



1341 West Mockingbird Lane • Dallas, Texas 75247 • 972.647.6700 Fax 972.647.3964 • [www.txi.com](http://www.txi.com)

**Kenneth R. Allen**  
Vice President, Finance  
Chief Financial Officer

972.647.6730  
Email: [kallen@txi.com](mailto:kallen@txi.com)

## **TXI REPORTS FOURTH QUARTER AND YEAR END RESULTS**

**Dallas, TX – July 20, 2010** – Texas Industries, Inc. (NYSE-TXI) today reported financial results for the quarter and year ended May 31, 2010. Net loss for the quarter was \$9.8 million or \$.35 per share. The loss includes a non cash after tax charge of \$5.4 million or \$.19 per share with respect to our defined benefit plans and the recognition of after tax income of \$2.6 million or \$.09 per share with respect to a reduction of our capital lease obligation related to power facilities at our Oro Grande, California cement plant. Net loss for the quarter ended May 31, 2009 was \$42.4 million or \$1.53 per share and included an after tax charge of \$39.0 million or \$1.41 per share from the impairment of goodwill associated with our California cement operations.

Net loss for the year was \$38.9 million or \$1.40 per share. Net loss for the year ended May 31, 2009 was \$17.6 million or \$.64 per share and included an after tax charge of \$39.0 million or \$1.41 per share from the impairment of goodwill associated with our California cement operations.

### **General Comments**

“This quarter marks the first time in over 2 years that the sales volumes during the period were flat or exceeded those of the prior year period,” stated Mel Brekhus, Chief Executive Officer. “Shipments were up 4% and 6% in our cement and consumer products segments while aggregate shipments were flat. However, pricing was down in all segments compared to the same period a year ago and also compared to our third quarter.”

“This has been an extraordinarily difficult year and I am proud of the way we maintained our focus on cutting costs and generating cash,” added Brekhus. “We began the year with \$20 million of cash and ended it with \$75 million of cash and we have an additional \$89 million available under our credit facility.”

“We have tremendous people and great assets in our markets; including our cement plant at Oro Grande, California, which ran very well during the quarter and demonstrated the efficiencies we expected. Nevertheless, conditions in our industry continue to be challenging and will remain so until the economy in general and construction in particular recovers,” concluded Brekhus.

A teleconference will be held today, July 20, 2010 at 1:00 Central Daylight Time to further discuss quarter results. A real-time webcast of the conference is available by logging on to TXI’s website at [www.txi.com](http://www.txi.com).

The following is a summary of operating results for our business segments and certain other operating information related to our principal products.

## Cement Operations

In thousands except per unit	Quarter ended May 31,		Year ended May 31,	
	2010	2009	2010	2009
<b>Operating Results</b>				
Total cement sales	\$ 73,672	\$ 79,018	\$ 266,180	\$ 364,386
Total other sales and delivery fees	9,844	5,452	28,333	30,934
Total segment sales	83,516	84,470	294,513	395,320
Cost of products sold	71,929	76,142	270,763	342,824
Gross profit	11,587	8,328	23,750	52,496
Selling, general and administrative	(4,780)	(4,279)	(17,528)	(19,343)
Goodwill impairment	--	(58,395)	--	(58,395)
Other income	950	1,606	7,774	9,301
Operating Profit (Loss)	\$ <u>7,757</u>	\$ <u>(52,740)</u>	\$ <u>13,996</u>	\$ <u>(15,941)</u>
<b>Cement</b>				
Shipments (tons)	934	897	3,226	4,035
Prices (\$/ton)	\$78.95	\$88.23	\$82.51	\$90.31
Cost of sales (\$/ton)	\$69.99	\$78.94	\$76.36	\$78.02

### Three months ended May 31, 2010

Cement operating profit for the three-month period ended May 31, 2010 was \$7.8 million. Cement operating profit increased \$2.1 million compared to the prior fiscal period after adjusting for the goodwill impairment charge incurred in the prior year.

Total segment sales for the three-month period ended May 31, 2010 decreased \$1.0 million from the prior fiscal period as the decline in total cement sales was largely offset by increases in other sales and delivery fees. Our Texas market area accounted for approximately 72% of cement sales in the current period compared to 70% of cement sales in the prior year period. Cement shipments increased 6% in our Texas market area and were flat in our California market area compared to the prior fiscal period. Average prices decreased 10% in our Texas market area and 12% in our California market area from the prior fiscal period.

Cost of products sold for three-month period ended May 31, 2010 decreased \$4.2 million from the prior fiscal period primarily due to lower supplies and maintenance expense associated with scheduled plant shut downs and lower service costs and depreciation recognized with respect to the reduction of our capital lease obligation related to power facilities at our Oro Grande, California cement plant which were partially offset by the effect of higher shipments. Cement unit costs decreased 11% from the prior fiscal period primarily due to lower supplies and maintenance expense and higher shipment volumes.

Selling, general and administrative expense for the three-month period ended May 31, 2010 increased \$0.5 million from the prior fiscal period.

Goodwill resulting from the acquisition of Riverside Cement Company and identified with our California cement operations had a carrying value of \$58.4 million at May 31, 2008. Based on an impairment test performed as of May 31, 2009 there was no implied fair value of the reporting unit goodwill, and therefore, an impairment charge of \$58.4 million was recognized in the prior fiscal period.

Other income for the three-month period ended May 31, 2010 decreased \$0.7 million from the prior fiscal period.

### *Fiscal Year 2010 Compared to Fiscal Year 2009*

Cement operating profit for fiscal year 2010 was \$14.0 million. Cement operating loss for fiscal year 2009 was \$15.9 million including a goodwill impairment charge of \$58.4 million associated with our California cement operation. Cement operating profit for fiscal year 2010 decreased \$28.5 million from the prior fiscal year excluding the impairment charge. Lower shipments and sales prices reduced operating profit approximately \$47 million. The effect of lower shipments and sales prices was offset in part by lower production costs.

Total segment sales for fiscal year 2010 were \$294.5 million compared to \$395.3 million for the prior fiscal year. Cement sales decreased \$98.2 million as construction activity declined in both our Texas and California market areas. Abnormally inclement weather further impacted already depressed construction activity during the six-month and three-month periods ended February 28, 2010 in our Texas and California market areas, respectively. Our Texas market area accounted for approximately 71% of cement sales in the current fiscal year compared to 70% of cement sales in the prior fiscal year. Cement shipments decreased 21% in our Texas market area and 18% in our California market area from the prior fiscal year. Average prices decreased 7% in our Texas market area and 13% in our California market area from the prior fiscal year.

Cost of products sold for fiscal year 2010 decreased \$72.1 million from the prior fiscal year primarily due to lower shipments and our efforts to manage costs. Cement unit costs decreased 2% from the prior fiscal year as the effect of lower shipments was offset by lower raw material, energy and supplies and maintenance costs. Supplies and maintenance costs related to scheduled maintenance at our three cement plants decreased approximately \$14 million from the prior fiscal year.

Selling, general and administrative expense for fiscal year 2010 decreased \$1.8 million from the prior fiscal year. The decrease was primarily due to lower overall administrative expenses offset in part by a \$1.1 million increase in provision for bad debts.

Goodwill resulting from the acquisition of Riverside Cement Company and identified with our California cement operations had a carrying value of \$58.4 million at May 31, 2008. Based on an impairment test performed as of May 31, 2009 there was no implied fair value of the reporting unit goodwill, and therefore, an impairment charge of \$58.4 million was recognized.

Other income for fiscal year 2010 decreased \$1.5 million from the prior fiscal year. Other income includes gains of \$3.4 million in fiscal year 2010 and \$1.7 million in fiscal year 2009 from sales of emissions credits associated with our Crestmore cement plant in Riverside, California. In addition, other income in fiscal year 2009 includes \$2.8 million in lease bonus payments received upon the execution of oil and gas lease agreements on property associated with our north Texas cement operations.

## Aggregate Operations

In thousands except per unit	Quarter ended May 31,		Year ended May 31,	
	2010	2009	2010	2009
<b>Operating Results</b>				
Total stone, sand and gravel sales	\$ 25,159	\$ 27,962	\$ 88,019	\$ 131,197
Total other sales and delivery fees	<u>24,141</u>	<u>24,456</u>	<u>76,928</u>	<u>106,294</u>
Total segment sales	49,300	52,418	164,947	237,491
Cost of products sold	<u>42,925</u>	<u>43,541</u>	<u>142,963</u>	<u>197,583</u>
Gross profit	6,375	8,877	21,984	39,908
Selling, general and administrative	(2,471)	(2,925)	(9,602)	(12,633)
Other income	<u>180</u>	<u>618</u>	<u>1,419</u>	<u>6,954</u>
Operating Profit	<u>\$ 4,084</u>	<u>\$ 6,570</u>	<u>\$ 13,801</u>	<u>\$ 34,229</u>
<b>Stone, sand and gravel</b>				
Shipments (tons)	3,351	3,397	11,363	16,470
Prices (\$/ton)	\$7.51	\$8.23	\$7.75	\$7.97
Cost of sales (\$/ton)	\$6.60	\$7.14	\$6.91	\$6.68

### Three months ended May 31, 2010

Aggregate operating profit for the three-month period ended May 31, 2010 was \$4.1 million, a decrease of \$2.5 million from the prior fiscal period; primarily due to lower average sales prices.

Total segment sales for the three-month period ended May 31, 2010 were \$49.3 million compared to \$52.4 million for the prior fiscal period. Stone, sand and gravel sales decreased \$2.8 million on 9% lower average prices and 1% lower shipments.

Cost of products sold for the three-month period ended May 31, 2010 decreased \$0.6 million from the prior fiscal year. Stone, sand and gravel unit costs decreased 8% from the prior fiscal period due to lower production costs.

Selling, general and administrative expense for the three-month period ended May 31, 2010 decreased \$0.5 million from the prior fiscal period.

Other income for the three-month period ended May 31, 2010 decreased \$0.4 million from the prior fiscal period.

### Fiscal Year 2010 Compared to Fiscal Year 2009

Aggregate operating profit for fiscal year 2010 was \$13.8 million, a decrease of \$20.4 million from the prior fiscal year. Lower shipments and sales prices reduced operating profit approximately \$27 million. The effect of lower shipments and sales prices was offset in part by lower production costs.

Total segment sales for fiscal year 2010 were \$164.9 million compared to \$237.5 million for the prior fiscal year. Stone, sand and gravel sales decreased \$43.2 million on 3% lower average prices and 31% lower shipments.

Cost of products sold for fiscal year 2010 decreased \$54.6 million from the prior fiscal year primarily due to lower shipments. Stone, sand and gravel unit costs increased 3% from the prior fiscal year as the effect of lower shipments was offset in part by approximately \$16 million lower production costs.

Selling, general and administrative expense for fiscal year 2010 decreased \$3.0 million from the prior fiscal year. The decrease was primarily due to lower overall expenses, including wages and benefits, marketing, travel and outside service expenses, as a result of our focus on reducing costs.

Other income for fiscal year 2010 decreased \$5.5 million. Other income includes a gain of \$5.0 million in fiscal year 2009 from the sale of real estate associated with our aggregate operations in north Texas.

## Consumer Products Operations

In thousands except per unit	Quarter ended May 31,		Year ended May 31,	
	2010	2009	2010	2009
<b>Operating Results</b>				
Total ready-mix concrete sales	\$ 46,244	\$ 50,899	\$ 175,712	\$ 247,931
Total other sales and delivery fees	<u>16,621</u>	<u>16,054</u>	<u>55,671</u>	<u>61,490</u>
Total segment sales	62,865	66,953	231,383	309,421
Cost of products sold	<u>59,509</u>	<u>60,014</u>	<u>218,119</u>	<u>288,756</u>
Gross profit	3,356	6,939	13,264	20,665
Selling, general and administrative	(2,819)	(2,943)	(10,193)	(13,116)
Other income	<u>70</u>	<u>98</u>	<u>586</u>	<u>1,314</u>
Operating Profit (Loss)	<u>\$ 607</u>	<u>\$ 4,094</u>	<u>\$ 3,657</u>	<u>\$ 8,863</u>
<b>Ready-mix concrete</b>				
Shipments (cubic yards)	607	572	2,147	2,902
Prices (\$/cubic yard)	\$76.06	\$89.00	\$81.83	\$85.46
Cost of sales (\$/cubic yard)	\$75.60	\$82.13	\$79.82	\$81.41

### Three months ended May 31, 2010

Consumer products operating profit for the three-month period ended May 31, 2010 was \$0.6 million, a decrease of \$3.5 million from the prior fiscal period; primarily due to significantly lower gross margins.

Total segment sales for the three-month period ended May 31, 2010 were \$62.9 million compared to \$67.0 million for the prior fiscal period. Ready-mix concrete sales decreased \$4.7 million on 15% lower average prices and 6% higher shipments.

Cost of products sold for the three-month period ended May 31, 2010 decreased \$0.5 million from the prior fiscal period. Ready-mix concrete unit costs decreased 8% from the prior fiscal year primarily as a result of lower raw material costs.

Selling, general and administrative expense for the three-month period ended May 31, 2010 decreased \$0.1 million from the prior fiscal period.

Other income for the three-month period ended May 31, 2010 was comparable with the prior fiscal period.

### Fiscal Year 2010 Compared to Fiscal Year 2009

Consumer products operating profit for fiscal year 2010 was \$3.7 million, a decrease of \$5.2 million from the prior fiscal year. Lower shipments and sales prices reduced operating profit approximately \$18 million. The effect of lower shipments and sales prices was offset in part by approximately \$10 million lower ready-mix concrete raw material costs.

Total segment sales for fiscal year 2010 were \$231.4 million compared to \$309.4 million for the prior fiscal year. Ready-mix concrete sales decreased \$72.2 million on 4% lower average prices and 26% lower shipments as construction activity continued to decline in our Texas market area. Abnormally inclement weather contributed to the decline in construction activity during the six-month period ended February 28, 2010.

Cost of products sold for fiscal year 2010 decreased \$70.6 million from the prior fiscal year. Ready-mix concrete unit costs decreased 2% from the prior fiscal year primarily as a result of lower raw material costs offset in part by the effect of lower shipments on unit costs. Our raw material unit costs decreased approximately 9% from the prior fiscal year.

Selling, general and administrative expense for fiscal year 2010 decreased \$2.9 million from the prior fiscal year. The decrease was primarily due to lower overall expenses, including wages and benefits, marketing, travel and outside service expenses, as a result of our focus on reducing costs.

Other income for fiscal year 2010 decreased \$0.7 million from the prior fiscal year. Other income in fiscal year 2009 included \$0.4 million higher gains from routine sales of surplus operating assets and lease bonus payments of \$0.2 million received upon the execution of oil and gas lease agreements on property we own in north Texas.

## Corporate

In thousands	Quarter ended May 31,		Year ended May 31,	
	2010	2009	2010	2009
Other income	\$ 42	\$ 473	\$ 887	\$ 3,622
Selling, general and administrative	<u>(15,637)</u>	<u>(12,762)</u>	<u>(42,092)</u>	<u>(27,001)</u>
	<u>\$ (15,595)</u>	<u>\$ (12,289)</u>	<u>\$ (41,205)</u>	<u>\$ (23,379)</u>

### Three months ended May 31, 2010

Corporate other income for the three-month period ended May 31, 2010 decreased \$0.4 million from the prior fiscal period.

Corporate selling, general and administrative expense for the three-month period ended May 31, 2010 increased \$2.9 million from the prior fiscal period. The increase was primarily the result of charges taken with respect to our financial security plan postretirement benefit plans offset by lower stock-based compensation expense. The increase in the financial security plan postretirement benefit expense in 2010 was primarily the result of actuarial losses. In the three-month period ended May 31, 2010, we recognized a charge of \$4.4 million, which includes an estimated \$3.4 million that relates to years prior to 2010. Financial security plan postretirement benefit expense excluding this adjustment increased \$2.9 million from the prior fiscal period.

### Fiscal Year 2010 Compared to Fiscal Year 2009

Corporate other income for fiscal year 2010 decreased \$2.7 million from the prior fiscal year. In addition to lower interest income of \$1.1 million, other income in the prior fiscal year included lease bonus payments of \$1.7 million received upon the execution of oil and gas lease agreements on property we own in north Texas that is not associated with any business segment.

Corporate selling, general and administrative expense for fiscal year 2010 increased \$15.1 million from the prior fiscal year. The increase was primarily the result of \$9.1 million higher stock-based compensation and \$7.5 million higher financial security plan postretirement benefit expense. Our stock-based compensation includes awards expected to be settled in cash, the expense for which is based on their fair value at the end of each period until the awards are paid. The impact of changes in our stock price on the fair value of these awards increased stock-based compensation \$8.9 million from the prior fiscal year. The increase in the financial security plan postretirement benefit expense in 2010 was primarily the result of actuarial losses. In 2010, we recognized a charge of \$4.4 million which includes an estimated \$3.4 million that relates to years prior to 2010. Financial security plan postretirement benefit expense excluding this adjustment increased \$3.1 million from the prior fiscal year.

## **Interest**

Interest expense incurred for the three-month period ended May 31, 2010 was \$12.0 million, all of which was expensed. Interest expense incurred for the prior fiscal period was \$13.1 million, \$4.7 million of which was capitalized in connection with our Hunter, Texas cement plant expansion project and \$8.4 million was expensed.

Interest expense incurred for fiscal year 2010 was \$52.2 million, all of which was expensed. Interest expense incurred for fiscal year 2009 was \$47.7 million, of which \$14.4 million was capitalized in connection with our Hunter, Texas cement plant expansion project and \$33.3 million was expensed.

Interest expense incurred for the three-month period ended May 31, 2010 decreased \$1.1 million from the prior fiscal period due to the reduction in our capital lease obligation related to power facilities at our Oro Grande, California cement plant. Interest expense incurred for the twelve-month period ended May 31, 2010 increased \$4.5 million from the prior year primarily as a result of higher average outstanding debt offset in part by the fourth quarter reduction in the capital lease obligation.

## **Loss on Debt Retirements**

On August 18, 2008, we sold \$300 million aggregate principal amount of additional 7.25% senior notes due in 2013 at an offering price of \$93.25. The net proceeds were used to repay our \$150 million senior term loan and borrowings outstanding under our senior revolving credit facility in the amount of \$29.5 million. We recognized a loss on debt retirement of \$0.9 million representing a write-off of debt issuance costs associated with the mandatory prepayment of the term loan in fiscal year 2009.

## **Income Taxes**

Our effective tax rate was 37.3% in 2010 and 42.0% in 2009. The rate change is associated with the decline in our pre-tax earnings. The primary reason that the effective tax rate differs from the 35% statutory corporate rate is due to additional percentage depletion that is tax deductible, the effect of qualified domestic production activities, state income taxes and nondeductible stock compensation.

Certain statements contained in this press release are "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995. Such statements are subject to risks, uncertainties and other factors, which could cause actual results to differ materially from future results expressed or implied by such forward-looking statements. Potential risks and uncertainties include, but are not limited to, the impact of competitive pressures and changing economic and financial conditions on our business, the cyclical and seasonal nature of our business, the level of construction activity in our markets, abnormal periods of inclement weather, unexpected periods of equipment downtime, unexpected operational difficulties, changes in the cost of raw materials, fuel and energy, changes in the cost or availability of transportation, changes in interest rates, the timing and amount of federal, state and local funding for infrastructure, delays in announced capacity expansions, ongoing volatility and uncertainty in the capital or credit markets, the impact of environmental laws, regulations and claims and changes in governmental and public policy, and the risks and uncertainties described in our reports on Forms 10-K, 10-Q and 8-K. Forward-looking statements speak only as of the date hereof, and we assume no obligation to publicly update such statements.

TXI is the largest producer of cement in Texas and a major cement producer in California. TXI is also a major supplier of construction aggregate, ready-mix concrete and concrete products.

CONSOLIDATED BALANCE SHEETS  
TEXAS INDUSTRIES, INC. AND SUBSIDIARIES

In thousands	May 31,	
	2010	2009
<b>ASSETS</b>		
<b>CURRENT ASSETS</b>		
Cash and cash equivalents	\$ 74,946	\$ 19,796
Receivables – net	112,184	129,432
Inventories	142,419	155,724
Deferred income taxes and prepaid expenses	<u>23,426</u>	<u>22,039</u>
<b>TOTAL CURRENT ASSETS</b>	<b>352,975</b>	<b>326,991</b>
 <b>PROPERTY, PLANT AND EQUIPMENT</b>		
Land and land improvements	158,367	156,917
Buildings	58,351	58,442
Machinery and equipment	1,220,021	1,247,931
Construction in progress	<u>322,039</u>	<u>328,256</u>
	1,758,778	1,791,546
Less depreciation and depletion	<u>604,269</u>	<u>572,195</u>
	1,154,509	1,219,351
 <b>OTHER ASSETS</b>		
Goodwill	1,715	1,715
Real estate and investments	6,774	10,001
Deferred charges and other	<u>15,774</u>	<u>14,486</u>
	<u>24,263</u>	<u>26,202</u>
	<u>\$ 1,531,747</u>	<u>\$ 1,572,544</u>
 <b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>		
<b>CURRENT LIABILITIES</b>		
Accounts payable	\$ 56,214	\$ 55,749
Accrued interest, compensation and other	51,455	51,856
Current portion of long-term debt	<u>234</u>	<u>243</u>
<b>TOTAL CURRENT LIABILITIES</b>	<b>107,903</b>	<b>107,848</b>
 <b>LONG-TERM DEBT</b>	 538,620	 541,540
 <b>DEFERRED INCOME TAXES AND OTHER CREDITS</b>	 123,976	 120,011
 <b>SHAREHOLDERS' EQUITY</b>		
Common stock, \$1 par value ; authorized 100,000 shares; issued and outstanding 27,796 and 27,718 shares, respectively	27,796	27,718
Additional paid-in capital	475,584	469,908
Retained earnings	272,018	319,199
Accumulated other comprehensive loss	<u>(14,150)</u>	<u>(13,680)</u>
	<u>761,248</u>	<u>803,145</u>
	<u>\$ 1,531,747</u>	<u>\$ 1,572,544</u>

CONSOLIDATED STATEMENTS OF OPERATIONS  
TEXAS INDUSTRIES, INC. AND SUBSIDIARIES

In thousands except per share	Quarter ended May 31,		Year ended May 31,	
	2010	2009	2010	2009
NET SALES	\$ 176,343	\$ 182,352	\$ 621,064	\$ 839,202
Cost of products sold	<u>155,025</u>	<u>158,208</u>	<u>562,066</u>	<u>726,133</u>
GROSS PROFIT	21,318	24,144	58,998	113,069
Selling, general and administrative	25,707	22,909	79,415	72,093
Goodwill impairment	--	58,395	--	58,395
Interest	11,990	8,401	52,240	33,286
Loss on debt retirements	--	--	--	907
Other income	<u>(1,242)</u>	<u>(2,795)</u>	<u>(10,666)</u>	<u>(21,191)</u>
	<u>36,455</u>	<u>86,910</u>	<u>120,989</u>	<u>143,490</u>
INCOME (LOSS) BEFORE INCOME TAXES	(15,137)	(62,766)	(61,991)	(30,421)
Income taxes	<u>(5,376)</u>	<u>(20,412)</u>	<u>(23,138)</u>	<u>(12,774)</u>
NET INCOME (LOSS)	<u>\$ (9,761)</u>	<u>\$ (42,354)</u>	<u>\$ (38,853)</u>	<u>\$ (17,647)</u>
Net income (loss) per share				
Basic	\$ (.35)	\$ (1.53)	\$ (1.40)	\$ (.64)
Diluted	<u>\$ (.35)</u>	<u>\$ (1.53)</u>	<u>\$ (1.40)</u>	<u>\$ (.64)</u>
Average shares outstanding				
Basic	27,770	27,704	27,744	27,614
Diluted	<u>27,770</u>	<u>27,704</u>	<u>27,744</u>	<u>27,614</u>
Cash dividends per share	<u>\$ .075</u>	<u>\$ .075</u>	<u>\$ .30</u>	<u>\$ .30</u>

CONSOLIDATED STATEMENTS OF CASH FLOWS  
TEXAS INDUSTRIES, INC. AND SUBSIDIARIES

In thousands	Year Ended May 31,		
	2010	2009	2008
<b>OPERATING ACTIVITIES</b>			
Net income (loss)	\$ (38,853)	\$ (17,647)	\$ 87,631
Adjustments to reconcile net income (loss) to cash provided by operating activities			
Depreciation, depletion and amortization	63,925	68,192	55,577
Goodwill impairment	--	58,395	--
Gains on asset disposals	(1,350)	(6,759)	(19,410)
Deferred income taxes (benefit)	(9,132)	(1,938)	20,036
Stock-based compensation expense (credit)	5,097	(4,400)	2,395
Excess tax benefits from stock-based compensation	(250)	(1,596)	(3,299)
Loss on debt retirements	--	907	--
Other – net	13,998	5,931	2,475
Changes in operating assets and liabilities			
Receivables – net	(5,421)	55,397	(29,507)
Inventories	13,706	(11,070)	(9,400)
Prepaid expenses	387	(1,894)	(2,033)
Accounts payable and accrued liabilities	<u>6,046</u>	<u>(36,232)</u>	<u>(2,910)</u>
Net cash provided by operating activities	48,153	107,286	101,555
<b>INVESTING ACTIVITIES</b>			
Capital expenditures - expansions	(5,337)	(223,445)	(247,552)
Capital expenditures – other	(8,322)	(65,099)	(64,973)
Cash designated for property acquisitions	--	28,733	(28,733)
Proceeds from asset disposals	21,592	7,981	34,922
Investments in life insurance contracts	6,967	2,876	99,203
Other – net	<u>2,079</u>	<u>(21)</u>	<u>101</u>
Net cash provided (used) by investing activities	16,979	(248,975)	(207,032)
<b>FINANCING ACTIVITIES</b>			
Long-term borrowings	--	327,250	366,000
Debt retirements	(245)	(197,772)	(232,366)
Debt issuance costs	(2,552)	(5,470)	(2,160)
Stock option exercises	893	4,641	3,315
Excess tax benefits from stock-based compensation	250	1,596	3,299
Common dividends paid	<u>(8,328)</u>	<u>(8,287)</u>	<u>(8,222)</u>
Net cash provided (used) by financing activities	<u>(9,982)</u>	<u>121,958</u>	<u>129,866</u>
Increase (decrease) in cash and cash equivalents	55,150	(19,731)	24,389
Cash and cash equivalents at beginning of year	<u>19,796</u>	<u>39,527</u>	<u>15,138</u>
Cash and cash equivalents at end of year	<u>\$ 74,946</u>	<u>\$ 19,796</u>	<u>\$ 39,527</u>