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TXI REPORTS FOURTH QUARTER AND YEAR END RESULTS

Dallas, TX – July 15, 2009 – Texas Industries, Inc. (NYSE-TXI) today reported financial results for the quarter and year ended May 31, 2009. Net income (loss) for the quarter 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 income for the quarter ended May 31, 2008 was \$26.1 million or \$.94 per share and included after tax gains of \$12.0 million or \$.43 per share from gains on sales of property associated with our aggregate operations and emission credits associated with our California cement operations.

Net income (loss) for the year 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. Net income for the year ended May 31, 2008 was \$87.6 million or \$3.14 per share and included after tax gains of \$12.0 million or \$.43 per share from gains on sales of property associated with our aggregate operations and emission credits associated with our California cement operations.

General Comments

"This year's loss is solely due to the goodwill impairment charge, but after adjusting for this non-cash event, our results still reflect the difficult economic environment in which we operate" stated Mel Brekhus, Chief Executive Officer. "While things are challenging, our people are doing a great job of not accepting the status quo and they are changing the way we operate by quickly adjusting to market conditions. I am also pleased to have more than 80% of our sales occur in Texas. I believe the Texas market is one of the strongest and is well positioned to grow once the recovery begins."

"TXI remains focused on pursuing every opportunity to meet market demand as cost effectively as possible," added Brekhus. "Fiscal year 2009 sales are down 18% and yet our cash gross profit margin only declined 2.7%."

"We successfully implemented an orderly suspension in early May," Brekhus said about the delay of the Hunter, Texas cement plant expansion announced this past January. "We will resume the project once market demand improves. The delay will conserve \$40-60 million in cash payments that would have primarily been made during fiscal year 2010 to complete the project on schedule."

A teleconference will be held today, July 15, 2009 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.

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 the Company's business, construction activity in the Company's markets, abnormal periods of inclement weather, unexpected periods of equipment downtime, changes in costs of raw materials, fuel and energy, the impact of environmental laws and other regulations and risks and uncertainties described in the Company's reports on SEC Forms 10-K, 10-Q and 8-K.

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.

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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, | |
|-------------------------------------|--------------------------|------------------|-----------------------|-------------------|
| | 2009 | 2008 | 2009 | 2008 |
| Operating Results | | | | |
| Total cement sales | \$ 79,018 | \$ 118,773 | \$ 364,386 | \$ 468,673 |
| Total other sales and delivery fees | <u>5,452</u> | <u>10,395</u> | <u>30,934</u> | <u>36,079</u> |
| Total segment sales | 84,470 | 129,168 | 395,320 | 504,752 |
| Cost of products sold | <u>76,142</u> | <u>103,025</u> | <u>342,824</u> | <u>391,687</u> |
| Gross profit | 8,328 | 26,143 | 52,496 | 113,065 |
| Goodwill impairment | (58,395) | -- | (58,395) | -- |
| Selling, general and administrative | (3,690) | (4,082) | (16,520) | (16,224) |
| Other income | <u>1,606</u> | <u>4,652</u> | <u>9,156</u> | <u>6,910</u> |
| Operating Profit | <u>\$ (52,151)</u> | <u>\$ 26,713</u> | <u>\$ (13,263)</u> | <u>\$ 103,751</u> |
| Cement | | | | |
| Shipments (tons) | 896 | 1,284 | 4,035 | 5,035 |
| Prices (\$/ton) | \$88.23 | \$92.46 | \$90.31 | \$93.07 |
| Cost of sales (\$/ton) | \$78.94 | \$72.23 | \$78.02 | \$70.85 |

Three months ended May 31, 2009

Cement operating loss of \$52.2 million for the three-month period ended May 31, 2009 includes a goodwill impairment charge of \$58.4 million associated with our California cement operation. Cement operating profit for the period, excluding the impairment charge, decreased \$20.5 million from the prior fiscal year.

Total segment sales for the three-month period ended May 31, 2009 decreased \$44.7 million from the prior year period as total cement sales were down \$39.8 million. Our Texas market area accounted for approximately 70% of total cement sales in the current period compared to 68% of total cement sales in the prior year period. In our Texas market area, cement shipments decreased 32% from the prior year period and average prices increased slightly. In our California market area, cement shipments decreased 26% from the prior year period and average prices decreased 15%.

Cost of products sold for the three-month period ended May 31, 2009 decreased \$26.9 million from the prior year period. The effects of lower shipments and lower variable costs including labor, energy, supply and maintenance costs were offset in part by higher fixed costs, primarily \$2 million of depreciation at our Oro Grande, California cement plant. Cement unit costs increased 9% from the prior year period primarily due to lower production levels.

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 February 28, 2009. 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.

Selling, general and administrative expense for the three-month period ended May 31, 2009 decreased \$0.4 million from the prior year period primarily due to lower incentive compensation expense and insurance expense offset in part by higher legal and other professional expenses.

Other income for the three-month period ended May 31, 2009 decreased \$3.0 million from the prior year period. The prior period included a \$3.9 million gain from the sale of emission credits.



Fiscal Year 2009 Compared to Fiscal Year 2008

Cement operating loss of \$13.3 million for fiscal year 2009 includes a goodwill impairment charge of \$58.4 million associated with our California cement operation. Cement operating profit for fiscal year 2009, excluding the impairment charge, decreased \$58.6 million from the prior fiscal year.

Total segment sales for fiscal year 2009 were \$395.3 million compared to \$504.8 for the prior fiscal year. Cement sales decreased \$104.3 million as construction activity declined in both our Texas and California market areas. Our Texas market area accounted for approximately 70% of cement sales in the current fiscal year compared to 67% of cement sales in the prior fiscal year. Cement shipments in both our market areas decreased 20% from the prior fiscal year. Average prices increased 2% in our Texas market area and decreased 14% in our California market area.

Cost of products sold for fiscal year 2009 decreased \$48.9 million from the prior fiscal year. The effects of lower shipments and lower variable costs including labor, energy, supply and maintenance costs were offset in part by higher fixed costs, primarily \$12 million of depreciation at our Oro Grande, California cement plant. Cement unit costs increased 10% primarily as a result of lower production levels.

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.

Selling, general and administrative expense for fiscal year 2009 increased \$0.3 million from the prior fiscal year. The increase was primarily the result of \$2.5 million higher legal and other professional expenses offset in part by \$1.7 million lower incentive compensation expense and \$0.5 million lower insurance expense.

Other income for fiscal year 2009 increased \$2.2 million from the prior fiscal year. 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. In addition, other income includes gains of \$1.7 million in fiscal year 2009 and \$3.9 million in fiscal year 2008 from sales of emissions credits associated with our California cement operations.

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Aggregate Operations

| In thousands except per unit | Quarter ended May 31, | | Year ended May 31, | |
|-------------------------------------|--------------------------|------------------|-----------------------|------------------|
| | 2009 | 2008 | 2009 | 2008 |
| Operating Results | | | | |
| Total stone, sand and gravel sales | \$ 27,962 | \$ 41,755 | \$ 131,197 | \$ 162,582 |
| Total other sales and delivery fees | <u>24,456</u> | <u>33,644</u> | <u>106,294</u> | <u>122,748</u> |
| Total segment sales | 52,418 | 75,399 | 237,491 | 285,330 |
| Cost of products sold | <u>43,541</u> | <u>59,230</u> | <u>197,583</u> | <u>231,503</u> |
| Gross profit | 8,877 | 16,169 | 39,908 | 53,827 |
| Selling, general and administrative | (2,925) | (3,583) | (12,633) | (15,178) |
| Other income | <u>618</u> | <u>16,255</u> | <u>6,954</u> | <u>16,974</u> |
| Operating Profit | <u>\$ 6,570</u> | <u>\$ 28,841</u> | <u>\$ 34,229</u> | <u>\$ 55,623</u> |
| Stone, sand and gravel | | | | |
| Shipments (tons) | 3,397 | 5,427 | 16,470 | 21,851 |
| Prices (\$/ton) | \$8.23 | \$7.69 | \$7.97 | \$7.44 |
| Cost of sales (\$/ton) | \$7.14 | \$6.42 | \$6.68 | \$6.13 |

Three months ended May 31, 2009

Aggregate operating profit for the three-month period ended May 31, 2009 was \$6.6 million, a decrease of \$22.3 million from the prior year period.

Total segment sales for the three-month period ended May 31, 2009 decreased \$23.0 million from the prior year period as total stone, sand and gravel sales were down \$13.8 million. Total stone, sand and gravel shipments decreased 37% from the prior year period and average prices increased 7%.

Cost of products sold for the three-month period ended May 31, 2009 decreased \$15.7 million from the prior year period as labor hours were reduced in response to lower shipments and supplies and maintenance costs declined. Stone, sand and gravel unit costs increased 11% and shipments declined 37% from the prior year period.

Selling, general and administrative expense for the three-month period ended May 31, 2009 decreased \$.7 million from the prior year period primarily due to lower incentive compensation expense.

Other income for the three-month period ended May 31, 2009 decreased \$15.6 million from the prior year period. Other income in the prior period included gains of \$15.2 million from sales of property associated with our aggregate operations in north Texas and south Louisiana.

Fiscal Year 2009 Compared to Fiscal Year 2008

Aggregate operating profit for fiscal year 2009 was \$34.2 million, a decrease of \$21.4 million from the prior fiscal year. Improvements in average prices for our stone, sand and gravel were offset by lower shipments and other income.

Total segment sales for fiscal year 2009 were \$237.5 million compared to \$285.3 million for the prior fiscal year. Stone, sand and gravel sales decreased \$31.4 million on 7% higher average prices and 25% lower shipments.

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Cost of products sold for fiscal year 2009 decreased \$33.9 million from the prior fiscal year as labor hours were reduced in response to lower shipments and supplies and maintenance costs declined. Stone, sand and gravel unit costs increased 9% primarily as a result of higher material costs and lower production levels.

Selling, general and administrative expense for fiscal year 2009 decreased \$2.5 million from the prior fiscal year. The decrease was primarily the result of \$1.9 million lower incentive compensation expense.

Other income for fiscal year 2009 decreased \$10.0 million. Other income includes gains of \$5.0 million in fiscal year 2009 and \$15.2 million in fiscal year 2008 from sales of property associated with our aggregate operations in north Texas and south Louisiana.

Consumer Products Operations

| In thousands except per unit | Quarter ended May 31, | | Year ended May 31, | |
|-------------------------------------|--------------------------|-----------|-----------------------|------------|
| | 2009 | 2008 | 2009 | 2008 |
| Operating Results | | | | |
| Total ready-mix concrete sales | \$ 50,899 | \$ 76,730 | \$ 247,931 | \$ 310,652 |
| Total other sales and delivery fees | 16,054 | 17,886 | 61,490 | 58,581 |
| Total segment sales | 66,953 | 94,616 | 309,421 | 369,233 |
| Cost of products sold | 60,014 | 87,684 | 288,756 | 341,604 |
| Gross profit | 6,939 | 6,932 | 20,665 | 27,629 |
| Selling, general and administrative | (2,943) | (5,723) | (13,116) | (19,314) |
| Other income | 98 | 2,171 | 1,314 | 3,268 |
| Operating Profit (Loss) | \$ 4,094 | \$ 3,380 | \$ 8,863 | \$ 11,583 |
| Ready-mix concrete | | | | |
| Shipments (cubic yards) | 572 | 939 | 2,902 | 3,844 |
| Prices (\$/cubic yard) | \$89.00 | \$81.84 | \$85.46 | \$80.83 |
| Cost of sales (\$/cubic yard) | \$82.13 | \$77.77 | \$81.41 | \$76.36 |

Three months ended May 31, 2009

Consumer products operating profit for the three-month period ended May 31, 2009 was \$4.1 million, an increase of \$.7 million from the prior year period. Improvements in ready-mix concrete average prices were offset by the effect of lower shipments.

Total segment sales for the three-month period ended May 31, 2009 decreased \$27.7 million as total ready-mix concrete sales were down \$25.8 million. Total ready-mix concrete shipments decreased 39% from the prior year period and average prices increased 9%.

Cost of products sold for the three-month period ended May 31, 2009 decreased \$27.7 million from the prior year period as labor hours were reduced in response to lower shipments and supplies, maintenance and diesel costs declined. Overall ready-mix concrete unit costs increased 6% primarily as a result of higher distribution and transportation costs due to lower shipments.

Selling, general and administrative expense for the three-month period ended May 31, 2009 decreased \$2.8 million from the prior year period primarily due to lower insurance and incentive compensation expense.

Other income for the three-month period ended May 31, 2009 decreased \$2.1 million from the prior year period.

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Fiscal Year 2009 Compared to Fiscal Year 2008

Consumer products operating profit for fiscal year 2009 was \$8.9 million, a decrease of \$2.7 million from the prior fiscal year. Improvements in ready-mix concrete average prices were offset by lower volumes and higher raw material costs.

Total segment sales for fiscal year 2009 were \$309.4 million compared to \$369.2 million for the prior fiscal year. Ready-mix concrete sales decreased \$62.7 million on 6% higher average prices and 25% lower shipments.

Cost of products sold for fiscal year 2009 decreased \$52.8 million from the prior fiscal year as labor hours were reduced in response to lower shipments and supplies and maintenance costs declined. Ready-mix concrete unit costs increased 7% primarily as a result of higher raw material costs, as well as higher distribution and transportation costs due to lower shipments. Our raw material costs increased approximately 4% from the prior fiscal year.

Selling, general and administrative expense for fiscal year 2009 decreased \$6.2 million from the prior fiscal year. The decrease was primarily the result of \$4.8 million lower incentive compensation expense and \$1.6 million lower insurance expense.

Other income for fiscal year 2009 decreased \$2.0 million from the prior fiscal year. Other income in fiscal year 2008 included a gain of \$1.4 million from the sale of our license to produce and sell Sakrete branded products outside of the state of Texas.

Unallocated Overhead and Other Income

| In thousands | Quarter ended May 31, | | Year ended May 31, | |
|-------------------------------------|--------------------------|-------------------|-----------------------|--------------------|
| | 2009 | 2008 | 2009 | 2008 |
| Other income | \$ -- | \$ 123 | \$ 145 | \$ 547 |
| Selling, general and administrative | <u>(2,178)</u> | <u>(4,283)</u> | <u>(11,865)</u> | <u>(11,612)</u> |
| | <u>\$ (2,178)</u> | <u>\$ (4,160)</u> | <u>\$ (11,720)</u> | <u>\$ (11,065)</u> |

Unallocated overhead and other income relate primarily to certain environmental, engineering and other administrative operating activities not attributable to a specific segment. Unallocated selling, general and administration expense for the three-month and twelve-month periods ended May 31, 2009 decreased \$2.1 million and increased \$.3 million from the prior year periods, respectively. The decrease in the three-month period is due to timing differences with respect to recording insurance adjustments for undeveloped claims.

Corporate

| In thousands | Quarter ended May 31, | | Year ended May 31, | |
|-------------------------------------|--------------------------|--------------------|-----------------------|--------------------|
| | 2009 | 2008 | 2009 | 2008 |
| Other income | \$ 473 | \$ 581 | \$ 3,622 | \$ 3,864 |
| Selling, general and administrative | <u>(11,173)</u> | <u>(14,585)</u> | <u>(17,959)</u> | <u>(33,892)</u> |
| | <u>\$ (10,700)</u> | <u>\$ (14,004)</u> | <u>\$ (14,337)</u> | <u>\$ (30,028)</u> |

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Three months ended May 31, 2009

Other income for the three-month period ended May 31, 2009 was comparable to the prior year period.

Corporate selling, general and administrative expense for the three-month period ended May 31, 2009 decreased \$3.4 million from the prior year period. The decrease was primarily the result of lower incentive compensation expense. Stock-based compensation was comparable to the prior year period. Our incentive plans are based on financial performance. Our stock-based compensation includes awards expected to be settled in cash, the expense for which is based on the average stock price at the end of each period until the awards are paid. The impact of changes in our stock price increased stock-based compensation \$4.8 million and \$5.1 million during three-month periods ended May 31, 2009 and May 31, 2008, respectively.

Fiscal Year 2009 Compared to Fiscal Year 2008

Corporate other income for fiscal year 2009 decreased \$0.2 million from the prior fiscal year. The decrease was primarily the result of \$1.1 million lower real estate income offset in part by \$1.0 million higher lease bonus payments received upon the execution of oil and gas lease agreements on property we own in north Texas that is not associated with our operations.

Corporate selling, general and administrative expense for fiscal year 2009 decreased \$15.9 million from the prior fiscal year. The decrease was primarily the result of \$8.5 million lower incentive compensation expense, \$6.7 million lower stock-based compensation and \$1.8 million lower retirement expense. Our incentive plans are based on financial performance. Our stock-based compensation includes awards expected to be settled in cash the expense for which is based on the average stock price at the end of each period until the awards are paid. The impact of changes in our stock price during 2009 reduced stock-based compensation \$5.8 million from the prior fiscal year. The decrease in retirement expense in 2009 was primarily the result of recognized actuarial losses related to our defined benefit plans recognized in the prior fiscal year.

Interest

Interest expense incurred for the three-month period ended May 31, 2009 was \$13.1 million, of which \$4.7 million was capitalized in connection with our Hunter, Texas cement plant expansion project and \$8.4 million was expensed. Interest expense incurred for the three-month period ended May 31, 2008 was \$8.2 million, of which \$5.7 million was capitalized in connection with our Hunter, Texas and Oro Grande, California cement plant expansion projects.

Interest expense incurred for the twelve-month period ended May 31, 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 twelve-month period ended May 31, 2008 was \$29.0 million, of which 26.5 million was capitalized in connection with our Hunter, Texas and Oro Grande, California cement plant expansion projects.

Interest expense incurred for the three-month and twelve-month periods ended May 31, 2009 increased \$4.9 million and \$18.7 million from the prior year periods, respectively. The increases were due to higher average outstanding debt and borrowings on life insurance contracts. We have delayed completion of the Hunter, Texas cement plant expansion and do not expect to capitalize any interest in connection with the project during our fiscal year 2010.

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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. In our first quarter, 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.

Income Taxes

Our effective tax rate was 42.0% in 2009 compared to 31.2% in 2008. The rate change is associated with the decline in our pre-tax earnings, including the goodwill impairment charge, which did not proportionately affect our favorable permanent differences. The primary reason that the tax rate differs from the 35% federal statutory corporate rate is due to percentage depletion that is tax deductible, state income taxes and deductions for income from qualified domestic production activities.



CONSOLIDATED BALANCE SHEETS
TEXAS INDUSTRIES, INC. AND SUBSIDIARIES

| In thousands | May 31, | |
|---|---------------------|---------------------|
| | 2009 | 2008 |
| ASSETS | | |
| CURRENT ASSETS | | |
| Cash and cash equivalents | \$ 19,796 | \$ 39,527 |
| Receivables – net | 129,432 | 170,943 |
| Inventories | 155,724 | 144,654 |
| Deferred income taxes and prepaid expenses | <u>22,039</u> | <u>17,943</u> |
| TOTAL CURRENT ASSETS | 326,991 | 373,067 |
| OTHER ASSETS | | |
| Goodwill | 1,715 | 60,110 |
| Real estate and investments | 10,001 | 59,261 |
| Deferred charges and other | <u>14,486</u> | <u>11,332</u> |
| | 26,202 | 130,703 |
| PROPERTY, PLANT AND EQUIPMENT | | |
| Land and land improvements | 156,917 | 139,544 |
| Buildings | 58,442 | 56,976 |
| Machinery and equipment | 1,247,931 | 1,212,522 |
| Construction in progress | <u>328,256</u> | <u>137,083</u> |
| | 1,791,546 | 1,546,125 |
| Less depreciation and depletion | <u>572,195</u> | <u>518,361</u> |
| | <u>1,219,351</u> | <u>1,027,764</u> |
| | <u>\$ 1,572,544</u> | <u>\$ 1,531,534</u> |
| LIABILITIES AND SHAREHOLDERS' EQUITY | | |
| CURRENT LIABILITIES | | |
| Accounts payable | \$ 55,749 | \$ 111,478 |
| Accrued interest, compensation and other | 51,856 | 66,967 |
| Current portion of long-term debt | <u>243</u> | <u>7,725</u> |
| TOTAL CURRENT LIABILITIES | 107,848 | 186,170 |
| LONG-TERM DEBT | 541,540 | 401,880 |
| DEFERRED INCOME TAXES AND OTHER CREDITS | 120,011 | 118,117 |
| SHAREHOLDERS' EQUITY | | |
| Common stock, \$1 par value | 27,718 | 27,493 |
| Additional paid-in capital | 469,908 | 459,877 |
| Retained earnings | 319,199 | 345,133 |
| Accumulated other comprehensive loss | <u>(13,680)</u> | <u>(7,136)</u> |
| | <u>803,145</u> | <u>825,367</u> |
| | <u>\$ 1,572,544</u> | <u>\$ 1,531,534</u> |



CONSOLIDATED STATEMENTS OF OPERATIONS
TEXAS INDUSTRIES, INC. AND SUBSIDIARIES

| In thousands except per share | Quarter ended May 31, | | Year ended May 31, | |
|-------------------------------------|-----------------------|------------------|--------------------|------------------|
| | 2009 | 2008 | 2009 | 2008 |
| NET SALES | \$ 182,352 | \$ 266,392 | \$ 839,202 | \$ 1,028,854 |
| Cost of products sold | <u>158,208</u> | <u>217,148</u> | <u>726,133</u> | <u>834,333</u> |
| GROSS PROFIT | 24,144 | 49,244 | 113,069 | 194,521 |
| Selling, general and administrative | 22,909 | 32,256 | 72,093 | 96,220 |
| Goodwill impairment | 58,395 | -- | 58,395 | -- |
| Interest | 8,401 | 2,505 | 33,286 | 2,505 |
| Loss on debt retirements | -- | -- | 907 | -- |
| Other income | <u>(2,795)</u> | <u>(23,782)</u> | <u>(21,191)</u> | <u>(31,563)</u> |
| | <u>86,910</u> | <u>10,979</u> | <u>143,490</u> | <u>67,162</u> |
| INCOME (LOSS) BEFORE INCOME TAXES | (62,766) | 38,265 | (30,421) | 127,359 |
| Income taxes | <u>(20,412)</u> | <u>12,176</u> | <u>(12,774)</u> | <u>39,728</u> |
| NET INCOME (LOSS) | <u>\$ (42,354)</u> | <u>\$ 26,089</u> | <u>\$ (17,647)</u> | <u>\$ 87,631</u> |
| Net income (loss) per share | | | | |
| Basic | \$ (1.53) | \$.95 | \$ (.64) | \$ 3.20 |
| Diluted | <u>\$ (1.53)</u> | <u>\$.94</u> | <u>\$ (.64)</u> | <u>\$ 3.14</u> |
| Average shares outstanding | | | | |
| Basic | 27,704 | 27,456 | 27,614 | 27,383 |
| Diluted | <u>27,704</u> | <u>27,884</u> | <u>27,614</u> | <u>27,860</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, | | |
|---|--------------------|------------------|------------------|
| | 2009 | 2008 | 2007 |
| OPERATING ACTIVITIES | | | |
| Net income (loss) | \$ (17,647) | \$ 87,631 | \$ 104,711 |
| Adjustments to reconcile net income (loss) to cash provided by operating activities | | | |
| Depreciation, depletion and amortization | 68,192 | 55,577 | 46,356 |
| Goodwill impairment | 58,395 | -- | -- |
| Gains on asset disposals | (6,759) | (19,410) | (2,917) |
| Deferred income taxes (benefit) | (1,938) | 20,036 | 13,622 |
| Stock-based compensation expense (credit) | (4,400) | 2,395 | 13,866 |
| Excess tax benefits from stock-based compensation | (1,596) | (3,299) | (1,694) |
| Loss on debt retirements | 907 | -- | 48 |
| Other – net | 5,931 | 2,475 | 3,234 |
| Changes in operating assets and liabilities | | | |
| Receivables – net | 55,397 | (29,507) | 846 |
| Inventories | (11,070) | (9,400) | (25,047) |
| Prepaid expenses | (1,894) | (2,033) | 1,392 |
| Accounts payable and accrued liabilities | <u>(36,232)</u> | <u>(2,910)</u> | <u>31,541</u> |
| Net cash provided by operating activities | 107,286 | 101,555 | 185,958 |
| INVESTING ACTIVITIES | | | |
| Capital expenditures - expansions | (223,445) | (247,552) | (214,878) |
| Capital expenditures – other | (65,099) | (64,973) | (102,780) |
| Cash designated for property acquisitions | 28,733 | (28,733) | -- |
| Proceeds from asset disposals | 7,981 | 34,922 | 5,552 |
| Investments in life insurance contracts | 2,876 | 99,203 | (6,061) |
| Purchases of short-term investments | -- | -- | (8,500) |
| Sales of short-term investments | -- | -- | 59,000 |
| Other – net | <u>(21)</u> | <u>101</u> | <u>(336)</u> |
| Net cash used by investing activities | (248,975) | (207,032) | (268,003) |
| FINANCING ACTIVITIES | | | |
| Long-term borrowings | 327,250 | 366,000 | 38,000 |
| Debt retirements | (197,772) | (232,366) | (25,527) |
| Debt issuance costs | (5,470) | (2,160) | -- |
| Stock option exercises | 4,641 | 3,315 | 6,394 |
| Excess tax benefits from stock-based compensation | 1,596 | 3,299 | 1,694 |
| Common dividends paid | <u>(8,287)</u> | <u>(8,222)</u> | <u>(7,517)</u> |
| Net cash provided by financing activities | 121,958 | 129,866 | 13,044 |
| Increase (decrease) in cash and cash equivalents | (19,731) | 24,389 | (69,001) |
| Cash and cash equivalents at beginning of year | <u>39,527</u> | <u>15,138</u> | <u>84,139</u> |
| Cash and cash equivalents at end of year | <u>\$ 19,796</u> | <u>\$ 39,527</u> | <u>\$ 15,138</u> |

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TEXAS INDUSTRIES, INC.
TXI REPORTS FOURTH QUARTER AND YEAR END RESULTS

Reconciliation of Non-GAAP Measure

The reconciliation of cash gross profit margin to gross profit margin is as follows:

| | <u>Year Ended May 31, 2009</u> | <u>Year Ended May 31, 2008</u> |
|------------------------------|--------------------------------|--------------------------------|
| Gross Profit | 113,069 | 194,521 |
| Add: Total Depreciation | 68,192 | 55,577 |
| Less: Corporate Depreciation | <u>-1,018</u> | <u>-768</u> |
| Cash Gross Profit | 180,243 | 249,330 |
| Divide by Net Sales | <u>839,202</u> | <u>1,028,854</u> |
| Cash Gross Profit Margin | 21.5% | 24.2% |

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