unsettled conditions in capital and credit markets, which in some cases have made it more difficult or costly for them to finance their business operations. These unsettled conditions have the potential to reduce the sources of liquidity for the Company and our customers.

Our and our customers' operations are subject to extensive governmental regulation, including environmental laws, which can be costly and burdensome.

Our operations and those of our customers are subject to and affected by federal, state and local laws and regulations with respect to such matters as land usage, street and highway usage, noise level and health and safety and environmental matters. In many instances, various certificates, permits or licenses are required in order for us or our customers to conduct business or carry out construction and related operations. Although we believe that we are in compliance in all material respects with applicable regulatory requirements, there can be no assurance that we will not incur material costs or liabilities in connection with regulatory requirements or that demand for our products will not be adversely affected by regulatory issues affecting our customers. In addition, future developments, such as the discovery of new facts or conditions, the enactment or adoption of new or stricter laws or regulations or stricter interpretations of existing laws or regulations, may impose new liabilities on us, require additional investment by us or prevent us from opening, expanding or modifying plants or facilities, any of which could have a material adverse effect on our financial condition or results of operations.

For example, greenhouse gasses ("GHGs") currently are regulated as pollutants under the CAA and subject to reporting and permitting requirements. Future consequences of GHG permitting requirements and potential emission reduction measures for our operations may be significant because (1) the cement manufacturing process requires the combustion of large amounts of fuel, (2) in our cement manufacturing process, the product ion of carbon dioxide is a byproduct of the calcination process, whereby carbon dioxide is removed from calcium carbonate to produce calcium oxide, and (3) our gypsum wallboard manufacturing process combusts a significant amount of fossil fuel, especially natural gas. In addition, the EPA has proposed to regulate GHG emissions from existing fossil fuel-fired power plants as a result of the EPA's promulgation of new source performance standards for the same sources. In the future, the EPA is expected to pro pose new source performance standards for cement manufacturing, which similarly will trigger a requirement for the EPA to promulgate regulations relating to existing cement manufacturing facilities. The timing of such regulation is uncertain.

On September 9, 2010, the EPA finalized National Emissions Standards for Hazardous Air Pollutants, or NESHAP, for Portland cement plants ("PC NESHAP"). The PC NESHAP requires a significant reduction in emissions of certain hazardous air pollutants from Portland cement kilns. The PC NESHAP sets limits on mercury emissions from existing Portland cement kilns and increases the stringency of emission limits for new kilns. The PC NESHAP also sets emission limits for total hydrocarbons, particulate matter (as a surrogate for metal pollutants) and acid gases from cement kilns of all sizes. The PC NESHAP was scheduled to take full effect in September 2013; however, as a result of a decision by the U.S. Court of Appeals for the District of Columbia Circuit in *Portland Cement Ass'n. v. EPA* , 665 F.3d 177 (D.C. Cir.) arising from industry challenges to the PC NESHAP, the EPA proposed a settlement agreement with industry petitioners in May 2012. In February 2013, the EPA published the final revised rule to the PC NESHAP which extended the compliance date until September 9, 2015 for existing cement kilns and made certain changes to the rules governing particulate matter monitoring methods and emissions limits, among other revisions. The 2013 revised rule was challenged in the U.S. Court of Appeals for the D.C. Circuit and on April 18, 2014, the court vacated the affirmative defense provision. The court upheld the EPA's particulate matter emission standards and extended compliance date. On November 19, 2014, the EPA proposed a rule removing the affirmative defense provision and making minor technical corrections to the regulations.

On March 21, 2011, the EPA proposed revised Standards of Performance for New Sources and Emissions Guidelines for Existing Sources for Commercial/Industrial Solid Waste Incinerators (the "CISWI Rule") per Section 129 of the CAA, which created emission standards for 4 subcategories of industrial facilities, one of which is "Waste Burning Kilns." The EPA simultaneously stayed the CISWI Rule for further reconsideration. Effective as of February 13, 2013, the EPA finalized revisions to the CISWI Rule. For those cement kilns that utilize non-hazardous secondary materials ("NHSM") as defined in a rule first finalized on March 21, 2011 (and slightly revised effective on February 13, 2013), the CISWI Rule will require significant reductions in emissions of certain pollutants from applicable cement kilns. The CISWI Rule sets forth emission standards for mercury, carbon monoxide, acid gases, nitrogen oxides, sulfur dioxide, certain metals (lead and cadmium), particulate matter and more stringent standards than PC NESHAP for dioxin/furans. The CISWI Rule as currently promulgated may materially increase capital costs and costs for production but only for those facilities that will be using applicable solid wastes as fuel. The compliance date for this rule is February 7, 2018 (either 3 years after State CISWI plan approval, or 5 years from the date of the final CISWI Rule, whichever is sooner). It is anticipated that the CISWI Rule may materially increase capital costs and costs of production for the Company and the industry as a whole.

On April 17, 2015, the EPA published its final rule addressing the storage, reuse and disposal of coal combustion products, which include fly ash and flue gas desulfurization gypsum ("synthetic gypsum"). We use synthetic gypsum in wallboard manufactured at our Georgetown, South Carolina plant. The rule, which applies only to electric utilities and independent power producers, establishes standards for the management of coal combustion residuals (CCRs) under Subtitle D of the Resource Conservation and Recovery Act, or RCRA, which is the Subtitle that regulates non-hazardous wastes. The rule imposes requirements addressing CCR surface impoundments and landfills, including location restrictions, design and operating specifications, groundwater monitoring requirements, corrective action requirements, recordkeeping and reporting obligations, and closure requirements. Beneficial encapsulated uses of CCRs, including synthetic gypsum, are exempt from regulation. The rule became effective on October 14, 2015, with many of the requirements phased in months or years after the effective date. Given the EPA's decision to continue to allow CCR to be used in s ynthetic gypsum and to regulate CCR under the non-hazardous waste sections of RCRA, we do not expect the rule to materially affect our business, financial condition and results of operations.

On October 1, 2015, the EPA lowered the primary and secondary ozone standards from the current 8-hour standard of 75 parts per billion ("ppb") to 70 ppb. The EPA also strengthened the secondary ozone standard to improve protection for trees, plants and ecosystems. Like the primary standard, an area will meet the secondary standard if the fourth-highest maximum daily 8-hour ozone concentration per year, averaged over three years, is equal to or less than 70 ppb. The EPA based the secondary standard on the "W126 metric," an index designed to show the cumulative impact of ozone on plants and trees seasonally. The EPA has issued an implementation memo describing how it will determine whether the ozone levels in areas across the country, typically on a county level, are above the new standards. Areas above the new standards will be designated as "nonattainment;" areas at or below the new standards will be designated "attainment." In states with major emitting sources located in or near designated nonattainment areas, States will impose new and costly regulatory requirements. For areas that are determined to be in non-attainment, states will be required to develop plans to bring the areas into attainment by as early as 2020. At this time, it is not possible to determine whether any area in which we operate will be designated nonattainment. However, if that occurs, we may be required to meet new control requirements requiring significant capital expenditures for compliance.

Our cement plants located in Kansas City, Missouri and Tulsa, Oklahoma are subject to certain obligations under a consent decree with the United States requiring the establishment of facility-specific emissions limitations for certain air pollutants. Limitations that significantly restrict emissions levels beyond current operating levels may require additional investments by us or place limitations on operations, any of which could have a material adverse effect on our financial condition or results of operations.

Our cement plant in Tulsa, Oklahoma is subject to NESHAP for hazardous waste combustors (the "HWC MACT"), which imposes emission limitations and operating limits on cement kilns that are fueled by hazardous wastes. Compliance with the HWC MACT could impose additional liabilities on us or require additional investment by us, which could have a material adverse effect on our financial condition or results of operations. In addition, new developments, such as new laws or regulations, may impose new liabilities on us, require additional investment by us or prevent us from operating or expanding plants or facilities, any of which could have a material adverse effect on our financial condition or results of operations. For example, while the HWC MACT has not been updated since 2008, 73 Fed. Reg. 64068 (Oct. 28, 2008), future revisions to the HWC MACT regulations would apply to both of the cement kilns used at the cement plant in Tulsa, Oklahoma. Such revision could require new control requirements and significant capital expenditure for compliance. In 2013, the EPA adopted the final CISWI Rule (as discussed above) that likely will apply to the cement kiln used by the cement plant in Sugar Creek, Missouri and the two cement kilns at Nevada Cement Company, and may impose new control requirements requiring significant capital expenditures for compliance. Existing CISWI units will need to comply with the CISWI Rule when it becomes effective, which is expected to occur in early 2018.

We may incur significant costs in connection with pending and future litigation.

We are, or may become, party to various lawsuits, claims, investigations and proceedings, including but not limited to personal injury, environmental, antitrust (including the wallboard antitrust class actions, the homebuilder suit and the DOJ investigation), tax, asbestos, property entitlements and land use, intellectual property, commercial, contract, product liability, health and safety, and employment matters. The outcome of pending or future lawsuits, claims, investigations or proceedings is often difficult to predict and could be adverse and material in amount. Development in these proceedings can lead to changes in management's estimates of liabilities associated with these proceedings including the judge's rulings or judgments, settlements or changes in applicable law. A future adverse ruling, settlement or unfavorable development could result in charges that could have a material adverse effect on our results of operations and cash flows in a particular period. In addition, the defense of these lawsuits, claims, investigations and proceedings may divert our management's attention and we may incur significant costs in defending these matters. See Part II Item 1. Legal Proceedings of this report.

Our results of operations are subject to significant changes in the cost and availability of fuel, energy and other raw materials.

Major cost components in each of our businesses are the costs of fuel, energy and raw materials. Significant increases in the costs of fuel, energy or raw materials or substantial decreases in their availability could materially and adversely affect our sales and operating profits. Prices for fuel, energy or raw materials used in connection with our businesses could change significantly in a short period of time for reasons outside our control. Prices for fuel and electrical power, which are significant components of the costs associated with our gypsum wallboard and cement businesses, have fluctuated significantly in recent years and may increase in the future. In the event of large or rapid increases in prices, we may not be able to pass the increases through to our customers in full, which would reduce our operating margin.

Changes in the cost or availability of raw materials supplied by third parties may adversely affect our operating and financial performance.

We generally maintain our own reserves of limestone, gypsum, aggregates and other materials that we use to manufacture our products. However, we obtain certain raw materials used to manufacture our products, such as synthetic gypsum and slag granules, from third parties who produce such materials as by-products of industrial processes. While we try to secure our needed supply of such materials through long-term contracts, those contracts may not be sufficient to meet our needs or we may be unable to renew or replace existing contracts when they expire or are terminated in the future. Should our existing suppliers cease operations or reduce or eliminate production of these by-products, our costs to procure these materials may increase significantly or we may be obliged to procure alternatives to replace these materials, which may not be available on commercially reasonable terms or at all. Any such development may adversely affect our operations and financial condition.

We may become subject to significant clean-up, remediation and other liabilities under applicable environmental laws.

Our operations are subject to state, federal and local environmental laws and regulations, which impose liability for cleanup or remediation of environmental pollution and hazardous waste arising from past acts. These laws and regulations also require pollution control and prevention, site restoration and operating permits and/or approvals to conduct certain of our operations or expand or modify our facilities. Certain of our operations may from time-to-time involve the use of substances that are classified as toxic or hazardous substances within the meaning of these laws and regulations. Additionally, any future laws or regulations addressing GHG emissions would likely have a negative impact on our business or results of operations, whether through the imposition of raw material or production limitations, fuel-use or carbon taxes emission limitations or reductions or otherwise. We are unable to estimate accurately the impact on our business or results of operations of any such law or regulation at this time. Risk of environmental liability (including the incurrence of fines, penalties or other sanctions or litigation liability) is inherent in the operation of our businesses. As a result, it is possible that environmental liabilities and compliance with environmental regulations could have a material adverse effect on our operations in the future.

Significant changes in the cost and availability of transportation could adversely affect our business, financial condition and results of operations.

Some of the raw materials used in our manufacturing processes, such as coal or coke, are transported to our facilities by truck or rail. In addition, transportation logistics play an important part in allowing us to supply products to our customers, whether by truck, rail or barge. For example, we deliver gypsum wallboard to many areas of the United States and the transportation costs associated with the delivery of our wallboard products represent a significant portion of the variable cost of our gypsum wallboard segment. Significant increases in the cost of fuel or energy can result in material increases in the cost of transportation, which could materially and adversely affect our operating profits. In addition, reductions in the availability of certain modes of transportation such as rail or trucking could limit our ability to deliver product and therefore materially and adversely affect our operating profits.

Our debt agreements contain restrictive covenants and require us to meet certain financial ratios and tests, which limit our flexibility and could give rise to a default if we are unable to remain in compliance.

Our Credit Facility, Senior Unsecured Notes and Private Placement Note Purchase Agreements governing our Private Placement Senior Unsecured Notes contain, among other things, covenants that limit our ability to finance future operations or capital needs or to engage in other business activities, including but not limited to our ability to:

- Incur additional indebtedness;
- Sell assets or make other fundamental changes;
- Engage in mergers and acquisitions;
- Pay dividends and make other restricted payments;
- Make investments, loans, advances or guarantees;
- Encumber our assets or those of our restricted subsidiaries;
- Enter into transactions with our affiliates.

In addition, these agreements require us to meet and maintain certain financial ratios and tests, which may require that we take action to reduce our debt or to act in a manner contrary to our business objectives. Events beyond our control, including the changes in general business and economic conditions, may impair our ability to comply with these covenants or meet those financial ratios and tests. A breach of any of these covenants or failure to maintain the required ratios and meet the required tests may result in an event of default under these agreements. This may allow the lenders under these agreements to declare all amounts outstanding to be immediately due and payable, terminate any commitments to extend further credit to us and pursue other remedies available to them under the applicable agreements. If this occurs, our indebtedness may be accelerated and we may not be able to refinance the accelerated indebtedness on favorable terms, or at all, or repay the accelerated indebtedness. In general, the occurrence of any event of default under these agreements could have a material adverse effect on our financial condition or results of operations.

We have incurred substantial indebtedness, which could adversely affect our business, limit our ability to plan for or respond to changes in our business and reduce our profitability.

Our future ability to satisfy our debt obligations is subject, to some extent, to financial, market, competitive, legislative, regulatory and other factors that are beyond our control. Our substantial debt obligations could have negative consequences to our business, and in particular could impede, restrict or delay the implementation of our business strategy or prevent us from entering into transactions that would otherwise benefit our business. For example:

- we may be required to dedicate a substantial portion of our cash flows from operations to payments on our indebtedness, thereby reducing the availability of our cash flow for other purposes, including business development efforts, capital expenditures or strategic acquisitions;
- we may not be able to generate sufficient cash flow to meet our substantial debt service obligations or to fund our other liquidity needs. If this occurs, we may have to take actions such as selling assets, selling equity or reducing or delaying capital expenditures, strategic acquisitions, investments and joint ventures or restructuring our debt;
- as a result of the amount of our outstanding indebtedness and the restrictive covenants to which we are subject, if we determine that we require additional financing to fund future working capital, capital investments or other business activities, we may not be able to obtain such financing on commercially reasonable terms, or at all; and

- our flexibility in planning for, or reacting to, ch anges in our business and industry may be limited, thereby placing us at a competitive disadvantage compared to our competitors that have less indebtedness.

Our production facilities may experience unexpected equipment failures, catastrophic events and scheduled maintenance.

Interruptions in our production capabilities may cause our productivity and results of operations to decline significantly during the affected period. Our manufacturing processes are dependent upon critical pieces of equipment. Such equipment may, on occasion, be out of service as a result of unanticipated events such as fires, explosions, violent weather conditions or unexpected operational difficulties. We also have periodic scheduled shut-downs to perform maintenance on our facilities. Any significant interruption in production capability may require us to make significant capital expenditures to remedy problems or damage as well as cause us to lose revenue and profits due to lost production time, which could have a material adverse effect on our results of operations and financial condition.

Increases in interest rates and inflation could adversely affect our business and demand for our products, which would have an adverse effect on our results of operations.

Our business is significantly affected by the movement of interest rates. Interest rates have a direct impact on the level of residential, commercial and infrastructure construction activity by impacting the cost of borrowed funds to builders. Higher interest rates could result in decreased demand for our products, which would have a material adverse effect on our business and results of operations. In addition, increases in interest rates could result in higher interest expense related to borrowings under our Credit Facility. Inflation can result in higher interest rates. With inflation, the costs of capital increase, and the purchasing power of our cash resources can decline. Current or future efforts by the government to stimulate the economy may increase the risk of significant inflation, which could have a direct and indirect adverse impact on our business and results of operations.

Any new business opportunities we may elect to pursue will be subject to the risks typically associated with the early stages of business development or product line expansion.

We are continuing to pursue opportunities which are natural extensions of our existing core businesses and which allow us to leverage our core competencies, existing infrastructure and customer relationships. See "Management's Discussion and Analysis of Financial Conditions and Results of Operations – Executive Summary." Our likelihood of success in pursuing and realizing these opportunities must be considered in light of the expenses, difficulties and delays frequently encountered in connection with the early phases of business development or product line expansion, including the difficulties involved in obtaining permits; planning and constructing new facilities; transporting and storing products; establishing, maintaining or expanding customer relationships; as well as navigating the regulatory environment in which we operate. There can be no assurance that we will be successful in the pursuit and realization of these opportunities.

We may be adversely affected by decreased demand for frac sand or the development of either effective alternative proppants or new processes to replace hydraulic fracturing.

Frac sand is a proppant used in the completion and re-completion of natural gas and oil wells through hydraulic fracturing. Frac sand is the most commonly used proppant and is less expensive than ceramic proppant, which is also used in hydraulic fracturing to stimulate and maintain oil and natural gas production. A significant shift in demand from frac sand to other proppants, such as ceramic proppants, could have a material adverse effect on our oil and gas proppants business. The development and use of other effective alternative proppants or the development of new processes to replace hydraulic fracturing altogether, could also cause a decline in demand for the frac sand we produce and could have a material adverse effect on our oil and gas proppants business.

Our operations are dependent on our rights and ability to mine our properties and on our having renewed or recei ved the required permits and approvals from governmental authorities and other third parties.

We hold numerous governmental, environmental, mining and other permits, water rights and approvals authorizing operations at many of our facilities. A decision by a governmental agency or other third party to deny or delay issuing a new or renewed permit or approval, or to revoke or substantially modify an existing permit or approval, could have a material adverse effect on our ability to continue operations at the affected facility. Expansion of our existing operations is also predicated on securing the necessary environmental or other permits, water rights or approvals, which we may not receive in a timely manner or at all.

Title to, and the area of, mineral properties and water rights may also be disputed. Mineral properties sometimes contain claims or transfer histories that examiners cannot verify. A successful claim that we do not have title to one or more of our properties or lack appropriate water rights could cause us to lose any rights to explore, develop and extract any minerals on that property, without compensation for our prior expenditures relating to such property. Our business may suffer a material adverse effect in the event one or more of our properties are determined to have title deficiencies.

In some instances, we have received access rights or easements from third parties, which allow for a more efficient operation than would exist without the access or easement. A third party could take action to suspend the access or easement, and any such action could be materially averse to or results of operations or financial conditions.

A cyber-attack or data security breach affecting our information technology systems may negatively affect our businesses, financial condition and operating results.

We use information technology systems to collect, store and transmit the data needed to operate our businesses, including our confidential and proprietary information. Although we have implemented industry-standard security safeguards and policies to prevent unauthorized access or disclosure of such information, we cannot prevent all cyber-attacks or data security breaches. If such an attack or breach occurs, our businesses could be negatively affected, and we could incur additional costs in remediating the attack or breach and suffer reputational harm due to the theft or disclosure of our confidential information.

We may pursue acquisitions, joint ventures and other transactions that are intended to complement or expand our businesses. We may not be able to complete proposed transactions, and even if completed, the transactions may involve a number of risks that may result in a material adverse effect on our business, financial condition, operating results and cash flows.

As business conditions warrant and our financial resources permit, we may pursue opportunities to acquire businesses or technologies and to form joint ventures that we believe could complement, enhance or expand our current businesses or product lines or that might otherwise offer us growth opportunities. We may have difficulty identifying appropriate opportunities, or if we do identify opportunities, we may not be successful in completing transactions for a number of reasons. Any transactions that we are able to identify and complete may involve one or more of a number of risks, including:

- the diversion of management’s attention from our existing businesses to integrate the operations and personnel of the acquired business or joint venture;
- possible adverse effects on our operating results during the integration process;
- failure of the acquired business or joint venture to achieve expected operational, profitability and investment return objectives;
- the incurrence of significant charges, such as impairment of goodwill or intangible assets, asset devaluation or restructuring charges;
- the assumption of unanticipated liabilities and costs for which indemnification is unavailable or inadequate;

- unforeseen difficulties encountered in operating in new geographic areas; and
- the inability to achieve other intended objectives of the transaction

In addition, we may not be able to successfully or profitably integrate, operate, maintain and manage our newly acquired operations or their employees. We may not be able to maintain uniform standards, controls, procedures and policies, which may lead to operational inefficiencies. In addition, future acquisitions may result in dilutive issuances of equity securities or the incurrence of additional indebtedness.

Our bylaws include a forum selection clause, which could limit our stockholders' ability to obtain a favorable judicial forum for disputes with us.

Our bylaws provide that, unless we consent in writing to the selection of an alternative forum, the sole and exclusive forum for (i) any internal corporate claims within the meaning of the Delaware General Corporation Law ("DGCL"), (ii) any derivative action or proceeding brought on our behalf, (iii) any action asserting a claim of breach of a fiduciary duty owed by any of our directors, officers, or employees to us or to our stockholders, or (iv) any action asserting a claim arising pursuant to any provision of the DGCL, will be a state or federal court located within the State of Delaware in all cases subject to the court's having personal jurisdiction over the indispensable parties named as defendants. Any person or entity purchasing or otherwise acquiring any interest in shares of our capital stock is deemed to have notice of and consented to the foregoing provisions. This forum selection provision in our bylaws may limit our stockholders' ability to obtain a favorable judicial forum for disputes with us. It is also possible that, notwithstanding the forum selection clause included in our bylaws, a court could rule that such a provision is inapplicable or unenforceable.

This report includes various forward-looking statements, which are not facts or guarantees of future performance and which are subject to significant risks and uncertainties.

This report and other materials we have filed or will file with the SEC, as well as information included in oral statements or other written statements made or to be made by us, contain or may contain forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, Section 21E of the Exchange Act of 1934 and the Private Securities Litigation Reform Act of 1995. You can identify these statements by the fact that they do not relate to matters of a strictly factual or historical nature and generally discuss or relate to forecasts, estimates or other expectations regarding future events. Generally, the words "believe," "expect," "intend," "estimate," "anticipate," "project," "may," "can," "could," "might," "will" and similar expressions identify forward-looking statements, including statements related to expected operating and performing results, planned transactions, plans and objectives of management, future developments or conditions in the industries in which we participate, including future prices for our products, audits and legal proceedings to which we are a party and other trends, developments and uncertainties that may affect our business in the future.

Forward-looking statements are not historical facts or guarantees of future performance but instead represent only our beliefs at the time the statements were made regarding future events, which are subject to significant risks, uncertainties, and other factors, many of which are outside of our control. Any or all of the forward-looking statements made by us may turn out to be materially inaccurate. This can occur as a result of incorrect assumptions, changes in facts and circumstances or the effects of known risks and uncertainties. Many of the risks and uncertainties mentioned in this report or other reports filed by us with the SEC, including those discussed in the risk factor section of this report, will be important in determining whether these forward-looking statements prove to be accurate. Consequently, neither our stockholders nor any other person should place undue reliance on our forward-looking statements and should recognize that actual results may differ materially from those that may be anticipated by us.

All forward-looking statements made in this report are made as of the date hereof, and the risk that actual results will differ materially from expectations expressed in this report will increase with the passage of time. We undertake no obligation, and disclaim any duty, to publicly update or revise any forward-looking statements, whether as a result of new information, future events, changes in our expectations or otherwise.

Item 2. Unregis tered Sales of Equity Securities and Use of Proceeds

The disclosure required under this Item is included in “Management’s Discussion and Analysis of Results of Operations and Financial Condition” of this Quarterly Report on Form 10-Q under the heading “Share Repurchases” and is incorporated herein by reference.

Item 4. Mine Safety Disclosures

The information concerning mine safety violations or other regulatory matters required by Section 1503 (a) of the Dodd-Frank Wall Street Reform and Consumer Protection Act and Item 104 of Regulation S-K is included in Exhibit 95 to this Form 10-Q.

Item 6. Exhibits

10.1	Eagle Materials Inc. Salaried Incentive Compensation Program for Fiscal Year 2018 (filed as Exhibit 10.1 to the Current Report on Form 8-K filed with the Securities and Exchange Commission (“the Commission”) on May 19, 2017, and incorporated herein by reference). (1)
10.2	Eagle Materials Inc. Cement Companies Salaried Incentive Compensation Program for Fiscal Year 2018 (filed as Exhibit 10.2 to the Current Report on Form 8-K filed with the Commission on May 19, 2017, and incorporated herein by reference). (1)
10.3	Eagle Materials Inc. Special Situation Program for Fiscal Year 2018 (filed as Exhibit 10.3 to the Current Report on Form 8-K filed with the Commission on May 19, 2017, and incorporated herein by reference . (1)
10.4*	Amendment dated May 15, 2017 to Eagle Materials Inc. Amended and Restated Incentive Plan. (1)
10.5*	Form of Management Non-Qualified Option Agreement (Performance). (1)
10.6*	Form of Management Non-Qualified Option Agreement (Time Vest). (1)
10.7*	Form of Management Restricted Stock Agreement (Performance). (1)
10.8*	Form of Management Restricted Stock Agreement (Time Vest). (1)
12.1*	Computation of Ratio of Earnings to Fixed Charges.
31.1*	Certification of the Chief Executive Officer of Eagle Materials Inc. pursuant to Rules 13a-14 and 15d-14 promulgated under the Securities Exchange Act of 1934, as amended.
31.2*	Certification of the Chief Financial Officer of Eagle Materials Inc. pursuant to Rules 13a-14 and 15d-14 promulgated under the Securities Exchange Act of 1934, as amended.
32.1*	Certification of the Chief Executive Officer of Eagle Materials Inc. pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
32.2*	Certification of the Chief Financial Officer of Eagle Materials Inc. pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
95*	Mine Safety Disclosure
101.INS*	XBRL Instance Document.
101.SCH*	XBRL Taxonomy Extension Schema Document.
101.CAL*	XBRL Taxonomy Extension Calculation Linkbase Document.
101.DEF*	XBRL Taxonomy Extension Definition Linkbase Document.
101.LAB*	XBRL Taxonomy Extension Label Linkbase Document.
101.PRE*	XBRL Taxonomy Extension Presentation Linkbase Document.

* Filed herewith.

(1) Management contract or compensatory plan or arrangement.

SI GNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

	EAGLE MATERIALS INC. Registrant
July 28, 2017	/s/ DAVID B. POWERS David B. Powers President and Chief Executive Officer (principal executive officer)
July 28, 2017	/s/ D. CRAIG KESLER D. Craig Kesler Executive Vice President – Finance and Administration and Chief Financial Officer (principal financial officer)
July 28, 2017	/s/ WILLIAM R. DEVLIN William R. Devlin Senior Vice President – Controller and Chief Accounting Officer (principal accounting officer)

EXHIBIT 10.4

EAGLE MATERIALS INC.
INCENTIVE PLAN

(Amendment Dated May 15, 2017)

The Eagle Materials Inc. Amended and Restated Incentive Plan dated August 7, 2013 (the “Plan”) is hereby amended as follows:

1. Section 12 of the Plan in amended and restated in its entirety as follows:

> 12. Taxes. The Corporation or its designated third party administrator shall have the right to deduct applicable taxes from any Employee Award payment and withhold, at the time of delivery or vesting of cash or shares of Common Stock under this Plan, an appropriate amount of cash or number of shares of Common Stock or a combination thereof for payment of amounts for tax withholding and to take such other action as may be necessary in the opinion of the Corporation to satisfy all obligations for withholding of such taxes. The Committee may also permit withholding to be satisfied by the transfer to the Corporation of shares of Common Stock theretofore owned by the holder of the Employee Award with respect to which withholding is required.

2. Except as expressly modified and amended in this Amendment, the remaining terms and conditions of the Plan shall remain in full force and effect and shall not be deemed modified, amended, revoked or changed in whole or in part. The te rms and conditions of the Plan are incorporated herein by reference and made a part hereof.

EXHIBIT 10.5

EAGLE MATERIALS INC.

AMENDED AND RESTATED INCENTIVE PLAN

NON-QUALIFIED STOCK OPTION AGREEMENT

(Performance Vesting)

This option agreement (the " Option Agreement " or " Agreement ") entered into between EAGLE MATERIALS INC. , a Delaware corporation (the " Company "), and ___________ (the " Optionee "), an employee of the Company or its Affiliates, with respect to a right (the " Option ") awarded to the Optionee under the Eagle Materials Inc. Amended and Restated Incentive Plan (the " Plan "), on May 18, 2017 (the " Award Date ") to purchase from the Company up to but not exceeding in the aggregate _______ shares of the Company's common stock, par value $0.01 per share (the " Common Stock "), at a price of $100.88 per share (the " Exercise Price "), such number of shares and such price per share being subject to adjustment as provided in the Plan, and further subject to the following terms and conditions:

1. Relationship to Plan

This Option is subject to all of the terms, conditions and provisions of the Plan and administrative interpretations thereunder, if any, which have been adopted by the Company's Compensation Committee (" Committee ") and are in effect on the date hereof. Except as defined herein, capitalized terms shall have the same meanings ascribed to them under the Plan. For purposes of this Option Agreement:

(a) " *Disability* " shall be determined by the Committee.

(b) " *Return on Equity* " for any fiscal year shall mean the following calculation (as determined by the Committee): (i) the net earnings of the Company for such fiscal year; divided by (ii) the Company's Average Stockholders' Equity for such fiscal year.

(c) " *Average Stockholders' Equity* " for any period shall mean: (i) the Company's total stockholders' equity as of the beginning of such period plus the Company's total stockholders' equity at the end of such period; divided by (ii) 2.

(d) " *Retirement* " shall mean a retirement approved by the Board.

(e) " *Service Vesting Date* " means the first, second or third anniversary of the end of the Performance Period, as applicable.

(f)" *Performance Period* " means the period commencing on April 1, 2017 and ending on March 31, 2018.

2. Vesting and Exercise Schedules .

(a) Vesting Criteria . The shares of Common Stock covered by this Option (" Option Shares ") shall vest in accordance with the vesting schedule set forth below in this Section 2 (each such vesting date, a " Vesting Date ") only if the Return on Equity for the fiscal year ending March 31, 2018 is at leas t 11.0% (the " Performance Criteria "); provided , that the percentage of Option Shares that will be earned shall be based on the following:

Performance Criteria	**Percentage of Options Earned**
≥ 18.0%	100.0%
14.5%	83.3%
11.0%	66.7%

; provided , further , that the exact percentage of Option Shares earned shall be calculated based on straight-line interpolation between the points shown above with fractional points rounded up to the nearest tenth of a percent. After the end of the Performance Period, the Compensation Committee shall certify whether and to what extent the Performance Criteria has been satisfied (" Certification Date "). If the Performance Criteria has not been satisfied then the Option Shares shall be immediately and automatically forfeited. Upon the Certification Date, any portion of the Option Shares that are not earned in accordance with the provisions above shall be forfeited.

(b) Exercisability . The earned Option Shares shall vest and become exercisable one-fourth promptly following the Certification Date and then ratably on the next three Service Vesting Dates. The Optionee must be in continuous service as an employee of the Company or any of its Affiliates or as a Director from the Award Date through the applicable Vesting Date on which the portion of the Option Shares would otherwise become exercisable in order for the Option to become exercisable with respect to that portion of the Option Shares, otherwise such Option Shares shall be forfeited. Notwithstanding the foregoing, in the event the Optionee's employment and, if applicable, service as a Director terminates by reason of death, Disability or Retirement following the end of the Performance Period and prior to any Vesting Date, any then exercisable Option Shares shall continue to be exercisable for a period of two years following such termination, and any earned but unexercisable Option Shares shall continue to become exercisable as if the Optionee had remained employed or continued to serve as a Director for a period of two years following such termination. In the event Optionee's employment with the Company or any of its affiliates is terminated (other than a termination for "cause") after the end of the Performance Period but before the Certification Date, then notwithstanding the restrictions set forth above in this Section 2, promptly following the Certification Date, one-fourth of any earned Option Shares shall vest and become exercisable for a period of 90 days following the Certification Date (or two years following the Certification Date in the case of the death, Disability or Retirement of the Optionee), and the remainder of the Option Shares shall be forfeited.

To the extent the Option becomes exercisable, such Option may be exercised in whole or in part (at any time or from time to time, except as otherwise provided herein) until expiration of the Option pursuant to the terms of this Agreement or the Plan.

(c) Calculations and Adjustments . The Committee shall have the authority to approve the calculations involving the "Return on Equity for the fiscal year ending March 31, 2018" for purposes of vesting, and its approval of such calculations shall be final, conclusive and binding on all parties; provided , that the Performance Criteria and calculation of actual results, in each case, shall be equitably adjusted as determined by the Committee in its discretion , including, without limitation, to account for (i) any business acquisition or disposition (including spin-offs) that occurs after the Award Date; (ii) the impact of litigation (including legal fees, settlements and adjustments); provided that the amount exceeds $5 million; and (iii) the impact of extraordinary items not related to the Company's current or ongoing business operations .

(d) Change in Control . This Option shall become fully vested and exercisable, without regard to the limitations set forth in subparagraph (a) above, provided that the Optionee has been in continuous employment with the Company or any of its Affiliates or served as a Director from the Award Date through the occurrence of a Change in Control (as defined in Exhibit A to this Agreement), unless either (i) the Committee determines that the terms of the transaction giving rise to the Change in Control provide that the Opt ion is to be replaced within a reasonable time after the Change in Control with an option of equivalent value to purchase shares of the surviving parent corporation or (ii) the Option is to be settled in cash in accordance with the last sentence of this su bparagraph (d). Upon a Change in Control, pursuant to Section 15 of the Plan, the Company may, in its discretion, settle the Option by a cash payment equal to the difference between the Fair Market Value per share of Common Stock on the settlement date an d the Exercise Price for the Option, multiplied by the number of shares then subject to the Option.

(e) Capital Adjustments and Corporate Events . If, from time to time during the term of the Option prior to its exercise, there is any capital adjustment affecting the outstanding Common Stock as a class without the Company's receipt of consideration, including as a result of a spin-off or business disposition, the Option Shares and other applicable terms of this Option shall be adjusted in accordance with the provisions of Section 15 of the Plan, which adjustment shall include (as may be applicable) without limitation, equitable adjustments to the number of Option Shares, exercise price and type of property or securities to which the Option relates and to the Performance Condition set forth above, in each case as determined by the Committee in its discretion and in accordance with Code Section 409A. Any and all new, substituted or additional securities to which the Optionee may be entitled by reason of this Option because of a capital adjustment shall be immediately subject to the Vesting Period and other terms set forth herein (as may be modified pursuant to this Agreement) and included thereafter as Option Shares for purposes of this Agreement.

3. Termination of Option .

The Option hereby granted shall terminate and be of no force and effect with respect to any Option Shares not previously purchased by the Optionee at the earliest time specified below:

(a) the tenth anniversary of the Award Date;

(b) if Optionee's employment with the Company and its Affiliates or service as a Director is terminated by the Company or a Subsidiary for "cause" (as determined by the Committee) at any time after the Award Date, then the Option shall terminate immediately upon such termination of Optionee's employment or service;

(c) if Optionee's employment with the Company and its Affiliates and, if applicable, service as a Director is terminated for any reason other than death, Disability, Retirement or termination for "cause," then the Option shall terminate on the first business day following the expiration of the 90-day period beginning on such date of termination; or

(d) if Optionee's employment with the Company and its Affiliates and, if applicable, service as a Director is terminated due to the death, Disability or Retirement of the Optionee, and in any such case such termination is at any time after the Award Date, then the Option shall terminate on the later of (i) the first business day following the expiration of the two-year period following such termination and (ii) with respect to any Option Shares which become exercisable after such termination, the first business day following the expiration of the 90-day period beginning on the date the Options Shares first become exercisable.

4. ***Exe rcise of Option*** .

Subject to the limitations set forth herein and in the Plan, this Option may be exercised by notice provided to the Company as set forth in Section 5. The payment of the Exercise Price for the Common Stock being purchased pursuant to the Option shall be made (a) in cash, by check or cash equivalent, (b) by tender to the Company, or attestation to the ownership, of Common Stock owned by the Optionee having a Fair Market Value (as determined by the Company without regard to any restrictions on transferability applicable to such Common Stock by reason of federal or state securities laws or agreements with an underwriter for the Company) not less than the Exercise Price, (c) by delivery of a properly executed notice together with irrevocable instructions to a broker providing for the assignment to the Company of the proceeds of a sale or loan with respect to some or all of the shares being acquired upon the exercise of the Option (including, without limitation, through an exercise complying with the provisions of Regulation T as promulgated from time to time by the Board of Governors of the Federal Reserve System), (d) by withholding Option Shares equal to the Exercise Price multiplied by the number of Options exercised divided by the Fair Market Value at the time of exercise, rounded up to the nearest whole share, (e) by such other consideration as may be approved by the Board from time to time to the extent permitted by applicable law, or (f) by any combination thereof. Such notice shall be accompanied by cash or Common Stock in the full amount of all federal and state withholding or other employment taxes applicable to the taxable income of such Optionee resulting from such exercise (or instructions to satisfy such withholding obligation by withholding Option Shares in accordance with Section 8). Notwithstanding the foregoing, if the Exercise Price of the outstanding portion of the Option is less than the Fair Market Value of a share of Common Stock on the day the Option would otherwise expire as provided in Section 3(a), then the Option shall be automatically exercised in full pursuant to clause (d) above immediately prior to its expiration.

If the Optionee desires to pay the purchase price for the Option Shares by tendering Common Stock using the method of attestation, the Optionee may, subject to any such conditions and in compliance with any such procedures as the Committee may adopt, do so by attesting to the ownership of Common Stock of the requisite value, in which case the Company shall issue or otherwise deliver to the Optionee upon such exercise a number of Option Shares equal to the result obtained by dividing (a) the excess of the aggregate Fair Market Value of the total number shares of Common Stock subject to the Option for which the Option (or portion thereof) is being exercised over the purchase price payable in respect of such exercise by (b) the Fair Market Value per share of Common Stock subject to the Option, and the Optionee may retain the shares of Common Stock the ownership of which is attested.

Notwithstanding anything to the contrary contained herein, the Optionee agrees that he will not exercise the Option granted pursuant hereto, and the Company will not be obligated to issue any Option Shares pursuant to this Option Agreement, if the exercise of the Option or the issuance of such shares would constitute a violation by the Optionee or by the Company of any provision of any law or regulation of any governmental authority or any stock exchange or transaction quotation system. The Optionee agrees that, unless the options and shares covered by the Plan have been registered pursuant to the Securities Act of 1933, as amended, the Company may, at its election, require the Optionee to give a representation in writing in form and substance satisfactory to the Company to the effect that he is acquiring such shares for his own account for investment and not with a view to, or for sale in connection with, the distribution of such shares or any part thereof.

If any law or regulation requires the Company to take any action with respect to the shares specified in such notice, the time for delivery thereof, which would otherwise be as promptly as reasonably practicable, shall be postponed for the period of time necessary to take such action.

5. ***<u>Notices</u>*** .

Notice of exercise of the Option must be made in the following manner, using such forms as the Company may from time to time provide:

(a) by electronic means as designated by the Committee, in which case the date of exercise shall be the date when receipt is acknowledged by the Company;

(b) by registered or certified United States mail, postage prepaid, to Eagle Materials Inc., Attention: Secretary, 3811 Turtle Creek, Suite 1100, Dallas, Texas 75219, in which case the date of exercise shall be the date of mailing; or

(c) by hand delivery or otherwise to Eagle Materials Inc., Attention: Secretary, 3811 Turtle Creek, Suite 1100, Dallas, Texas 75219, in which case the date of exercise shall be the date when receipt is acknowledged by the Company.

Notwithstanding the foregoing, in the event that the address of the Company is changed prior to the date of any exercise of this Option, notice of exercise shall instead be made pursuant to the foregoing provisions at the Company's current address.

Any other notices provided for in this Agreement or in the Plan shall be given in writing or by such electronic means, as permitted by the Committee, and shall be deemed effectively delivered or given upon receipt or, in the case of notices delivered by the Company to the Optionee, five days after deposit in the United States mail, postage prepaid, addressed to the Optionee at the address specified at the end of this Agreement or at such other address as the Optionee hereafter designates by written notice to the Company.

6. ***<u>Assignment of Option</u>*** .

Except as otherwise permitted by the Committee, the rights of the Optionee under the Plan and this Agreement are personal; no assignment or transfer of the Optionee's rights under and interest in this Option may be made by the Optionee otherwise than by will, by beneficiary designation, by the laws of descent and distribution or by a qualified domestic relations order; and this Option is exercisable during his lifetime only by the Optionee, except as otherwise expressly provided in this Agreement.

After the death of the Optionee, exercise of the Option shall be permitted only by the Optionee's designated beneficiary or, in the absence of a designated beneficiary, the Optionee's executor or the personal representative of the Optionee's estate (or by his assignee, in the event of a permitted assignment) to the extent that the Option is exercisable on or after the date of the Optionee's death, as set forth in Sections 2(a) and 3(d) hereof.

7. ***<u>Stock Certificates</u>*** .

Certificates or other evidences of or representing the Common Stock issued pursuant to the exercise of the Option will bear all legends required by law and necessary or advisable to effectuate the provisions of the Plan and this Option.

8. ***<u>Withholding</u>*** .

No certificates representing shares of Common Stock purchased hereunder shall be delivered to or in respect of an Optionee unless the amount of all federal, state and other governmental withholding tax requirements imposed upon the Company with respect to the issuance of such shares of Common Stock has been remitted to the Company or unless provisions to pay such withholding requirements have been made to the satisfaction of the Committee. The Committee may make such provisions as it may deem appropriate f or the withholding of any taxes which it determines is required in connection with this Option. The Optionee may pay all or any portion of the taxes required to be withheld by the Company or paid by the Optionee in connection with the exercise of all or a ny portion of this Option by delivering cash, or, pursuant to Committee-approved procedures, by electing to have the Company withhold shares of Common Stock, or by delivering previously owned shares of Common Stock sufficient to satisfy the tax withholding obligation. The Optionee must make the foregoing election on or before the date that the amount of tax to be withheld is determined.

9. ***Shareholder Rights*** .

The Optionee shall have no rights of a shareholder with respect to shares of Common Stock subject to the Option unless and until such time as the Option has been exercised and ownership of such shares of Common Stock has been transferred to the Optionee.

10. ***Successors and Assigns*** .

This Agreement shall bind and inure to the benefit of and be enforceable by the Optionee, the Company and their respective permitted successors and assigns (including personal representatives, heirs and legatees), except that the Optionee may not assign any rights or obligations under this Agreement except to the extent and in the manner expressly permitted herein.

11. ***No Employment Guaranteed*** .

No provision of this Option Agreement shall confer any right upon the Optionee to continued employment with the Company or any Subsidiary.

12. ***Governing Law*** .

This Option Agreement shall be governed by, construed and enforced in accordance with the laws of the State of Texas.

13. ***Amendment*** .

This Agreement cannot be modified, altered or amended except by an agreement, in writing, signed by both the Company and the Optionee.

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EAGLE MATERIALS INC.

Dated: , 2017	By:	______________________
	Name:	David B. Powers
	Its:	President and CEO
	Address:	3811 Turtle Creek Boulevard, Suite 1100 Dallas, Texas 75219

The Optionee hereby accepts the foregoing Option Agreement, subject to the terms and provisions of the Plan and administrative interpretations thereof referred to above.

OPTIONEE:

Dated: , 2017

Signed: ______________________

Eagle Materials Inc.
3811 Turtle Creek Blvd., Suite 1100
Dallas, Texas 75219

EXHIBIT A

CHANGE-IN-CONTROL

For the purpose of this Agreement, a "Change in Control" shall mean the occurrence of any of the following events:

(a) The acquisition by any Person of beneficial ownership of securities of the Company (including any such acquisition of beneficial ownership deemed to have occurred pursuant to Rule 13d-5 under the Exchange Act) if, immediately thereafter, such Person is the beneficial owner of (i) 50% or more of the total number of outstanding shares of any single class of Company Common Stock or (ii) 40% or more of the total number of outstanding shares of all classes of Company Common Stock, unless such acquisition is made (a) directly from the Company in a transaction approved by a majority of the members of the Incumbent Board or (b) by any employee benefit plan (or related trust) sponsored or maintained by the Company or any corporation controlled by the Company;

(b) Individuals who, as of the date hereof, constitute the Board (the "Incumbent Board") cease for any reason to constitute at least a majority of the Board; provided, however, that any individual becoming a director subsequent to the date hereof whose election, or nomination for election by the Company's stockholders, was approved by a vote of at least a majority of the directors then comprising the Incumbent Board (or who is otherwise designated as a member of the Incumbent Board by such a vote) shall be considered as though such individual were a member of the Incumbent Board, except that any such individual shall not be considered a member of the Incumbent Board if his or her initial assumption of office occurs as a result of either an actual or threatened election contest (as such term is used in Rule 14a-11 of Regulation 14A promulgated under the Exchange Act) or other actual or threatened solicitation of proxies or consents by or on behalf of a Person other than the Board;

(c) The consummation of a Business Combination, unless, immediately following such Business Combination, (i) more than 50% of both the total number of then outstanding shares of common stock of the parent corporation resulting from such Business Combination and the combined voting power of the then outstanding voting securities of such parent corporation entitled to vote generally in the election of directors will be (or is) then beneficially owned, directly or indirectly, by all or substantially all of the Persons who were the beneficial owners, respectively, of the outstanding shares of Company Common Stock immediately prior to such Business Combination in substantially the same proportions as their ownership immediately prior to such Business Combination of the outstanding shares of Company Common Stock, (ii) no Person (other than any employee benefit plan (or related trust) of the Company or any corporation resulting from such Business Combination) beneficially owns, directly or indirectly, 40% or more of the total number of then outstanding shares of common stock of the corporation resulting from such Business Combination or the combined voting power of the then outstanding voting securities of such corporation entitled to vote generally in the election of directors and (iii) at least a majority of the members of the board of directors of the parent corporation resulting from such Business Combination were members of the Incumbent Board immediately prior to the consummation of such Business Combination; or

(d) Approval by the Board and the shareholders of the Company of (i) a complete liquidation or dissolution of the Company or (ii) a Major Asset Disposition (or, if there is no such approval by shareholders, consummation of such Major Asset Disposition) unless,

(e) immediately following such Major Asset Disposition, (A) Persons tha t were beneficial owners of the outstanding shares of Company Common Stock immediately prior to such Major Asset Disposition beneficially own, directly or indirectly, more than 50% of the total number of then outstanding shares of common stock and the comb ined voting power of the then outstanding shares of voting stock of the Company (if it continues to exist) and of the Acquiring Entity in substantially the same proportions as their ownership immediately prior to such Major Asset Disposition of the outstan ding shares of Company Common Stock; (B) no Person (other than any employee benefit plan (or related trust) of the Company or such entity) beneficially owns, directly or indirectly, 40% or more of the then outstanding shares of common stock or the combined voting power of the then outstanding voting securities of the Company (if it continues to exist) and of the Acquiring Entity entitled to vote generally in the election of directors and (C) at least a majority of the members of the Board of the Company (if it continues to exist) and of the Acquiring Entity were members of the Incumbent Board at the time of the execution of the initial agreement or action of the Board providing for such Major Asset Disposition.

For purposes of the foregoing,

(i) the term “Person” means an individual, entity or group;

(ii) the term “group” is used as it is defined for purposes of Section 13(d)(3) of the Exchange Act;

(iii) the terms “beneficial owner”, “beneficial ownership” and “beneficially own” are used as defined for purposes of Rule 13d-3 under the Exchange Act;

(iv) the term “Business Combination” means (x) a merger, consolidation or share exchange involving the Company or its stock or (y) an acquisition by the Company, directly or through one or more subsidiaries, of another entity or its stock or assets;

(v) the term “Company Common Stock” shall mean the Common Stock, par value $.01 per share, of the Company;

(vi) the term “Exchange Act” means the Securities Exchange Act of 1934, as amended.

(vii) the phrase “parent corporation resulting from a Business Combination” means the Company if its stock is not acquired or converted in the Business Combination and otherwise means the entity which as a result of such Business Combination owns the Company or all or substantially all of the Company’s assets either directly or through one or more subsidiaries;

(viii) the term “Major Asset Disposition” means the sale or other disposition in one transaction or a series of related transactions of 50% or more of the assets of the Company and its subsidiaries on a consolidated basis; and any specified percentage or portion of the assets of the Company shall be based on fair market value, as determined by a majority of the members of the Incumbent Board;

(ix) the term "Acquiring Entity" means the entity that acquires the largest portion of the assets sold or otherwise disposed of in a Major Asset Disposition (or the entity, if any, that owns a majority of the outstanding voting stock of such acquiring entity entitled to vote generally in the election of directors or members of a comparable governing body); and

(x) the phrase "substantially the same proportions," when used with reference to ownership interests in the parent corporation resulting from a Business Combination or in an Acquiring Entity, means substantially in proportion to the number of shares of Company Common Stock beneficially owned by the applicable Persons immediately prior to the Business Combination or Major Asset Disposition, but is not to be construed in such a manner as to require that the same ratio or number of shares of such parent corporation or Acquiring Entity be issued, paid or delivered in exchange for or in respect of the shares of each class of Company Common Stock.

EXHIBIT 10.6

EAGLE MATERIALS INC.

AMENDED AND RESTATED INCENTIVE PLAN

NON-QUALIFIED STOCK OPTION AGREEMENT

(Time Vesting)

This option agreement (the " Option Agreement " or " Agreement ") entered into between EAGLE MATERIALS INC. , a Delaware corporation (the " Company "), and _______________ (the " Optionee "), an employee of the Company or its Affiliates, with respect to a right (the " Option ") awarded to the Optionee under the Eagle Materials Inc. Amended and Restated Incentive Plan (the " Plan "), on May 18, 2017 (the " Award Date ") to purchase from the Company up to but not exceeding in the aggregate _______ shares of the Company's common stock, par value $0.01 per share (the " Common Stock "), at a price of $100.88 per share (the " Exercise Price "), such number of shares and such price per share being subject to adjustment as provided in the Plan, and further subject to the following terms and conditions:

1. Relationship to Plan

This Opt ion is subject to all of the terms, conditions and provisions of the Plan and administrative interpretations thereunder, if any, which have been adopted by the Company's Compensation Committee (" Committee ") and are in effect on the date hereof. Except as defined herein, capitalized terms shall have the same meanings ascribed to them under the Plan. For purposes of this Option Agreement:

(a) " *Disability* " shall be determined by the Committee.

(b) " *Retirement* " shall mean a retirement approved by the Board.

2. Vesting and Exercise Schedules .

(a) Exercisability . The shares of Common Stock covered by this Option (" Option Shares ") shall vest and become exercisable on the date designated (a " Vesting Date ") in accordance with the following vesting schedule (the " Vesting Schedule "):

Vesting Date	Option Shares
March 31, 2018	_____
March 31, 2019	_____
March 31, 2020	_____
March 31, 2021	_____
Total	_____

The Optionee must be in continuous service as an employee of the Company or any of its Affiliates or as a Director from the Award Date through the applicable Vesting Date on which the portion of the Option Shares would otherwise become exercisable in order for the Option to become exercisable with respect to that portion of the Option Shares, otherwise such Option Shares shall be forfeited. Notwithstanding the foregoing, in the event the Optionee's employment and, if applicable, service as a Director terminates by rea son of death, Disability or Retirement, and in any such case such termination follows the Award Date and is prior to any Vesting Date, any then exercisable Option Shares shall continue to be exercisable for a period of two years following such termination, and any unexercisable Option Shares shall continue to become exercisable as if the Optionee had remained employed or continued to serve as a Director for a period of two years following such termination.

To the extent the Option becomes exercisable, such Option may be exercised in whole or in part (at any time or from time to time, except as otherwise provided herein) until expiration of the Option pursuant to the terms of this Agreement or the Plan.

(b) Change in Control. This Option shall become fully vested and exercisable, without regard to the limitations set forth in subparagraph (a) above, provided that the Optionee has been in continuous employment with the Company or any of its Affiliates or served as a Director from the Award Date through the occurrence of a Change in Control (as defined in Exhibit A to this Agreement), unless either (i) the Committee determines that the terms of the transaction giving rise to the Change in Control provide that the Option is to be replaced within a reasonable time after the Change in Control with an option of equivalent value to purchase shares of the surviving parent corporation or (ii) the Option is to be settled in cash in accordance with the last sentence of this subparagraph (b). Upon a Change in Control, pursuant to Section 15 of the Plan, the Company may, in its discretion, settle the Option by a cash payment equal to the difference between the Fair Market Value per share of Common Stock on the settlement date and the Exercise Price for the Option, multiplied by the number of shares then subject to the Option.

(c) Capital Adjustments and Corporate Events. If, from time to time during the term of the Option prior to its exercise, there is any capital adjustment affecting the outstanding Common Stock as a class without the Company's receipt of consideration, including as a result of a spin-off or business disposition, the Option Shares and other applicable terms of this Option shall be adjusted in accordance with the provisions of Section 15 of the Plan, which adjustment shall include (as may be applicable) without limitation, equitable adjustments to the number of Option Shares, exercise price and type of property or securities to which the Option relates, in each case as determined by the Committee in its discretion and in accordance with Code Section 409A. Any and all new, substituted or additional securities to which the Optionee may be entitled by reason of this Option because of a capital adjustment shall be immediately subject to the Vesting Schedule and other terms set forth herein (as may be modified pursuant to this Agreement) and included thereafter as Option Shares for purposes of this Agreement.

***3. Termination of Option*.**

The Option hereby granted shall terminate and be of no force and effect with respect to any Option Shares not previously purchased by the Optionee at the earliest time specified below:

(a) the tenth anniversary of the Award Date;

(b) if Optionee's employment with the Company and its Affiliates or service as a Director is terminated by the Company or a Subsidiary for "cause" (as determined by the Committee) at any time after the Award Date, then the Option shall terminate immediately upon such termination of Optionee's employment or service;

(c) if Optionee's employment with the Company and its Aff iliates and, if applicable, service as a Director is terminated for any reason other than death, Disability, Retirement or termination for "cause," then the Option shall terminate on the first business day following the expiration of the 90-day period begi nning on such date of termination; or

(d) if Optionee's employment with the Company and its Affiliates and, if applicable, service as a Director is terminated due to the death, Disability or Retirement of the Optionee, and in any such case such termination is at any time after the Award Date, then the Option shall terminate on the later of (i) the first business day following the expiration of the two-year period following such termination and (ii) with respect to any Option Shares which become exercisable after such termination, the first business day following the expiration of the 90-day period beginning on the date the Options Shares first become exercisable.

4. ***Exercise of Option*** .

Subject to the limitations set forth herein and in the Plan, this Option may be exercised by notice provided to the Company as set forth in Section 5. The payment of the Exercise Price for the Common Stock being purchased pursuant to the Option shall be made (a) in cash, by check or cash equivalent, (b) by tender to the Company, or attestation to the ownership, of Common Stock owned by the Optionee having a Fair Market Value (as determined by the Company without regard to any restrictions on transferability applicable to such Common Stock by reason of federal or state securities laws or agreements with an underwriter for the Company) not less than the Exercise Price, (c) by delivery of a properly executed notice together with irrevocable instructions to a broker providing for the assignment to the Company of the proceeds of a sale or loan with respect to some or all of the shares being acquired upon the exercise of the Option (including, without limitation, through an exercise complying with the provisions of Regulation T as promulgated from time to time by the Board of Governors of the Federal Reserve System), (d) by withholding Option Shares equal to the Exercise Price multiplied by the number of Options exercised divided by the Fair Market Value at the time of exercise, rounded up to the nearest whole share, (e) by such other consideration as may be approved by the Board from time to time to the extent permitted by applicable law, or (f) by any combination thereof. Such notice shall be accompanied by cash or Common Stock in the full amount of all federal and state withholding or other employment taxes applicable to the taxable income of such Optionee resulting from such exercise (or instructions to satisfy such withholding obligation by withholding Option Shares in accordance with Section 8). Notwithstanding the foregoing, if the Exercise Price of the outstanding portion of the Option is less than the Fair Market Value of a share of Common Stock on the day the Option would otherwise expire as provided in Section 3(a), then the Option shall be automatically exercised in full pursuant to clause (d) above immediately prior to its expiration.

If the Optionee desires to pay the purchase price for the Option Shares by tendering Common Stock using the method of attestation, the Optionee may, subject to any such conditions and in compliance with any such procedures as the Committee may adopt, do so by attesting to the ownership of Common Stock of the requisite value, in which case the Company shall issue or otherwise deliver to the Optionee upon such exercise a number of Option Shares equal to the result obtained by dividing (a) the excess of the aggregate Fair Market Value of the total number shares of Common Stock subject to the Option for which the Option (or portion thereof) is being exercised over the purchase price payable in respect of such exercise by (b) the Fair Market Value per share of Common Stock subject to the Option, and the Optionee may retain the shares of Common Stock the ownership of which is attested.

Notwithstanding anything to the contrary contained herein, the Optionee agrees that he will not exercise the Option granted pursuant hereto, and the Company will not be obligated to issue any Option

Shares pursuant to this Option Agreement, if the exe rcise of the Option or the issuance of such shares would constitute a violation by the Optionee or by the Company of any provision of any law or regulation of any governmental authority or any stock exchange or transaction quotation system. The Optionee a grees that, unless the options and shares covered by the Plan have been registered pursuant to the Securities Act of 1933, as amended, the Company may, at its election, require the Optionee to give a representation in writing in form and substance satisfac tory to the Company to the effect that he is acquiring such shares for his own account for investment and not with a view to, or for sale in connection with, the distribution of such shares or any part thereof.

If any law or regulation requires the Company to take any action with respect to the shares specified in such notice, the time for delivery thereof, which would otherwise be as promptly as reasonably practicable, shall be postponed for the period of time necessary to take such action.

5. ***Notices*** .

Notice of exercise of the Option must be made in the following manner, using such forms as the Company may from time to time provide:

(a) by electronic means as designated by the Committee, in which case the date of exercise shall be the date when receipt is acknowledged by the Company;

(b) by registered or certified United States mail, postage prepaid, to Eagle Materials Inc., Attention: Secretary, 3811 Turtle Creek, Suite 1100, Dallas, Texas 75219, in which case the date of exercise shall be the date of mailing; or

(c) by hand delivery or otherwise to Eagle Materials Inc., Attention: Secretary, 3811 Turtle Creek, Suite 1100, Dallas, Texas 75219, in which case the date of exercise shall be the date when receipt is acknowledged by the Company.

Notwithstanding the foregoing, in the event that the address of the Company is changed prior to the date of any exercise of this Option, notice of exercise shall instead be made pursuant to the foregoing provisions at the Company's current address.

Any other notices provided for in this Agreement or in the Plan shall be given in writing or by such electronic means, as permitted by the Committee, and shall be deemed effectively delivered or given upon receipt or, in the case of notices delivered by the Company to the Optionee, five days after deposit in the United States mail, postage prepaid, addressed to the Optionee at the address specified at the end of this Agreement or at such other address as the Optionee hereafter designates by written notice to the Company.

6. ***Assignment of Option*** .

Except as otherwise permitted by the Committee, the rights of the Optionee under the Plan and this Agreement are personal; no assignment or transfer of the Optionee's rights under and interest in this Option may be made by the Optionee otherwise than by will, by beneficiary designation, by the laws of descent and distribution or by a qualified domestic relations order; and this Option is exercisable during his lifetime only by the Optionee, except as otherwise expressly provided in this Agreement.

After the death of the Optionee, exercise of the Option shall be permitted only by the Optionee's designated beneficiary or, in the absence of a designated beneficiary, the Optionee's executor or the personal representative of the Optionee's estate (or by his assignee, in the event of a permitted assignment) to the extent that the Option is exercisable on or after the date of the Optionee's death, as set forth in Sections 2(a) and 3(d) hereof.

7. ***Stock Certificates*** .

Certificates or other evidences of or representing the Common Stock issued pursuant to the exercise of the Option will bear all legends required by law and necessary or advisable to effectuate the provisions of the Plan and this Option.

8. ***Withholding*** .

No certificates representing shares of Common Stock purchased hereunder shall be delivered to or in respect of an Optionee unless the amount of all federal, state and other governmental withholding tax requirements imposed upon the Company with respect to the issuance of such shares of Common Stock has been remitted to the Company or unless provisions to pay such withholding requirements have been made to the satisfaction of the Committee. The Committee may make such provisions as it may deem appropriate for the withholding of any taxes which it determines is required in connection with this Option. The Optionee may pay all or any portion of the taxes required to be withheld by the Company or paid by the Optionee in connection with the exercise of all or any portion of this Option by delivering cash, or, pursuant to Committee-approved procedures, by electing to have the Company withhold shares of Common Stock, or by delivering previously owned shares of Common Stock sufficient to satisfy the tax withholding obligation. The Optionee must make the foregoing election on or before the date that the amount of tax to be withheld is determined.

9. ***Shareholder Rights*** .

The Optionee shall have no rights of a shareholder with respect to shares of Common Stock subject to the Option unless and until such time as the Option has been exercised and ownership of such shares of Common Stock has been transferred to the Optionee.

10. ***Successors and Assigns*** .

This Agreement shall bind and inure to the benefit of and be enforceable by the Optionee, the Company and their respective permitted successors and assigns (including personal representatives, heirs and legatees), except that the Optionee may not assign any rights or obligations under this Agreement except to the extent and in the manner expressly permitted herein.

11. ***No Employment Guaranteed*** .

No provision of this Option Agreement shall confer any right upon the Optionee to continued employment with the Company or any Subsidiary.

12. ***Governing Law*** .

This Option Agreement shall be governed by, construed and enforced in accordance with the laws of the State of Texas.

13. ***Amendment*** .

This Agreement cannot be modified, altered or amended except by an agreement, in writing, signed by both the Company and the Optionee.

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EAGLE MATERIALS INC.

Dated: , 2017	By:	____________________
	Name:	David B. Powers
	Its:	President and CEO
	Address:	3811 Turtle Creek Boulevard, Suite 1100 Dallas, Texas 75219

The Optionee hereby accepts the foregoing Option Agreement, subject to the terms and provisions of the Plan and administrative interpretations thereof referred to above.

OPTIONEE:

Dated: , 2017

Signed: ____________________

Eagle Materials Inc.
3811 Turtle Creek Blvd., Suite 1100
Dallas, Texas 75219

<u>EXHIBIT A</u>

Change in Control

For the purpose of this Agreement, a "Change in Control" shall mean the occurrence of any of the following events:

(a) The acquisition by any Person of beneficial ownership of securities of the Company (including any such acquisition of beneficial ownership deemed to have occurred pursuant to Rule 13d-5 under the Exchange Act) if, immediately thereafter, such Person is the beneficial owner of (i) 50% or more of the total number of outstanding shares of any single class of Company Common Stock or (ii) 40% or more of the total number of outstanding shares of all classes of Company Common Stock, unless such acquisition is made (a) directly from the Company in a transaction approved by a majority of the members of the Incumbent Board or (b) by any employee benefit plan (or related trust) sponsored or maintained by the Company or any corporation controlled by the Company;

(b) Individuals who, as of the date hereof, constitute the Board (the "Incumbent Board") cease for any reason to constitute at least a majority of the Board; provided, however, that any individual becoming a director subsequent to the date hereof whose election, or nomination for election by the Company's stockholders, was approved by a vote of at least a majority of the directors then comprising the Incumbent Board (or who is otherwise designated as a member of the Incumbent Board by such a vote) shall be considered as though such individual were a member of the Incumbent Board, except that any such individual shall not be considered a member of the Incumbent Board if his or her initial assumption of office occurs as a result of either an actual or threatened election contest (as such term is used in Rule 14a-11 of Regulation 14A promulgated under the Exchange Act) or other actual or threatened solicitation of proxies or consents by or on behalf of a Person other than the Board;

(c) The consummation of a Business Combination, unless, immediately following such Business Combination, (i) more than 50% of both the total number of then outstanding shares of common stock of the parent corporation resulting from such Business Combination and the combined voting power of the then outstanding voting securities of such parent corporation entitled to vote generally in the election of directors will be (or is) then beneficially owned, directly or indirectly, by all or substantially all of the Persons who were the beneficial owners, respectively, of the outstanding shares of Company Common Stock immediately prior to such Business Combination in substantially the same proportions as their ownership immediately prior to such Business Combination of the outstanding shares of Company Common Stock, (ii) no Person (other than any employee benefit plan (or related trust) of the Company or any corporation resulting from such Business Combination) beneficially owns, directly or indirectly, 40% or more of the total number of then outstanding shares of common stock of the corporation resulting from such Business Combination or the combined voting power of the then outstanding voting securities of such corporation entitled to vote generally in the election of directors and (iii) at least a majority of the members of the board of directors of the parent corporation resulting from such Business Combination were members of the Incumbent Board immediately prior to the consummation of such Business Combination; or

(d) Approval by the Board and the shareholders of the Company of (i) a complete liquidation or dissolution of the Company or (ii) a Major Asset Disposition (or, if there is no such approval by shareholders, consummation of such Major Asset Disposition) unless,

(e) immediately following such Major Asset Disposition, (A) Persons that were beneficial owners of the outstanding shares of Company Common Stock immediately prior to such Major Asset Disposition beneficially own, directly or indirectly, more than 50% of the total number of then outstanding shares of common stock and the combined voting power of the then outstanding shares of voting stock of the Company (if it continues to exist) and of the Acquiring Entity in substantially the same proportions as their owners hip immediately prior to such Major Asset Disposition of the outstanding shares of Company Common Stock; (B) no Person (other than any employee benefit plan (or related trust) of the Company or such entity) beneficially owns, directly or indirectly, 40% or more of the then outstanding shares of common stock or the combined voting power of the then outstanding voting securities of the Company (if it continues to exist) and of the Acquiring Entity entitled to vote generally in the election of directors and (C) at least a majority of the members of the Board of the Company (if it continues to exist) and of the Acquiring Entity were members of the Incumbent Board at the time of the execution of the initial agreement or action of the Board providing for such Majo r Asset Disposition.

For purposes of the foregoing,

(i) the term "Person" means an individual, entity or group;

(ii) the term "group" is used as it is defined for purposes of Section 13(d)(3) of the Exchange Act;

(iii) the terms "beneficial owner", "beneficial ownership" and "beneficially own" are used as defined for purposes of Rule 13d-3 under the Exchange Act;

(iv) the term "Business Combination" means (x) a merger, consolidation or share exchange involving the Company or its stock or (y) an acquisition by the Company, directly or through one or more subsidiaries, of another entity or its stock or assets;

(v) the term "Company Common Stock" shall mean the Common Stock, par value $.01 per share, of the Company;

(vi) the term "Exchange Act" means the Securities Exchange Act of 1934, as amended.

(vii) the phrase "parent corporation resulting from a Business Combination" means the Company if its stock is not acquired or converted in the Business Combination and otherwise means the entity which as a result of such Business Combination owns the Company or all or substantially all of the Company's assets either directly or through one or more subsidiaries;

(viii) the term "Major Asset Disposition" means the sale or other disposition in one transaction or a series of related transactions of 50% or more of the assets of the Company and its subsidiaries on a consolidated basis; and any specified percentage or portion of the assets of the Company shall be based on fair market value, as determined by a majority of the members of the Incumbent Board;

(ix) the term “Acquiring Entity” means the entity that acquires the largest portion of the assets sold or otherwise disposed of in a Major Asset Disposition (or the entity, if any, that owns a majority of the outstanding voting stock of such acquiring entity entitled to vote generally in the election of directors or members of a comparable governing body); and

(x) the phrase “substantially the same proportions,” when used with reference to ownership interests in the parent corporation resulting from a Business Combination or in an Acquiring Entity, means substantially in proportion to the number of shares of Company Common Stock beneficially owned by the applicable Persons immediately prior to the Business Combination or Major Asset Disposition, but is not to be construed in such a manner as to require that the same ratio or number of shares of such parent corporation or Acquiring Entity be issued, paid or delivered in exchange for or in respect of the shares of each class of Company Common Stock.

EAGLE MATERIALS INC .

AMENDED AND RESTATED INCENTIVE PLAN

RESTRICTED STOCK AGREEMENT

(Performance Vesting)

Eagle Materials Inc., a Delaware corporation (the " Company "), and ____________ (the " Grantee ") hereby enter into this Restricted Stock Award Agreement (the " Agreement ") in order to set forth the terms and conditions of the Company's award (the " Award ") to the Grantee of certain shares of Common Stock of the Company granted to the Grantee on May 18, 2017 (the " Award Date ").

1. Award . The Company hereby awards to the Grantee ________ shares of Common Stock of the Company (the " Shares ").

2. Relationship to the Plan . The Award shall be subject to the terms and conditions of the Eagle Materials Inc. Amended and Restated Incentive Plan (the " Plan "), this Agreement and such administrative interpretations of the Plan, if any, as may be in effect on the date of this Agreement. Except as defined herein, capitalized terms shall have the meanings ascribed to them under the Plan. For purposes of this Agreement:

(a) " *Disability* " shall be determined by the Committee.

(b) " *Return on Equity* " for any fiscal year shall mean the following calculation (as determined by the Committee): (i) the net earnings of the Company for such fiscal year; divided by (ii) the Company's Average Stockholders' Equity for such fiscal year.

(c) " *Average Stockholders' Equity* " for any period shall mean: (i) the Company's total stockholders' equity as of the beginning of such period plus the Company's total stockholders' equity at the end of such period; divided by (ii) 2.

(d) " *Retirement* " shall mean a retirement approved by the Board.

(e) " *Service Vesting Date* " means the first, second or third anniversary of the end of the Performance Period, as applicable.

(f) " *Performance Period* " shall mean the period commencing on April 1, 2017 and ending on March 31, 2018.

3. Vesting .

(a) Vesting Criteria . The Grantee's interest in the Shares shall vest in accordance with the vesting schedule set forth below in this Section 3(a) (each such vesting date, a " Vesting Date ") only if the Return on Equity for the fiscal year ending March 31, 2018 is at least 11.0% (the " Performance Criteria "); provided , that the percentage of Shares that will be earned shall be based on the following:

Performance Criteria	**Percentage of Shares Earned**
≥ 18.0%	100.0%
14.5%	83.3%
11.0%	66.7%

; provided , further , that the exact percentage of Shares earned shall be calculated based on straight-line interpolation between the points shown above with fractional points rounded up to the nearest tenth of a percent. After the end of the Performance Period, the Compensation Committee shall certify whether and to what extent the Performance Criteria has been satisfied (" Certification Date ") (such earned Shares shall then be considered " Earned But Unvested Shares " hereunder). Such Earned But Unvested Shares shall vest one-fourth on the third business day following the Certification Date and then ratably on the next three Service Vesting Dates. Prior to the Certification Date, all Shares shall be considered " unvested Shares ." If the Performance Criteria has not been satisfied then the Shares shall be immediately and automatically forfeited. Upon the Certification Date, any portion of the Shares that are not earned in accordance with the provisions above shall be forfeited.

(b) Restrictions . The period beginning on the Award Date and ending on the date immediately preceding the Vesting Date for a Share shall be known as the restriction period (the " Restriction Period "). During the Restriction Period, the Grantee may not sell, transfer, pledge, exchange, hypothecate, or otherwise dispose of any unvested Shares or any right or interest related to such unvested Shares, other than as required by the Grantee's will or beneficiary designation, in accordance with the laws of descent and distribution or by a qualified domestic relations order.

(c) Cancellation Right . Subject to Section 4, the Grantee must be in continuous service as an employee of the Company or any of its Affiliates or as a Director from the Award Date through the applicable Vesting Date for an unvested Share to become vested. Subject to Section 4, Grantee's termination of employment and, if applicable, service as a Director prior to the Vesting Date shall cause the unvested Shares to be automatically forfeited as of such discontinuation of service date.

(d) Calculations and Adjustments . The Committee shall have the authority to approve the calculations involving the "Return on Equity for the fiscal year ending March 31, 2018" for purposes of vesting, and its approval of such calculations shall be final, conclusive and binding on all parties; provided , that the Performance Criteria and calculation of actual results, in each case, shall be equitably adjusted as determined by the Committee in its discretion, including, without limitation, to account for (i) any business acquisition or disposition (including spin-offs) that occurs after the Award Date; (ii) the impact of litigation (including legal fees, settlements and adjustments); provided that the amount exceeds $5 million; and (iii) the impact of extraordinary items not related to the Company's current or ongoing business operations .

4. Change-in-Control; Death or Disability; Retirement . The restrictions set forth above in Section 3 shall lapse with respect to any Shares (in the case of a Change in Control) or Earned But

Unvested Shares (in the case of termination of employment and, if applicable, discontinuati on of service as a Director by reason of death, Disability or Retirement) not previously forfeited and the remaining shares of this Award shall become fully vested without regard to the limitations set forth in Section 3 above, provided that the Grantee ha s been in continuous employment with the Company or any of its Affiliates or has been in continuous service as a Director from the Award Date through: (A) the occurrence of a Change in Control (as defined in Exhibit A to this Agreement), unless either: (i) the Committee determines that the terms of the transaction giving rise to the Change in Control provide that the Award is to be replaced within a reasonable time after the Change in Control with an award of equivalent value of shares of the surviving pa rent corporation, or (ii) the Award is to be settled in cash in accordance with the last sentence of this Section 4, or (B) Grantee's termination of employment and, if applicable, discontinuation of service as a Director by reason of death, Disability or R etirement . Upon a Change in Control, pursuant to Section 15 of the Plan, the Company may, in its discretion, settle the Award by a cash payment that the Committee shall determine in its sole discretion is equal to the fair market value of the Award on the date of such event. In the event Grantee's employment with the Company or any of its affiliates is terminated (other than a termination for "cause") after the end of the Performance Period but before the Certification Date, then notwithstanding the restr ictions set forth above in Section 3, on the third business day following the Certification Date, one-fourth of the Earned But Unvested Shares shall vest, and the remainder of the Shares shall be forfeited.

5. Stockholder Rights . The Grantee shall have the right to vote the Shares. On the first dividend payment date following the Certification Date, the Grantee shall be entitled to a cash dividend payment equal to: (i) the sum of per share dividends paid with respect to Common Stock during the period from the Award Date to the Certification Date; provided, the record date for such dividend payment is on or after the Award Date; times (ii) the number of Earned But Unvested Shares (once determined). The Grantee shall also have the right to receive any cash dividends paid on Earned But Unvested Shares after the Certification Date at the same time such amounts are paid with respect to all other shares of Common Stock.

6. Capital Adjustments and Corporate Events . If, from time to time during the term of the Restriction Period, there is any capital adjustment affecting the outstanding Common Stock as a class without the Company's receipt of consideration, including as a result of a spin-off or business disposition, the Shares and other applicable terms of this Award shall be adjusted in accordance with the provisions of Section 15 of the Plan, which adjustment shall include (as may be applicable) without limitation, equitable adjustments to the type of property or securities to which the Award relates and to the Performance Criteria set forth above, in each case as determined by the Committee in its discretion. Any and all new, substituted or additional securities to which the Grantee may be entitled by reason of the Grantee's ownership of the Shares hereunder because of a capital adjustment shall be immediately subject to the restrictions set forth herein (as may be modified pursuant to this Agreement) and included thereafter as Shares for purposes of this Agreement.

7. Refusal to Transfer .

The Company shall not be required:

(a) to transfer on its books any Shares that have been sold or otherwise transferred in violation of any of the provisions of this Agreement or the Plan; or

(b) to treat such purchaser or other transferee as owner of such Shares, accord such purchaser or other transferee the right to vote; or pay or deliver dividends or other distributions to such purchaser or other transferee with respect to such Shares.

8. Legends . If the Shares are certificated, the certificate or certificates evidencing the Shares, if a ny, issued hereunder shall be endorsed with the following legend:

> THE SHARES REPRESENTED BY THIS CERTIFICATE ARE SUBJECT TO CERTAIN RESTRICTIONS AND, ACCORDINGLY, MAY NOT BE SOLD, ASSIGNED, TRANSFERRED, ENCUMBERED, OR IN ANY MANNER DISPOSED OF EXCEPT IN CONFORMITY WITH THE TERMS OF THAT CERTAIN RESTRICTED STOCK AGREEMENT BETWEEN THE ISSUER AND THE ORIGINAL HOLDER OF THESE SHARES. A COPY OF SUCH AGREEMENT IS MAINTAINED AT THE ISSUER'S PRINCIPAL CORPORATE OFFICES.

9. Tax Consequences . The Grantee has reviewed with the Grantee's own tax advisors the federal, state, and local tax consequences of this investment and the transactions contemplated by this Agreement. The Grantee is relying solely on such advisors and not on any statements or representations of the Company or any of its agents. The Grantee understands that the Grantee (and not the Company) shall be responsible for the Grantee's own tax liability that may arise as a result of the transactions contemplated by this Agreement. The Grantee understands that Section 83 of the Code taxes as ordinary income the difference between the purchase price, if any, for the Shares and the Fair Market Value of the Shares as of the date any restrictions on the Shares lapse. In this context, "restriction" means the restrictions imposed during the Restriction Period. The Grantee understands that the Grantee may elect to be taxed at the time the Shares are awarded rather than when and as the restrictions lapse by filing an election under Section 83(b) of the Code with the Internal Revenue Service within 30 days from the Award Date. THE GRANTEE ACKNOWLEDGES THAT IT IS THE GRANTEE'S SOLE RESPONSIBILITY (AND NOT THE COMPANY'S) TO FILE TIMELY THE ELECTION UNDER SECTION 83(B), EVEN IF THE GRANTEE REQUESTS THE COMPANY OR ITS REPRESENTATIVES TO MAKE THIS FILING ON THE GRANTEE'S BEHALF.

10. Withholding of Taxes . At the time and to the extent vested Shares become compensation income to the Grantee for federal or state income tax purposes, the Grantee either shall deliver to the Company such amount of money as required to meet the withholding obligation under applicable tax laws or regulations, or, in lieu of cash, the Grantee, in his or her sole discretion, may elect to surrender, or direct the Company to withhold from the vested Shares, shares of Common Stock in such number as necessary to satisfy the tax withholding obligations. Further, any dividends paid to you pursuant to Section 5 above prior to the end of the Restriction Period will generally be subject to federal, state and local withholding, as appropriate, as additional compensation.

11. Entire Agreement; Governing Law . The Plan and this Agreement constitute the entire agreement of the Company and the Grantee (collectively, the " Parties ") with respect to the subject matter hereof and supersede in their entirety all prior undertakings and agreements of the Parties with respect to the subject matter hereof, and may not be modified adversely to the Grantee's interest except by means of a writing signed by the Parties. Nothing in the Plan and this Agreement (except as expressly provided therein or herein) is intended to confer any rights or remedies on any person other than the Parties. The Plan and this Agreement are to be construed in accordance with and governed by the internal laws of the State of Texas, without giving effect to any choice-of-law rule that would cause the application of the laws of any jurisdiction other than the internal laws of the State of Texas to the rights and duties of the Parties. Should any provision of the Plan or this Agreement relating to the Shares be determined by a court of law to be illegal or unenforceable, such provision shall be enforced to the fullest extent allowed by law and the other provisions shall nevertheless remain effective and shall remain enforceable.

12. Interpretive Matters . Whenever required by the context, pronouns and any variation thereof shall be deemed to refer to the masculine, feminine, or neuter, and the singular shall include the plural, and vice versa. The term “include” or “in cluding” does not denote or imply any limitation. The term “business day” means any Monday through Friday other than such a day on which banks are authorized to be closed in the State of Texas. The captions and headings used in this Agreement are inserte d for convenience and shall not be deemed a part of the Award or this Agreement for construction or interpretation.

13. Notice . Any notice or other communication required or permitted hereunder shall be given in writing and shall be deemed given, effective, and received upon prepaid delivery in person or by courier or upon the earlier of delivery or the third business day after deposit in the United States mail if sent by certified mail, with postage and fees prepaid, addressed to the other Party at its address as shown beneath its signature in this Agreement, or to such other address as such Party may designate in writing from time to time by notice to the other Party.

14. Successors and Assigns . This Agreement shall bind and inure to the benefit of and be enforceable by the Grantee, the Company and their respective permitted successors and assigns (including personal representatives, heirs and legatees), except that the Grantee may not assign any rights or obligations under this Agreement except to the extent and in the manner expressly permitted herein.

[Signature page follows.]

EAGLE MATERIALS INC .

Dated: , 2017	By:	______________________________________
	Name:	David B. Powers
	Its:	President and CEO
	Address:	3811 Turtle Creek Boulevard, Suite 1100 Dallas, Texas 75219

The Grantee acknowledges receipt of a copy of the Plan, represents that he or she is familiar with the terms and provisions thereof, and hereby accepts the Award subject to all of the terms and provisions hereof and thereof. The Grantee has reviewed this Agreement and the Plan in their entirety, has had an opportunity to obtain the advice of counsel prior to executing this Agreement, and fully understands all provisions of this Agreement and the Plan. The Grantee further agrees to notify the Company upon any change in the address for notice indicated in this Agreement.

Dated: , 2017	Signed:	____________________________________
	Name:	____________________
	Address:	Eagle Materials Inc. 3811 Turtle Creek Blvd., Suite 1100 Dallas, Texas 75219

EXHIBIT A

CHANGE-IN-CONTROL

For the purpose of this Agreement, a "Change in Control" shall mean the occurrence of any of the following events:

(a) The acquisition by any Person of beneficial ownership of securities of the Company (including any such acquisition of beneficial ownership deemed to have occurred pursuant to Rule 13d-5 under the Exchange Act) if, immediately thereafter, such Person is the beneficial owner of (i) 50% or more of the total number of outstanding shares of any single class of Company Common Stock or (ii) 40% or more of the total number of outstanding shares of all classes of Company Common Stock, unless such acquisition is made (a) directly from the Company in a transaction approved by a majority of the members of the Incumbent Board or (b) by any employee benefit plan (or related trust) sponsored or maintained by the Company or any corporation controlled by the Company;

(b) Individuals who, as of the date hereof, constitute the Board (the "Incumbent Board") cease for any reason to constitute at least a majority of the Board; provided, however, that any individual becoming a director subsequent to the date hereof whose election, or nomination for election by the Company's stockholders, was approved by a vote of at least a majority of the directors then comprising the Incumbent Board (or who is otherwise designated as a member of the Incumbent Board by such a vote) shall be considered as though such individual were a member of the Incumbent Board, except that any such individual shall not be considered a member of the Incumbent Board if his or her initial assumption of office occurs as a result of either an actual or threatened election contest (as such term is used in Rule 14a-11 of Regulation 14A promulgated under the Exchange Act) or other actual or threatened solicitation of proxies or consents by or on behalf of a Person other than the Board;

(c) The consummation of a Business Combination, unless, immediately following such Business Combination, (i) more than 50% of both the total number of then outstanding shares of common stock of the parent corporation resulting from such Business Combination and the combined voting power of the then outstanding voting securities of such parent corporation entitled to vote generally in the election of directors will be (or is) then beneficially owned, directly or indirectly, by all or substantially all of the Persons who were the beneficial owners, respectively, of the outstanding shares of Company Common Stock immediately prior to such Business Combination in substantially the same proportions as their ownership immediately prior to such Business Combination of the outstanding shares of Company Common Stock, (ii) no Person (other than any employee benefit plan (or related trust) of the Company or any corporation resulting from such Business Combination) beneficially owns, directly or indirectly, 40% or more of the total number of then outstanding shares of common stock of the corporation resulting from such Business Combination or the combined voting power of the then outstanding voting securities of such corporation entitled to vote generally in the election of directors and (iii) at least a majority of the members of the board of directors of the parent corporation resulting from such Business Combination were members of the Incumbent Board immediately prior to the consummation of such Business Combination; or

(d) Approval by the Board and the shareholders of the Company of (i) a complete liquidation or dissolution of the Company or (ii) a Major Asset Disposition (or, if there is no such approval by shareholders, consummation of such Major Asset Disposition) unless, immediately following such Major Asset Disposition, (A) Persons that were beneficial owners of the outstanding shares of Company Common Stock immediately prior to such Major Asset Disposition beneficially own, directly or indirectly, more than 50% of the total number of then outstanding shares of common stock and the combined voting power of the then outstanding shares of voting stock of the Company (if it continues to exist) and of the Acquiring Entity in substantially the same proportions as their ownership immediately prior to such Major Asset Disposition of the outstanding shares of Company Common Stock; (B) no Person (othe r than any employee benefit plan (or related trust) of the Company or such entity) beneficially owns, directly or indirectly, 40% or more of the then outstanding shares of common stock or the combined voting power of the then outstanding voting securities of the Company (if it continues to exist) and of the Acquiring Entity entitled to vote generally in the election of directors and (C) at least a majority of the members of the Board of the Company (if it continues to exist) and of the Acquiring Entity were members of the Incumbent Board at the time of the execution of the initial agreement or action of the Board providing for such Major Asset Disposition.

For purposes of the foregoing,

(i) the term " *Person* " means an individual, entity or group;

(ii) the term " *group* " is used as it is defined for purposes of Section 13(d)(3) of the Exchange Act;

(iii) the terms " *beneficial owner* ", " *beneficial ownership* " and " *beneficially own* " are used as defined for purposes of Rule 13d-3 under the Exchange Act;

(iv) the term " *Business Combination* " means (x) a merger, consolidation or share exchange involving the Company or its stock or (y) an acquisition by the Company, directly or through one or more subsidiaries, of another entity or its stock or assets;

(v) the term " *Company Common Stock* " shall mean the Common Stock, par value $.01 per share, of the Company;

(vi) the term " *Exchange Act* " means the Securities Exchange Act of 1934, as amended;

(vii) the phrase " *parent corporation resulting from a Business Combination* " means the Company if its stock is not acquired or converted in the Business Combination and otherwise means the entity which as a result of such Business Combination owns the Company or all or substantially all of the Company's assets either directly or through one or more subsidiaries;

(viii) the term " *Major Asset Disposition* " means the sale or other disposition in one transaction or a series of related transactions of 50% or more of the assets of the Company and its subsidiaries on a consolidated basis; and any specified percentage or portion of the assets of the Company shall be based on fair market value, as determined by a majority of the members of the Incumbent Board;

(ix) the term " *Acquiring Entity* " means the entity that acquires the largest portion of the assets sold or otherwise disposed of in a Major Asset Disposition (or the entity, if any, that owns a majority of the outstanding voting stock of such acquiring entity entitled to vote generally in the election of directors or members of a comparable governing body); and

(x) the phrase " *substantially the same proportions* ," when used with reference to ownership interests in the parent corporation resulting from a Business Combination or in an Acquiring Entity, means substantially in proportion to the number of shares of Company Common Stock beneficially owned by the applicable Persons immediately prior to the Business Combination or Major Asset Disposition, but is not to be construed in such a manner as to require that the same ratio or number of shares of such parent corporation or Acquiring Entity be issued, paid or delivered in exchange for or in respect of the shares of each class of Company Common Stock.

EXHIBIT 10.8

EAGLE MATERIALS INC.

AMENDED AND RESTATED INCENTIVE PLAN

RESTRICTED STOCK AGREEMENT

(Time Vesting)

Eagle Materials Inc., a Delaware corporation (the " Company "), and _____________ (the " Grantee ") hereby enter into this Restricted Stock Agreement (the " Agreement ") in order to set forth the terms and conditions of the Company's award (the " Award ") to the Grantee of certain shares of Common Stock of the Company granted to the Grantee on May 18, 2017 (the " Award Date ").

1. Award . The Company hereby awards to the Grantee ________ shares of Common Stock of the Company (the " Shares ").

2. Relationship to the Plan . The Award shall be subject to the terms and conditions of the Eagle Materials Inc. Amended and Restated Incentive Plan (the " Plan "), this Agreement and such administrative interpretations of the Plan, if any, as may be in effect on the date of this Agreement. Except as defined herein, capitalized terms shall have the meanings ascribed to them under the Plan. For purposes of this Agreement:

(a) " *Disability* " shall be determined by the Committee.

(b) " *Retirement* " shall mean a retirement approved by the Board.

3. Vesting .

(a) Vesting Criteria . The Grantee's interest in the Shares shall vest on the date designated (a " Vesting Date ") in accordance with the following vesting schedule (the " Vesting Schedule "):

Vesting Date	**Shares**
March 31, 2018	_____
March 31, 2019	_____
March 31, 2020	_____
March 31, 2021	_____
Total	_____

(b) Restrictions . The period beginning on the Award Date and ending on the date immediately preceding the Vesting Date for a Share shall be known as the restriction period (the " Restriction Period "). During the Restriction Period, the Grantee may not sell, transfer, pledge, exchange, hypothecate, or otherwise dispose of any unvested Shares or any right or interest related to such unvested Shares, other than as required by the Grantee's will or beneficiary designation, in accordance with the laws of descent and distribution or by a qualified domestic relations order.

(c) Cancellation Right. The Grantee must be in continuous service as an employee of the Company or any of its Affiliates or as a Director from the Award Date through the applicable Vesting Date for a Share to become vested. Subject to Section 4, Grantee's termination of employment and, if applicable, service as a Director prior to the vesting of any Shares shall cause any unvested Shares to be automatically forfeited.

4. Change-in-Control; Death or Disability; Retirement. The restrictions set forth above in Section 3 shall lapse with respect to any unvested Shares not previously forfeited and the remaining shares of this Award shall become fully vested without regard to the limitations set forth in Section 3 above, provided that the Grantee has been in continuous employment with the Company or any of its Affiliates or has been in continuous service as a Director from the Award Date through: (A) the occurrence of a Change in Control (as defined in Exhibit A to this Agreement), unless either: (i) the Committee determines that the terms of the transaction giving rise to the Change in Control provide that the Award is to be replaced within a reasonable time after the Change in Control with an award of equivalent value of shares of the surviving parent corporation, or (ii) the Award is to be settled in cash in accordance with the last sentence of this Section 4, or (B) Grantee's termination of employment and, if applicable, discontinuation of service as a Director, by reason of death, Disability or Retirement. Upon a Change in Control, pursuant to Section 15 of the Plan, the Company may, in its discretion, settle the Award by a cash payment that the Committee shall determine in its sole discretion is equal to the fair market value of the Award on the date of such event.

5. Stockholder Rights. Until such time as any of the unvested Shares are forfeited, the Grantee shall have the right to vote any Shares, and the Grantee shall have the right to receive any cash dividends declared and paid on unvested Shares after the date hereof at the same time such amounts are paid with respect to all other shares of Common Stock.

6. Capital Adjustments and Corporate Events. If, from time to time during the term of the Restriction Period, there is any capital adjustment affecting the outstanding Common Stock as a class without the Company's receipt of consideration, including as a result of a spin-off or business disposition, the Shares and other applicable terms of this Award shall be adjusted in accordance with the provisions of Section 15 of the Plan, which adjustment shall include (as may be applicable) without limitation, equitable adjustments to the type of property or securities to which the Award relates, in each case as determined by the Committee in its discretion. Any and all new, substituted or additional securities to which the Grantee may be entitled by reason of the Grantee's ownership of the Shares hereunder because of a capital adjustment shall be immediately subject to the restrictions set forth herein (as may be modified pursuant to this Agreement) and included thereafter as Shares for purposes of this Agreement.

7. Refusal to Transfer.

The Company shall not be required:

(a) to transfer on its books any Shares that have been sold or otherwise transferred in violation of any of the provisions of this Agreement or the Plan; or

(b) to treat such purchaser or other transferee as owner of such Shares, accord such purchaser or other transferee the right to vote; or pay or deliver dividends or other distributions to such purchaser or other transferee with respect to such Shares.

8. Legends . If the Shares are certificated, the certificate or certificates evidencing the Shares, if any, issued hereunder shall be endorsed with the following legend:

> THE SHARES REPRESENTED BY THIS CERTIFICATE ARE SUBJECT TO CERTAIN RESTRICTIONS AND, ACCORDINGLY, MAY NOT BE SOLD, ASSIGNED, TRANSFERRED, ENCUMBERED, OR IN ANY MANNER DISPOSED OF EXCEPT IN CONFORMITY WITH THE TERMS OF THAT CERTAIN RESTRICTED STOCK AGREEMENT BETWEEN THE ISSUER AND THE ORIGINAL HOLDER OF THESE SHARES. A COPY OF SUCH AGREEMENT IS MAINTAINED AT THE ISSUER'S PRINCIPAL CORPORATE OFFICES.

9. Tax Consequences . The Grantee has reviewed with the Grantee's own tax advisors the federal, state, and local tax consequences of this investment and the transactions contemplated by this Agreement. The Grantee is relying solely on such advisors and not on any statements or representations of the Company or any of its agents. The Grantee understands that the Grantee (and not the Company) shall be responsible for the Grantee's own tax liability that may arise as a result of the transactions contemplated by this Agreement. The Grantee understands that Section 83 of the Code taxes as ordinary income the difference between the purchase price, if any, for the Shares and the Fair Market Value of the Shares as of the date any restrictions on the Shares lapse. In this context, "restriction" means the restrictions imposed during the Restriction Period. The Grantee understands that the Grantee may elect to be taxed at the time the Shares are awarded rather than when and as the restrictions lapse by filing an election under Section 83(b) of the Code with the Internal Revenue Service within 30 days from the Award Date. THE GRANTEE ACKNOWLEDGES THAT IT IS THE GRANTEE'S SOLE RESPONSIBILITY (AND NOT THE COMPANY'S) TO FILE TIMELY THE ELECTION UNDER SECTION 83(B), EVEN IF THE GRANTEE REQUESTS THE COMPANY OR ITS REPRESENTATIVES TO MAKE THIS FILING ON THE GRANTEE'S BEHALF.

10. Withholding of Taxes . At the time and to the extent vested Shares become compensation income to the Grantee for federal or state income tax purposes, the Grantee either shall deliver to the Company such amount of money as required to meet the withholding obligation under applicable tax laws or regulations, or, in lieu of cash, the Grantee, in his or her sole discretion, may elect to surrender, or direct the Company to withhold from the vested Shares, shares of Common Stock in such number as necessary to satisfy the tax withholding obligations. Further, any dividends paid to you pursuant to Section 5 above prior to the end of the Restriction Period will generally be subject to federal, state and local withholding, as appropriate, as additional compensation.

11. Entire Agreement; Governing Law . The Plan and this Agreement constitute the entire agreement of the Company and the Grantee (collectively, the " Parties ") with respect to the subject matter hereof and supersede in their entirety all prior undertakings and agreements of the Parties with respect to the subject matter hereof, and may not be modified adversely to the Grantee's interest except by means of a writing signed by the Parties. Nothing in the Plan and this Agreement (except as expressly provided therein or herein) is intended to confer any rights or remedies on any person other than the Parties. The Plan and this Agreement are to be construed in accordance with and governed by the internal laws of the State of Texas, without giving effect to any choice-of-law rule that would cause the application of the laws of any jurisdiction other than the internal laws of the State of Texas to the rights and duties of the Parties. Should any provision of the Plan or this Agreement relating to the Shares be determined by a court of law to be illegal or unenforceable, such provision shall be enforced to the fullest extent allowed by law and the other provisions shall nevertheless remain effective and shall remain enforceable.

12. Interpretive Matters. Whenever required by the context, pronouns and any variation thereof shall be deemed to refer to the masculine, feminine, or neuter, and the singular shall include the plural, and vice versa. The term "include" or "including" does not denote or imply any limitation. The term "business day" means any Monday through Friday other than such a day on which banks are authorized to be closed in the State of Texas. The captions and headings used in this Agreement are inserted for convenience and shall not be deemed a part of the Award or this Agreement for construction or interpretation.

13. Notice. Any notice or other communication required or permitted hereunder shall be given in writing and shall be deemed given, effective, and received upon prepaid delivery in person or by courier or upon the earlier of delivery or the third business day after deposit in the United States mail if sent by certified mail, with postage and fees prepaid, addressed to the other Party at its address as shown beneath its signature in this Agreement, or to such other address as such Party may designate in writing from time to time by notice to the other Party.

14. Successors and Assigns. This Agreement shall bind and inure to the benefit of and be enforceable by the Grantee, the Company and their respective permitted successors and assigns (including personal representatives, heirs and legatees), except that the Grantee may not assign any rights or obligations under this Agreement except to the extent and in the manner expressly permitted herein.

[Signature page follows.]

EAGLE MATERIALS INC .

Dated: , 2017	By:	________________________________
	Name:	David B. Powers
	Its:	President and Chief Executive Officer
	Address:	3811 Turtle Creek Boulevard, Suite 1100 Dallas, Texas 75219

The Grantee acknowledges receipt of a copy of the Plan, represents that he or she is familiar with the terms and provisions thereof, and hereby accepts the Award subject to all of the terms and provisions hereof and thereof. The Grantee has reviewed this Agreement and the Plan in their entirety, has had an opportunity to obtain the advice of counsel prior to executing this Agreement, and fully understands all provisions of this Agreement and the Plan. The Grantee further agrees to notify the Company upon any change in the address for notice indicated in this Agreement.

Dated: , 2017	Signed:	______________________________
	Name:	______________
	Address:	Eagle Materials Inc. 3811 Turtle Creek Boulevard, Suite 1100 Dallas, Texas 75219

EXHIBIT A

CHANGE-IN-CONTROL

For the purpose of this Agreement, a "Change in Control" shall mean the occurrence of any of the following events:

(a) The acquisition by any Person of beneficial ownership of securities of the Company (including any such acquisition of beneficial ownership deemed to have occurred pursuant to Rule 13d-5 under the Exchange Act) if, immediately thereafter, such Person is the beneficial owner of (i) 50% or more of the total number of outstanding shares of any single class of Company Common Stock or (ii) 40% or more of the total number of outstanding shares of all classes of Company Common Stock, unless such acquisition is made (a) directly from the Company in a transaction approved by a majority of the members of the Incumbent Board or (b) by any employee benefit plan (or related trust) sponsored or maintained by the Company or any corporation controlled by the Company;

(b) Individuals who, as of the date hereof, constitute the Board (the "Incumbent Board") cease for any reason to constitute at least a majority of the Board; provided, however, that any individual becoming a director subsequent to the date hereof whose election, or nomination for election by the Company's stockholders, was approved by a vote of at least a majority of the directors then comprising the Incumbent Board (or who is otherwise designated as a member of the Incumbent Board by such a vote) shall be considered as though such individual were a member of the Incumbent Board, except that any such individual shall not be considered a member of the Incumbent Board if his or her initial assumption of office occurs as a result of either an actual or threatened election contest (as such term is used in Rule 14a-11 of Regulation 14A promulgated under the Exchange Act) or other actual or threatened solicitation of proxies or consents by or on behalf of a Person other than the Board;

(c) The consummation of a Business Combination, unless, immediately following such Business Combination, (i) more than 50% of both the total number of then outstanding shares of common stock of the parent corporation resulting from such Business Combination and the combined voting power of the then outstanding voting securities of such parent corporation entitled to vote generally in the election of directors will be (or is) then beneficially owned, directly or indirectly, by all or substantially all of the Persons who were the beneficial owners, respectively, of the outstanding shares of Company Common Stock immediately prior to such Business Combination in substantially the same proportions as their ownership immediately prior to such Business Combination of the outstanding shares of Company Common Stock, (ii) no Person (other than any employee benefit plan (or related trust) of the Company or any corporation resulting from such Business Combination) beneficially owns, directly or indirectly, 40% or more of the total number of then outstanding shares of common stock of the corporation resulting from such Business Combination or the combined voting power of the then outstanding voting securities of such corporation entitled to vote generally in the election of directors and (iii) at least a majority of the members of the board of directors of the parent corporation resulting from such Business Combination were members of the Incumbent Board immediately prior to the consummation of such Business Combination; or

(d) Approval by the Board and the shareholders of the Company of (i) a complete liquidation or dissolution of the Company or (ii) a Major Asset Disposition (or, if there is no such approval by shareholders, consummation of such Major Asset Disposition) unless, immediately following such Major Asset Disposition, (A) Persons that were beneficial owners of the outstanding shares of Company Common Stock immediately prior to such Major Asset Disposition beneficially own, directly or indirectly, more than 50% of the total number of then outstanding shares of common stock and the combined voting power of the then outstanding shares of voting stock of the Company (if it continues to exist) and of the Acquiring Entity in substantially the same proportions as their ownership immediately prior to such Major Asset Disposition of the outstanding shares of Company Common Stock; (B) no Person (other than any employee benefit plan (or related trust) of the Company or such entity) beneficially owns, directly or indirectly, 40% or more of the then outstanding shares of common stock or the combined voting power of the then outstanding voting securities of the Company (if it continues to exist) and of the Acquiring Entity entitled to vote generally in the election of directors and (C) at least a majority of the members of the Board of the Company (if it continues to exist) and of the Acquiring Entity were members of the Incumbent Board at the time of the execution of the initial agreement or action of the Board providing for such Major Asset Disposition.

For purposes of the foregoing,

(i) the term " *Person* " means an individual, entity or group;

(ii) the term " *group* " is used as it is defined for purposes of Section 13(d)(3) of the Exchange Act;

(iii) the terms " *beneficial owner* ", " *beneficial ownership* " and " *beneficially own* " are used as defined for purposes of Rule 13d-3 under the Exchange Act;

(iv) the term " *Business Combination* " means (x) a merger, consolidation or share exchange involving the Company or its stock or (y) an acquisition by the Company, directly or through one or more subsidiaries, of another entity or its stock or assets;

(v) the term " *Company Common Stock* " shall mean the Common Stock, par value $.01 per share, of the Company;

(vi) the term " *Exchange Act* " means the Securities Exchange Act of 1934, as amended;

(vii) the phrase " *parent corporation resulting from a Business Combination* " means the Company if its stock is not acquired or converted in the Business Combination and otherwise means the entity which as a result of such Business Combination owns the Company or all or substantially all of the Company's assets either directly or through one or more subsidiaries;

(viii) the term " *Major Asset Disposition* " means the sale or other disposition in one transaction or a series of related transactions of 50% or more of the assets of the Company and its subsidiaries on a consolidated basis; and any specified percentage or portion of the assets of the Company shall be based on fair market value, as determined by a majority of the members of the Incumbent Board;

(ix) the term " *Acquiring Entity* " means the entity that acquires the largest portion of the assets sold or otherwise disposed of in a Major Asset Disposition (or the entity, if any, that owns a majority of the outstanding voting stock of such acquiring entity entitled to vote generally in the election of directors or members of a comparable governing body); and

(x) the phrase " *substantially the same proportions* ," when used with reference to ownership interests in the parent corporation resulting from a Business Combination or in an Acquiring Entity, means substantially in proportion to the number of shares of Company Common Stock beneficially owned by the applicable Persons immediately prior to the Business Combination or Major Asset Disposition, but is not to be construed in such a manner as to require that the same ratio or number of shares of such parent corporation or Acquiring Entity be issued, paid or delivered in exchange for or in respect of the shares of each class of Company Common Stock.

EXHIBIT 12.1

	Three Months Ended June 30, 2017	Fiscal Year Ended March 31, 2017	2016	2015	2014
Earnings: (1)					
Earnings before income taxes	79,530	294,519	219,252	252,927	181,804
Add: Fixed charges	8,000	24,697	18,539	16,631	18,171
Add: Amortization of capitalized interest and FIN 48 Interest	134	536	536	(3,311)	945
Add: Cash distributions from equity method investments	4,750	43,250	37,250	40,375	37,750
Subtract: Income from equity method investments	(9,876)	(42,386)	(39,083)	(44,967)	(37,811)
Total Earnings	82,538	320,616	236,494	261,655	201,091
Fixed Charges: (2)					
Interest expense	7,483	22,631	16,583	15,590	17,646
Interest component of rent expense	517	20,66	1,959	1,041	525
Total Fixed Charges	8,000	24,697	18,539	16,631	18,171
Ratio of Earnings to Fixed Charges	**10.3x**	**13.0x**	**12.8x**	**15.7x**	**11.1x**

(1) Earnings represent earnings before income taxes and before income from equity method investments plus: (a) fixed charges; and (b) cash distributions from equity method investments.

(2) Fixed charges include: (a) interest expense, whether expensed or capitalized, less interest accrued for uncertain tax positions; and (b) the portion of operating rental expense which management believes is representative of the interest component of rent expense.

Exhibit 31.1

Certification of Periodic Report Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002

I, David B. Powers, certify that:

1. I have reviewed this report on Form 10-Q of Eagle Materials Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures [as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)] and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of registrant's board of directors (or persons performing the equivalent functions):

a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Dated: July 28, 2017

By: /s/ David B. Powers
David B. Powers
President and Chief Executive Officer

Exhibit 31.2

Certification of Periodic Report Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002

I, D. Craig Kesler, certify that:

1. I have reviewed this report on Form 10-Q of Eagle Materials Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures [as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)] and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of registrant's board of directors (or persons performing the equivalent functions):

a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Dated: July 28, 2017

By: /s/ D. Craig Kesler
D. Craig Kesler
Chief Financial Officer
(Principal Financial Officer)

Exhibit 32.1

Certification of Periodic Report Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002

In connection with the Quarterly Report of Eagle Materials Inc. and subsidiaries (the "Company") on Form 10-Q for the period ended June 30, 2017 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, David B. Powers, President and Chief Executive Officer of the Company, certify, pursuant to 18 U.S.C. section 1350, as adopted pursuant to section 906 of the Sarbanes-Oxley Act of 2002, that, to the best of my knowledge:

(i) the Report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(ii) the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Dated: July 28, 2017

By: /s/ David B. Powers
David B. Powers
President and Chief Executive Officer

Exhibit 32.2

Certification of Periodic Report Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002

In connection with the Quarterly Report of Eagle Materials Inc. and subsidiaries (the "Company") on Form 10-Q for the period ended June 30, 2017 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, D. Craig Kesler, Chief Financial Officer of the Company, certify, pursuant to 18 U.S.C. section 1350, as adopted pursuant to section 906 of the Sarbanes-Oxley Act of 2002, that, to the best of my knowledge:

(i) the Report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(ii) the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Dated: July 28, 2017

By: /s/ D. Craig Kesler
D. Craig Kesler
Chief Financial Officer
(Principal Financial Officer)

MINE SAFETY DISCLOSURE

Section 1503 of the Dodd-Frank Wall Street Reform and Consumer Protection Act contains reporting requirements regarding mine safety. The operation of our quarries is subject to regulation by the federal Mine Safety and Health Administration, or MSHA, under the Federal Mine Safety and Health Act of 1977, or the Mine Act. Set forth below is the required information regarding certain mining safety and health matters for the three month period ending June 30, 2017 for our facilities. In evaluating this information, consideration should be given to factors such as: (i) the number of citations and orders will vary depending on the size of the quarry, (ii) the number of citations issued will vary from inspector-to-inspector and mine-to-mine, and (iii) citations and orders can be contested and appealed, and in that process, may be reduced in severity and amount, and are sometimes dismissed.

Mine or Operating Name/MSHA Identification Number	Section 104 S&S Citations	Section 104(b) Orders	Section 104(d) Citations and Orders	Section 110(b) (2) Violations	Section 107(a) Orders	Total Dollar Value of MSHA Assessments Proposed	Total Number of Mining Related Fatalities	Received Notice of Pattern of Violations Under Section 104(e) (yes/no)	Received Notice of Potential to Have Pattern Under Section 104(e) (yes/no)	Legal Actions Pending as of Last Day of Period	Legal Actions Initiated During Period	Legal Actions Resolved During Period
American Gypsum Company LLC Albuquerque, NM (2900181)	0	0	0	0	0	$0	0	no	no	0	0	0
American Gypsum Company LLC Duke, OK (3400256)	0	0	0	0	0	$0	0	no	no	0	0	0
American Gypsum Company LLC Eagle, CO (0503997)	0	0	0	0	0	$0	0	no	no	0	0	0
Centex Materials LLC Buda, TX (4102241)	0	0	0	0	0	$0	0	no	no	0	0	0
Central Plains Cement Company Sugar Creek, MO (2302171)	2	0	0	0	0	$4,301	0	no	no	0	0	0
Central Plains Cement Company Tulsa, OK (3400026)	2	0	0	0	0	$0	0	no	no	2 (1)	0	0
Fairborn Cement Company LLC Greene County, OH (3300161)	3	0	0	0	0	$2,436	0	no	no	0	0	0
Great Northern Sand LLC Barron Co., WI (4703646)	1	0	0	0	0	$0	0	no	no	0	0	0
Great Northern Sand LLC Barron Co., WI (4703740)	0	0	0	0	0	$0	0	no	no	0	0	0
Illinois Cement Company LaSalle, IL (1100003)	3	0	0	0	0	$116	0	no	no	0	0	0
Mountain Cement Company Laramie, WY (4800007)	5	0	0	0	0	$0	0	no	no	1 (1)	1 (1)	0
Mountain Cement Company Laramie, WY (4800529)	0	0	0	0	0	$0	0	no	no	0	0	0
Nevada Cement Company Fernley, NV (2600015)	0	0	0	0	0	$0	0	no	no	2 (1)	2 (1)	0
Northern White Sand LLC Utica, IL (1103253)	0	0	0	0	0	$0	0	no	no	0	0	0
Northern White Sand LLC Corpus Christi, TX (4105013)	0	0	0	0	0	$0	0	no	no	0	0	0
Talon Concrete and Aggregates LLC Sugar Creek, MO (2302211)	0	0	0	0	0	$464	0	no	no	0	0	0
Western Aggregates LLC Yuba, CA (0404950)	1	0	0	0	1	$0	0	no	no	0	0	0

(1) All legal actions are penalty contests.