

CONSOLIDATED STATEMENTS OF OPERATIONS
TEXAS INDUSTRIES, INC. AND SUBSIDIARIES

In thousands except per share	Three months ended November 30,		Six months ended November 30,	
	2007	2006	2007	2006
NET SALES	\$ 268,473	\$ 245,832	\$ 531,927	\$ 517,484
Cost of products sold	<u>208,271</u>	<u>194,057</u>	<u>425,708</u>	<u>399,395</u>
GROSS PROFIT	60,202	51,775	106,219	118,089
Selling, general and administrative	21,064	30,147	43,247	51,205
Interest	--	4,643	--	10,185
Other income	<u>(3,442)</u>	<u>(24,800)</u>	<u>(5,695)</u>	<u>(28,351)</u>
	<u>17,622</u>	<u>9,990</u>	<u>37,552</u>	<u>33,039</u>
INCOME BEFORE INCOME TAXES	42,580	41,785	68,667	85,050
Income taxes	<u>13,265</u>	<u>13,133</u>	<u>21,438</u>	<u>26,967</u>
NET INCOME	<u>\$ 29,315</u>	<u>\$ 28,652</u>	<u>\$ 47,229</u>	<u>\$ 58,083</u>
Net income per share				
Basic	\$ 1.07	\$ 1.19	\$ 1.73	\$ 2.42
Diluted	<u>\$ 1.05</u>	<u>\$ 1.09</u>	<u>\$ 1.69</u>	<u>\$ 2.21</u>
Average shares outstanding				
Basic	27,348	24,001	27,340	23,980
Diluted	<u>27,849</u>	<u>27,602</u>	<u>27,873</u>	<u>27,558</u>
Cash dividends per share	<u>\$.075</u>	<u>\$.075</u>	<u>\$.15</u>	<u>\$.15</u>
Major product shipments				
Cement (tons)	1,319	1,239	2,609	2,627
Stone, sand and gravel (tons)	5,863	5,573	11,414	12,034
Ready-mix concrete (cubic yards)	1,050	979	2,048	1,959
Major product prices				
Cement (\$/ton)	\$92.88	\$94.85	\$94.27	\$94.66
Stone, sand and gravel (\$/ton)	7.39	6.83	7.28	6.71
Ready-mix concrete (\$/cubic yard)	80.19	74.76	80.18	74.33

CONSOLIDATED BALANCE SHEETS
TEXAS INDUSTRIES, INC. AND SUBSIDIARIES

In thousands	Unaudited November 30, 2007	May 31, 2007
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	\$ 26,216	\$ 15,138
Receivables – net	163,990	142,610
Inventories	112,824	121,467
Deferred income taxes and prepaid expenses	<u>19,785</u>	<u>17,621</u>
TOTAL CURRENT ASSETS	322,815	296,836
OTHER ASSETS		
Goodwill	60,110	58,395
Real estate and investments	48,037	111,414
Deferred charges and intangibles	<u>12,097</u>	<u>11,369</u>
	120,244	181,178
PROPERTY, PLANT AND EQUIPMENT		
Land and land improvements	134,227	132,992
Buildings	40,868	41,485
Machinery and equipment	774,832	752,531
Construction in progress	<u>492,518</u>	<u>362,646</u>
	1,442,445	1,289,654
Less depreciation and depletion	<u>517,557</u>	<u>505,432</u>
	<u>924,888</u>	<u>784,222</u>
	<u>\$1,367,947</u>	<u>\$1,262,236</u>
LIABILITIES AND SHAREHOLDERS' EQUITY		
CURRENT LIABILITIES		
Accounts payable	\$ 115,408	\$ 109,749
Accrued interest, wages and other items	50,568	57,891
Current portion of long-term debt	<u>217</u>	<u>1,340</u>
TOTAL CURRENT LIABILITIES	166,193	168,980
LONG-TERM DEBT	334,517	274,416
DEFERRED INCOME TAXES AND OTHER CREDITS	89,014	90,358
SHAREHOLDERS' EQUITY		
Common stock, \$1 par value	27,355	27,323
Additional paid-in capital	454,860	448,289
Retained earnings	300,214	257,087
Accumulated other comprehensive loss	<u>(4,206)</u>	<u>(4,217)</u>
	<u>778,223</u>	<u>728,482</u>
	<u>\$1,367,947</u>	<u>\$1,262,236</u>

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

In thousands	Six months ended November 30,	
	2007	2006
OPERATING ACTIVITIES		
Net income	\$ 47,229	\$ 58,083
Adjustments to reconcile net income to cash provided by operating activities		
Gain on asset disposals	(917)	(539)
Depreciation, depletion and amortization	27,164	22,284
Deferred income taxes	1,127	8,511
Stock-based compensation expense (credit)	(1,325)	6,267
Excess tax benefits from stock-based compensation	(3,383)	(1,563)
Other – net	(945)	(2,724)
Changes in operating assets and liabilities		
Receivables – net	(21,357)	2,816
Inventories	8,643	1,562
Prepaid expenses	1,920	2,365
Accounts payable and accrued liabilities	<u>2,320</u>	<u>13,556</u>
Net cash provided by operating activities	<u>60,476</u>	<u>110,618</u>
INVESTING ACTIVITIES		
Capital expenditures – expansions	(138,364)	(107,855)
Capital expenditures – other	(36,724)	(39,601)
Proceeds from asset disposals	2,366	775
Purchases of short-term investments	--	(8,500)
Sales of short-term investments	--	49,000
Investments in life insurance contracts	65,529	(4,274)
Other – net	<u>55</u>	<u>(105)</u>
Net cash used by investing activities	<u>(107,138)</u>	<u>(110,560)</u>
FINANCING ACTIVITIES		
Long-term borrowings	189,000	--
Debt retirements	(130,237)	(355)
Debt issuance costs	(1,033)	--
Stock option exercises	730	1,843
Excess tax benefits from stock-based compensation	3,383	1,563
Common dividends paid	<u>(4,103)</u>	<u>(3,600)</u>
Net cash provided (used) by financing activities	<u>57,740</u>	<u>(549)</u>
Increase (decrease) in cash and cash equivalents	11,078	(491)
Cash and cash equivalents at beginning of period	<u>15,138</u>	<u>84,139</u>
Cash and cash equivalents at end of period	<u>\$ 26,216</u>	<u>\$ 83,648</u>