July 13, 2011

TXI Reports Fourth Quarter and Year End Results

DALLAS, July 13, 2011 (GLOBE NEWSWIRE) -- Texas Industries, Inc. (NYSE:TXI) today reported financial results for the quarter and year ended May 31, 2011. Net loss for the quarter was $9.1 million or $.33 per share and included, net of related charges, an after-tax gain of $6.7 million or $.24 per share from the exchange of aggregate operating assets for ready mix operating assets. Net loss for the quarter ended May 31, 2010 was $9.8 million or $.35 per share and included a non-cash after tax charge of $5.4 million or $.20 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 year was $64.9 million or $2.33 per share and includes an after tax loss on debt retirement of $18.6 million or $.67 per share associated with the refinancing of senior notes due in 2013. Net loss for the year ended May 31, 2010 was $38.9 million or $1.40 per share.

General Comments

"The overall economy has shown signs of improvement in our markets during the past year," stated Mel Brekhus, Chief Executive Officer. "However, construction activity has not begun to recover in a meaningful way. Even so, price increases effective for April in Texas have generally held and additional price increases, effective in July and August, have been announced for both Texas and California."

"We continue to work on our strategic initiatives while maintaining a cautious operational outlook for the near term," added Brekhus. "The swap of aggregate operating assets for ready mix assets in central Texas in the fourth quarter was a non-cash transaction that establishes a complete vertical integration position in that market and will help prepare the way for the expansion of our central Texas cement plant, which was resumed in the second quarter."

"Our focus on liquidity resulted in us ending the year with $116.4 million of cash, $66.3 million available under our credit facility and no debt maturities until 2020. I believe we have the ability to execute our strategy despite the continuing challenges for our industry," concluded Brekhus.

A teleconference will be held July 14, 2011 at 10:00 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.

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

Cement Operations

	Quarter ended May 31,		Year ended May 31,	
In thousands except per unit	2011	2010	2011	2010
Operating Results				
Cement sales	$ 73,078	$ 73,672	$ 256,385	$ 266,180
Other sales and delivery fees	9,094	9,844	30,909	28,333
Total segment sales	82,172	83,516	287,294	294,513
Cost of products sold	80,213	71,929	283,407	270,763
Gross profit	1,959	11,587	3,887	23,750
Selling, general and administrative	(6,870)	(4,780)	(18,967)	(17,528)
Other income	1,188	950	4,831	7,774

Operating Profit (Loss)	$ (3,723)	$ 7,757	$ (10,249)	$ 13,996
Cement				
Shipments (tons)	940	934	3,301	3,226
Prices ($/ton)	$77.77	$78.95	$77.68	$82.51
Cost of sales ($/ton)	$76.33	$69.99	$77.29	$76.36

Three months ended May 31, 2011

Cement operating loss for the three-month period ended May 31, 2011 was $3.7 million. Cement operating profit for the three-month period ended May 31, 2010 was $7.8 million. Cement operating profit decreased $11.5 million from the prior fiscal period. Lower sales prices offset in part by higher shipments reduced operating profit approximately $1 million. In addition, higher supplies and maintenance costs due in part to scheduled maintenance at our Hunter, Texas cement plant and higher selling, general and administrative expense reduced operating profit in the current fiscal period.

Total segment sales for the three-month period ended May 31, 2011 decreased $1.3 million from the prior fiscal period on lower sales prices. Our Texas market area accounted for approximately 69% of cement sales in the current period compared to 72% of cement sales in the prior year period. Cement shipments decreased 2% in our Texas market area and increased 8% in our California market area compared to the prior fiscal period. Average prices decreased 2% in our Texas market area and 1% in our California market area from the prior fiscal period.

Cost of products sold for three-month period ended May 31, 2011 increased $8.3 million from the prior fiscal period. Cement unit costs increased 9% from the prior fiscal period primarily due to higher raw material and energy costs, as well as, higher supplies and maintenance expense due in part to a scheduled plant shut down at our Hunter, Texas cement plant in the current period. In addition, 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 lowered costs in the prior fiscal period.

Selling, general and administrative expense for the three-month period ended May 31, 2011 increased $2.1 million from the prior fiscal period. The increase was primarily due to $2.0 million higher insurance expense.

Fiscal Year 2011 Compared to Fiscal Year 2010

Cement operating loss for fiscal year 2011 was $10.2 million. Cement operating profit for fiscal year 2010 was $14.0 million. Cement operating profit for fiscal year 2011 decreased $24.2 million from the prior fiscal year. Lower sales prices offset in part by higher shipments reduced operating profit approximately $15 million. In addition, higher selling, general and administrative expense and lower other income reduced operating profit $4.3 million from the prior fiscal year.

Total segment sales for fiscal year 2011 were $287.3 million compared to $294.5 million for the prior fiscal year. Cement sales decreased $9.8 million as construction activity remained at low levels in both our Texas and California market areas. Our Texas market area accounted for approximately 71% of cement sales in each fiscal year. Cement shipments increased 1% in our Texas market area and 4% in our California market area from the prior fiscal year. Average prices decreased 6% in our Texas market area and 7% in our California market area from the prior fiscal year.

Cost of products sold for fiscal year 2011 increased $12.6 million from the prior fiscal year. The effect of higher shipments was offset in part by the effect of higher clinker production. Cement unit costs increased 1% from the prior fiscal year as the effect of higher shipments was offset by higher raw material, energy and supplies and maintenance costs. Supplies and maintenance costs related to scheduled maintenance at our three cement plants increased approximately $2 million from the prior fiscal year.

Selling, general and administrative expense for fiscal year 2011 increased $1.4 million from the prior fiscal year. The increase was primarily due to $1.9 million higher insurance expense offset in part by lower overall administrative expenses.

Other income for fiscal year 2011 decreased $2.9 million from the prior fiscal year. The decrease was primarily due to $0.9 million lower royalty income and $1.7 million lower gains from sales of emissions credits associated with our Crestmore cement plant in Riverside, California.

Aggregate Operations

	Quarter ended May 31,		Year ended May 31,	

In thousands except per unit	2011	2010	2011	2010
Operating Results				
Stone, sand and gravel sales	$ 21,596	$ 25,159	$ 89,045	$ 88,019
Expanded shale and clay sales and delivery fees	24,873	24,141	83,380	76,928
Total segment sales	46,469	49,300	172,425	164,947
Cost of products sold	41,367	42,925	152,102	142,963
Gross profit	5,102	6,375	20,323	21,984
Selling, general and administrative	(2,837)	(2,471)	(11,389)	(9,602)
Other income	11,998	180	13,704	1,419
Operating Profit	$ 14,263	$ 4,084	$ 22,638	$ 13,801
Stone, sand and gravel				
Shipments (tons)	2,985	3,351	12,065	11,363
Prices ($/ton)	$7.23	$7.51	$7.38	$7.75
Cost of sales ($/ton)	$6.80	$6.60	$6.72	$6.91

Three months ended May 31, 2011

Aggregate operating profit for the three-month period ended May 31, 2011 was $174.3 million, an increase of $10.2 million from the prior fiscal period. Operating profit excluding a gain of $12.0 million recognized in connection with the exchange of aggregate operating assets for ready mix operating assets decreased $1.8 million. The effect of lower sales prices and shipments reduced operating profit approximately $1 million.

Total segment sales for the three-month period ended May 31, 2011 were $46.5 million compared to $49.3 million for the prior fiscal period. Stone, sand and gravel sales decreased $3.6 million on 4% lower average prices and 11% lower shipments including approximately 5% lower shipments due to the exchange of aggregate operating assets.

Cost of products sold for the three-month period ended May 31, 2011 decreased $1.6 million from the prior fiscal year. Stone, sand and gravel unit costs decreased 3% from the prior fiscal period due to the effect of lower shipments.

Selling, general and administrative expense for the three-month period ended May 31, 2011 increased $0.4 million from the prior fiscal period.

Other income for the three-month period ended May 31, 2011 increased $11.8 million from the prior fiscal period. Other income in the current fiscal period includes a gain of $12.0 million from the exchange of aggregate operating assets for ready mix operating assets.

Fiscal Year 2011 Compared to Fiscal Year 2010

Aggregate operating profit for fiscal year 2011 was $22.6 million, an increase of $8.8 million from the prior fiscal year. Operating profit excluding a gain of $12.0 million recognized in connection with the exchange of aggregate operating assets for ready-mix operating assets decreased $3.2 million. The effect of lower sales prices offset in part by higher shipments reduced operating profit approximately $1 million.

Total segment sales for fiscal year 2011 were $172.4 million compared to $164.9 million for the prior fiscal year. Stone, sand and gravel sales increased $1.0 million on 5% lower average prices and 8% higher shipments excluding the effect of the exchange of aggregate operating assets reduced shipments 2% from the prior fiscal year.

Cost of products sold for fiscal year 2011 increased $9.1 million from the prior fiscal year primarily due to higher shipments. Stone, sand and gravel unit costs decreased 3% from the prior fiscal year as the effect of higher shipments was offset in part by higher repair and maintenance costs.

Selling, general and administrative expense for fiscal year 2011 increased $1.8 million from the prior fiscal year. The increase was primarily due to higher provisions for bad debts and casualty insurance claims.

Other income for fiscal year 2011 increased $12.3 million. Other income in 2011 includes a gain of $12.0 million from the

exchange of aggregate operating assets for ready-mix operating assets.

Consumer Products Operations

In thousands except per unit	Quarter ended May 31, 2011	Quarter ended May 31, 2010	Year ended May 31, 2011	Year ended May 31, 2010
Operating Results				
Ready-mix concrete sales	$ 50,992	$ 46,244	$ 180,826	$ 175,712
Package products sales and delivery fees	16,509	16,621	55,322	55,671
Total segment sales	67,501	62,865	236,148	231,383
Cost of products sold	68,073	59,509	235,055	218,119
Gross profit (loss)	(572)	3,356	1,093	13,264
Selling, general and administrative	(4,443)	(2,819)	(12,773)	(10,193)
Other income	131	70	529	586
Operating Profit (Loss)	$ (4,884)	$ 607	$ (11,151)	$ 3,657
Ready-mix concrete				
Shipments (cubic yards)	700	607	2,415	2,147
Prices ($/cubic yard)	$72.92	$76.06	$74.87	$81.83
Cost of sales ($/cubic yard)	$77.70	$75.60	$77.89	$79.82

Three months ended May 31, 2011

Consumer products operating loss for the three-month period ended May 31, 2011 was $4.9 million. Consumer products operating profit for the three-month period ended May 31, 2010 was $0.6 million. Consumer products operating profit decreased $5.5 million from the prior fiscal period. Lower sales prices offset in part by higher shipments reduced operating profit approximately $4 million.

Total segment sales for the three-month period ended May 31, 2011 were $67.5 million compared to $62.9 million for the prior fiscal period. Ready-mix concrete sales increased $4.7 million primarily as a result of the acquisition of the ready mix operations of Transit Mix Concrete and Materials Company, a subsidiary of Trinity Industries, Inc., that serve the Central Texas market from north of San Antonio to Hillsboro, Texas. Average prices decreased 4% from the prior fiscal period. Shipments increased 15% from the prior fiscal period as a result of the acquisition of the additional ready mix operations.

Cost of products sold for the three-month period ended May 31, 2011 increased $8.6 million from the prior fiscal period. Ready-mix concrete unit costs increased 3% from the prior fiscal year primarily as a result of higher diesel costs and the central Texas operations acquired during the quarter.

Selling, general and administrative expense for the three-month period ended May 31, 2010 increased $1.6 million from the prior fiscal period. We recognized $1.3 million in expenses associated with the acquisition of the additional ready mix operating assets.

Other income for the three-month period ended May 31, 2011 was comparable with the prior fiscal period.

Fiscal Year 2011 Compared to Fiscal Year 2010

Consumer products operating loss for fiscal year 2011 was $11.2 million. Consumer products operating profit for fiscal year 2010 was $3.7 million. Consumer products operating profit for fiscal year 2011 decreased $14.8 million from the prior fiscal year. Lower sales prices offset in part by higher shipments reduced operating profit approximately $14 million.

Total segment sales for fiscal year 2011 were $236.1 million compared to $231.4 million for the prior fiscal year. Ready-mix concrete sales increased $5.1 million primarily as a result of the acquisition of the ready-mix operations of Transit Mix Concrete and Materials Company, a subsidiary of Trinity Industries, Inc., that serve the central Texas market from north of San Antonio to Hillsboro, Texas. Average prices decreased 9% from the prior fiscal year. Shipments increased 12% from the prior fiscal year, of which 5% was the result of the acquisition of the additional ready-mix operations.

Cost of products sold for fiscal year 2011 increased $16.9 million from the prior fiscal year. Ready-mix concrete unit costs decreased 2% from the prior fiscal year primarily as a result of the effect of higher shipments on unit costs offset in part by higher repair and maintenance costs.

Selling, general and administrative expense for fiscal year 2011 increased $2.6 million from the prior fiscal year. In addition to higher provisions for bad debts and casualty insurance claims, we recognized $1.3 million in expenses associated with the acquisition of the additional ready-mix operating assets.

Other income for fiscal year 2011 was comparable to the prior fiscal year.

Corporate

	Quarter ended May 31,		Year ended May 31,	
In thousands	2011	2010	2011	2010
Other income	$ 261	$ 42	$ 2,448	$ 887
Selling, general and administrative	(10,267)	(15,637)	(33,291)	(42,092)
	$ (10,006)	$ (15,595)	$ (30,843)	$ (41,205)

Three months ended May 31, 2011

Corporate other income for the three-month period ended May 31, 2011 increased $0.2 million from the prior fiscal period primarily due to higher oil and gas lease royalty payments.

Corporate selling, general and administrative expense for the three-month period ended May 31, 2011 decreased $5.4 million from the prior fiscal period. The decrease was primarily the result of $5.7 million lower financial security plan postretirement benefit expense. 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 decreased $1.3 million from the prior fiscal year.

Fiscal Year 2011 Compared to Fiscal Year 2010

Corporate other income for fiscal year 2011 increased $1.6 million from the prior fiscal year primarily due to $2.2 million higher oil and gas lease bonus and royalty payments offset in part by $0.6 million lower interest income.

Corporate selling, general and administrative expense for fiscal year 2011 decreased $8.8 million from the prior fiscal year. The decrease was primarily the result of $5.4 million lower financial security plan postretirement benefit expense. 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 decreased $1.0 million from the prior fiscal year. In addition to $1.8 million lower provisions for casualty insurance claims and property tax expense, our focus on reducing controllable costs lowered other expenses $1.6 million from the prior year.

Interest

Interest expense incurred for the three-month period ended May 31, 2011 was $17.3 million, of which $7.7 million was capitalized in connection with our Hunter, Texas cement plant expansion project and $9.6 million was expensed. Interest expense incurred for the prior fiscal period was $12.0 million, all of which was expensed.

Interest expense incurred for fiscal year 2011 was $66.3 million, of which $18.7 million was capitalized in connection with our Hunter, Texas cement plant expansion project and $47.6 million was expensed. Interest expense incurred for fiscal year 2010 was $52.2 million, all of which was expensed.

Interest expense incurred for the three-month period ended May 31, 2011 increased $5.3 million from the prior fiscal period. Interest expense incurred for fiscal year 2011 increased $14.1 million from the prior fiscal year. The increases were primarily the result of higher average outstanding debt at higher interest rates due to the August 2010 refinancing of our 7.25% senior notes.

Interest expense to be capitalized in connection with our Hunter, Texas cement plant expansion project during fiscal year 2012 is currently estimated at approximately $35 million.

Loss on Debt Retirements

On July 27, 2010, we commenced a cash tender offer for all of the outstanding $550 million aggregate principal amount of our 7.25% senior notes due 2013 and a solicitation of consents to amend the indenture governing the 7.25% notes. Pursuant to the tender offer and consent solicitation, we purchased $536.6 million aggregate principal amount of the 7.25% notes, and paid an aggregate of $547.7 million in purchase price and consent fees. On September 9, 2010, we redeemed the remaining $13.4 million aggregate principal amount of the 7.25% notes at a price of 101.813% of the principal amount thereof, plus accrued and unpaid interest on the 7.25% notes to the redemption date. We used the net proceeds from the issuance and sale of $650 million aggregate principal amount of our 9.25% senior notes to pay the purchase or redemption price of the 7.25% notes and the consent fees and to increase working capital. We recognized a loss on debt retirement of $29.6 million representing $11.4 million in consent fees, redemption price premium and transaction costs and a write-off of $18.2 million of unamortized debt discount and original issuance costs associated with the 7.25% notes in fiscal year 2011.

Income Taxes

Our effective tax rate was 39.2% in 2011 and 37.3% in 2010. The primary reason that the effective tax rate differed from the 35% statutory corporate rate was 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 rate, 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 obligations 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.

The Texas Industries, Inc. logo is available at http://www.globenewswire.com/newsroom/prs/?pkgid=6602

CONSOLIDATED STATEMENTS OF OPERATIONS
TEXAS INDUSTRIES, INC. AND SUBSIDIARIES

	Year Ended May 31,		
In thousands except per share	2011	2010	2009
NET SALES	$ 621,813	$ 621,064	$ 839,202
Cost of products sold	596,510	562,066	726,133
GROSS PROFIT	25,303	58,998	113,069
Selling, general and administrative	76,420	79,415	72,093
Goodwill impairment	--	--	58,395
Interest	47,583	52,240	33,286
Loss on debt retirements	29,619	--	907
Other income	(21,512)	(10,666)	(21,191)
	132,110	120,989	143,490
LOSS BEFORE INCOME TAXES	(106,807)	(61,991)	(30,421)

Income tax benefit	(41,894)	(23,138)	(12,774)
NET LOSS	$ (64,913)	$ (38,853)	$ (17,647)
Net loss per share			
Basic	$ (2.33)	$ (1.40)	$ (.64)
Diluted	$ (2.33)	$ (1.40)	$ (.64)
Average shares outstanding			
Basic	27,825	27,744	27,614
Diluted	27,825	27,744	27,614

CONSOLIDATED BALANCE SHEETS
TEXAS INDUSTRIES, INC. AND SUBSIDIARIES

	May 31,	
In thousands	2011	2010
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	$ 116,432	$ 74,946
Receivables — net	85,817	112,184
Inventories	140,646	142,419
Deferred income taxes and prepaid expenses	22,040	23,426
TOTAL CURRENT ASSETS	364,935	352,975
PROPERTY, PLANT AND EQUIPMENT		
Land and land improvements	158,232	158,367
Buildings	59,320	58,351
Machinery and equipment	1,222,560	1,220,021
Construction in progress	357,638	322,039
	1,797,750	1,758,778
Less depreciation and depletion	642,329	604,269
	1,155,421	1,154,509
OTHER ASSETS		
Goodwill	1,715	1,715
Real estate and investments	6,749	6,774
Deferred income taxes and other charges	22,191	15,774
	30,655	24,263
	$ 1,551,011	$ 1,531,747
LIABILITIES AND SHAREHOLDERS' EQUITY		
CURRENT LIABILITIES		
Accounts payable	$ 56,787	$ 56,214
Accrued interest, compensation and other	58,848	51,455
Current portion of long-term debt	73	234
TOTAL CURRENT LIABILITIES	115,708	107,903
LONG-TERM DEBT	652,403	538,620

DEFERRED INCOME TAXES AND OTHER CREDITS	87,318	123,976
SHAREHOLDERS' EQUITY		
Common stock, $1 par value; authorized 100,000 shares; issued and outstanding 27,887 and 27,796 shares, respectively	27,887	27,796
Additional paid-in capital	481,706	475,584
Retained earnings	198,751	272,018
Accumulated other comprehensive loss	(12,762)	(14,150)
	695,582	761,248
	$ 1,551,011	$ 1,531,747

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

	Year Ended May 31,		
In thousands	2011	2010	2009
OPERATING ACTIVITIES			
Net loss	$ (64,913)	$ (38,853)	$ (17,647)
Adjustments to reconcile net loss to cash provided by operating activities			
Depreciation, depletion and amortization	64,297	63,925	68,192
Goodwill impairment	--	--	58,395
Gains on asset disposals	(13,638)	(1,350)	(6,759)
Deferred income tax benefit	(42,875)	(9,132)	(1,938)
Stock-based compensation expense (credit)	5,581	5,097	(4,400)
Excess tax benefits from stock-based compensation	--	(250)	(1,596)
Loss on debt retirements	29,619	--	907
Other — net	3,158	13,998	5,931
Changes in operating assets and liabilities			
Receivables — net	13,379	(5,421)	55,397
Inventories	2,164	13,706	(11,070)
Prepaid expenses	1,301	387	(1,894)
Accounts payable and accrued liabilities	11,172	6,046	(36,232)
Net cash provided by operating activities	9,245	48,153	107,286
INVESTING ACTIVITIES			
Capital expenditures - expansions	(25,430)	(5,337)	(223,445)
Capital expenditures — other	(20,253)	(8,322)	(65,099)
Cash designated for property acquisitions	--	--	28,733
Proceeds from asset disposals	3,596	21,592	7,981
Investments in life insurance contracts	4,073	6,967	2,876
Other — net	1,266	2,079	(21)
Net cash provided (used) by investing activities	(36,748)	16,979	(248,975)
FINANCING ACTIVITIES			
Long-term borrowings	650,000	--	327,250
Debt retirements	(561,627)	(245)	(197,772)
Debt issuance costs	(12,492)	(2,552)	(5,470)
Stock option exercises	1,462	893	4,641
Excess tax benefits from stock-based compensation	--	250	1,596

Common dividends paid	(8,354)	(8,328)	(8,287)
Net cash provided (used) by financing activities	68,989	(9,982)	121,958
Increase (decrease) in cash and cash equivalents	41,486	55,150	(19,731)
Cash and cash equivalents at beginning of year	74,946	19,796	39,527
Cash and cash equivalents at end of year	$ 116,432	$ 74,946	$ 19,796

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