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## TXI REPORTS THIRD QUARTER RESULTS

**Dallas, TX – March 26, 2009** – Texas Industries, Inc. (NYSE-TXI) today reported financial results for the quarter ended February 28, 2009. Net income was \$10.3 million or \$.37 per share and included after tax gain of \$3.2 million or \$.12 per share from the sale of real estate associated with our north Texas aggregate operations. Net income for the quarter ended February 29, 2008 was \$14.6 million or \$.53 per share.

### General Comments

"Our results reflect the exemplary work of our employees and the benefits of their operating decisions during the last six months," stated Mel Brekhus, Chief Executive Officer. "We have suspended the operation of some of our plants, adjusted shifts, reduced overtime, trimmed head count and otherwise altered the way we operate our facilities, and it is paying off."

"TXI remains focused on pursuing every opportunity to meet market demand as cost effectively as possible," added Brekhus. "Our unit costs only increased 2%, 4% and 10% in our consumer products, aggregate and cement segments respectively despite a decline in shipments of approximately 30% for all major products. A specific example of our results is the fact that our ready-mix volumes are down 28% and our yards per man hour metric is down only 6%. Additionally, we recently announced internally a wage and salary freeze beginning June 1<sup>st</sup> and the board of directors, executive officers and I have voluntarily chosen to reduce our compensation in fiscal year 2010."

"We are on track to stop construction in early May," Brekhus said about the delay of the central Texas cement plant expansion announced this past January. "We will resume the project once market conditions improve. The delay is still expected to defer \$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, March 26, 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](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	Three months ended		Nine months ended	
	February 28, 2009	February 29, 2008	February 28, 2009	February 29, 2008
<b>Operating Results</b>				
Total cement sales	\$ 75,557	\$103,891	\$285,368	\$349,900
Total other sales and delivery fees	<u>5,882</u>	<u>9,249</u>	<u>25,482</u>	<u>25,684</u>
Total segment sales	81,439	113,140	310,850	375,584
Cost of products sold	<u>67,919</u>	<u>85,983</u>	<u>266,682</u>	<u>288,662</u>
Gross profit	13,520	27,157	44,168	86,922
Selling, general and administrative	(2,788)	(3,190)	(12,830)	(12,142)
Other income	<u>1,399</u>	<u>753</u>	<u>7,550</u>	<u>2,258</u>
Operating Profit	<u>\$ 12,131</u>	<u>\$ 24,720</u>	<u>\$ 38,888</u>	<u>\$ 77,038</u>
<b>Cement</b>				
Shipments (tons)	837	1,142	3,139	3,751
Prices (\$/ton)	\$90.17	\$91.01	\$90.90	\$93.28
Cost of sales (\$/ton)	\$73.92	\$67.13	\$77.76	\$70.38

Operating profit for the three-month period ended February 28, 2009 was \$12.1 million, a decrease of \$12.6 million from the prior year period.

Total cement sales for the three-month period ended February 28, 2009 decreased \$28.3 million from the prior year period as construction activity declined in both our Texas and California market areas. Our Texas market area accounted for approximately 74% of total cement sales in the current period compared to 71% of total cement sales in the prior year period. In our Texas market area, cement shipments decreased 28% from the prior year period and average prices increased 4%. In our California market area, cement shipments decreased 24% from the prior year period and average prices decreased 14%.

Cost of products sold for the three-month period ended February 28, 2009 decreased \$18.1 million from the prior year period. The effect of lower shipments and lower labor, supply and maintenance costs was partially offset by higher depreciation at our Oro Grande, California cement plant and higher coal costs. Cement unit costs increased 10% from the prior year period primarily due to lower production levels.

Selling, general and administrative expense for the three-month period ended February 28, 2009 decreased \$0.4 million from the prior year period primarily due to lower insurance expense offset in part by higher legal and other professional expenses.

Other income for the three-month period ended February 28, 2009 was comparable to the prior year period.

## Aggregate Operations

In thousands except per unit	Three months ended		Nine months ended	
	February 28, 2009	February 29, 2008	February 28, 2009	February 29, 2008
<b>Operating Results</b>				
Total stone, sand and gravel sales	\$ 26,889	\$ 37,699	\$ 103,235	\$ 120,827
Total other sales and delivery fees	<u>25,882</u>	<u>28,124</u>	<u>81,838</u>	<u>89,104</u>
Total segment sales	52,771	65,823	185,073	209,931
Cost of products sold	<u>43,691</u>	<u>57,124</u>	<u>153,905</u>	<u>171,776</u>
Gross profit	9,080	8,699	31,168	38,155
Selling, general and administrative	(2,379)	(3,808)	(9,708)	(11,595)
Other income	<u>5,466</u>	<u>76</u>	<u>6,336</u>	<u>719</u>
Operating Profit	<u>\$ 12,167</u>	<u>\$ 4,967</u>	<u>\$ 27,796</u>	<u>\$ 27,279</u>
<b>Stone, sand and gravel</b>				
Shipments (tons)	3,267	5,010	13,073	16,424
Prices (\$/ton)	\$8.23	\$7.52	\$7.90	\$7.36
Cost of sales (\$/ton)	\$7.23	\$6.92	\$6.55	\$6.00

Operating profit for the three-month period ended February 28, 2009 was \$12.2 million, an increase of \$7.2 million from the prior year period.

Total segment sales for the three-month period ended February 28, 2009 decreased \$13.1 million from the prior year period as total stone, sand and gravel sales were down \$10.8 million. Total stone, sand and gravel shipments decreased 35% from the prior year period and average prices increased 9%.

Cost of products sold for the three-month period ended February 28, 2009 decreased \$13.4 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 4% and shipments declined 35% from the prior year period.

Selling, general and administrative expense for the three-month period ended February 28, 2009 decreased \$1.4 million from the prior year period primarily due to lower insurance expense and incentive compensation expense.

Other income for the three-month period ended February 28, 2009 increased \$5.4 million from the prior year period. Other income in the current period includes a gain of \$5.0 million from the sale of real estate associated with our north Texas aggregate operations.

## Consumer Products Operations

In thousands except per unit	Three months ended		Nine months ended	
	February 28, 2009	February 29, 2008	February 28, 2009	February 29, 2008
<b>Operating Results</b>				
Total ready-mix concrete sales	\$ 53,306	\$ 69,699	\$ 197,032	\$ 233,922
Total other sales and delivery fees	<u>13,294</u>	<u>12,361</u>	<u>45,436</u>	<u>40,695</u>
Total segment sales	66,600	82,060	242,468	274,617
Cost of products sold	<u>60,569</u>	<u>78,361</u>	<u>228,742</u>	<u>253,920</u>
Gross profit	6,031	3,699	13,726	20,697
Selling, general and administrative	(2,142)	(4,755)	(10,173)	(13,591)
Other income	<u>651</u>	<u>575</u>	<u>1,216</u>	<u>1,097</u>
Operating Profit (Loss)	<u>\$ 4,540</u>	<u>\$ (481)</u>	<u>\$ 4,769</u>	<u>\$ 8,203</u>
<b>Ready-mix concrete</b>				
Shipments (cubic yards)	614	857	2,330	2,905
Prices (\$/cubic yard)	\$86.87	\$81.26	\$84.59	\$80.50
Cost of sales (\$/cubic yard)	\$80.45	\$79.15	\$81.24	\$75.91

Operating profit for the three-month period ended February 28, 2009 was \$4.5 million, an increase of \$5.0 million from the prior year period.

Total segment sales for the three-month period ended February 28, 2009 decreased \$15.5 million as total ready-mix concrete sales were down \$16.4 million. Total ready-mix concrete volumes decreased 28% from the prior year period and average prices increased 7%.

Cost of products sold for the three-month period ended February 28, 2009 decreased \$17.8 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 2% and volumes declined 28% from the prior year period.

Selling, general and administrative expense for the three-month period ended February 28, 2009 decreased \$2.6 million from the prior year period primarily due to lower insurance expense and incentive compensation expense.

Other income for the three-month period ended February 28, 2009 was comparable to the prior year period.

## Unallocated Overhead and Other Income

In thousands	Three months ended		Nine months ended	
	February 28, 2009	February 29, 2008	February 28, 2009	February 29, 2008
Other income	\$ 24	\$ 137	\$ 145	\$ 424
Selling, general and administrative	<u>(4,888)</u>	<u>(2,845)</u>	<u>(9,687)</u>	<u>(7,329)</u>
	<u>\$ (4,864)</u>	<u>\$ (2,708)</u>	<u>\$ (9,542)</u>	<u>\$ (6,905)</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 nine-month periods ended February 28, 2009 increased from the prior year periods \$2.0 million and \$2.4 million, respectively, primarily due to increased insurance expense for undeveloped claims.

## Corporate

In thousands	Three months ended		Nine months ended	
	February 28, 2009	February 29, 2008	February 28, 2009	February 29, 2008
Other income	\$ 404	\$ 545	\$ 3,149	\$ 3,283
Selling, general and administrative	<u>(3,785)</u>	<u>(6,119)</u>	<u>(6,786)</u>	<u>(19,307)</u>
	<u>\$ (3,381)</u>	<u>\$ (5,574)</u>	<u>\$ (3,637)</u>	<u>\$ (16,024)</u>

Other income for the three-month period ended February 28, 2009 was comparable to the prior year period.

Corporate selling, general and administrative expense for the three-month period ended February 28, 2009 decreased \$2.3 million from the prior year period. The decrease was primarily the result of \$1.7 million lower incentive compensation expense and \$0.8 million lower retirement 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 reduced stock-based compensation \$2.4 million and \$2.8 million during three-month periods ended February 28, 2009 and February 29, 2008, respectively.

## Interest

Interest expense incurred for the three-month period ended February 28, 2009 was \$13.0 million, of which \$4.7 million was capitalized in connection with our Hunter, Texas cement plant expansion project and \$8.3 million was expensed. Interest expense incurred for the three-month period ended February 29, 2008 was \$7.5 million, all of which was capitalized in connection with our Hunter, Texas and Oro Grande, California cement plant expansion projects. The \$5.5 million increase was due to higher average outstanding debt and borrowings on life insurance contracts.

## Income Taxes

Income taxes for the interim periods ended February 28, 2009 and February 29, 2008 have been included in the accompanying financial statements on the basis of an estimated annual rate. The estimated annualized rate does not include the tax benefit of separately stated items in the amount of \$0.6 million in the interim periods ended February 28, 2009. 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. Our estimated effective tax rate for fiscal year 2009 is 25.5% compared to 31.1% for fiscal year 2008.

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 interest rates, the timing and amount of federal, state and local funding for infrastructure, inability to timely execute 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.

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CONSOLIDATED BALANCE SHEETS  
TEXAS INDUSTRIES, INC. AND SUBSIDIARIES

In thousands	(Unaudited)	
	February 28, 2009	May 31, 2008
<b>ASSETS</b>		
<b>CURRENT ASSETS</b>		
Cash and cash equivalents	\$ 33,865	\$ 39,527
Receivables – net	104,199	155,676
Inventories	150,321	130,181
Deferred income taxes and prepaid expenses	<u>17,733</u>	<u>30,398</u>
TOTAL CURRENT ASSETS	306,118	355,782
<b>OTHER ASSETS</b>		
Goodwill	60,110	60,110
Real estate and investments	32,361	59,971
Deferred charges and other	<u>17,023</u>	<u>11,332</u>
	109,494	131,413
<b>PROPERTY, PLANT AND EQUIPMENT</b>		
Land and land improvements	157,204	139,544
Buildings	57,767	56,976
Machinery and equipment	1,242,984	1,208,905
Construction in progress	<u>306,116</u>	<u>137,083</u>
	1,764,071	1,542,508
Less depreciation and depletion	<u>554,360</u>	<u>514,744</u>
	<u>1,209,711</u>	<u>1,027,764</u>
	<u>\$ 1,625,323</u>	<u>\$ 1,514,959</u>
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>		
<b>CURRENT LIABILITIES</b>		
Accounts payable	\$ 100,646	\$ 128,497
Accrued interest, wages and other	35,083	47,846
Current portion of long-term debt	<u>238</u>	<u>7,725</u>
TOTAL CURRENT LIABILITIES	135,967	184,068
LONG-TERM DEBT	540,767	401,880
DEFERRED INCOME TAXES AND OTHER CREDITS	104,010	112,498
<b>SHAREHOLDERS' EQUITY</b>		
Common stock, \$1 par value	27,704	27,493
Additional paid-in capital	468,870	459,877
Retained earnings	354,864	336,279
Accumulated other comprehensive loss	<u>(6,859)</u>	<u>(7,136)</u>
	<u>844,579</u>	<u>816,513</u>
	<u>\$ 1,625,323</u>	<u>\$ 1,514,959</u>

(Unaudited)  
CONSOLIDATED STATEMENTS OF OPERATIONS  
TEXAS INDUSTRIES, INC. AND SUBSIDIARIES

In thousands except per share	Three months ended		Nine months ended	
	February 28, 2009	February 29, 2008	February 28, 2009	February 29, 2008
NET SALES	\$ 178,659	\$ 230,535	\$ 656,850	\$ 762,462
Cost of products sold	<u>150,028</u>	<u>190,980</u>	<u>567,788</u>	<u>616,688</u>
GROSS PROFIT	28,631	39,555	89,062	145,774
Selling, general and administrative	15,982	20,717	49,184	63,964
Interest	8,344	--	24,885	--
Loss on debt retirements	--	--	907	--
Other income	<u>(7,944)</u>	<u>(2,086)</u>	<u>(18,396)</u>	<u>(7,781)</u>
	<u>16,382</u>	<u>18,631</u>	<u>56,580</u>	<u>56,183</u>
INCOME BEFORE INCOME TAXES	12,249	20,924	32,482	89,591
Income taxes	<u>1,967</u>	<u>6,300</u>	<u>7,689</u>	<u>27,738</u>
NET INCOME	<u>\$ 10,282</u>	<u>\$ 14,624</u>	<u>\$ 24,793</u>	<u>\$ 61,853</u>
Net income per share				
Basic	\$ .37	\$ .53	\$ .90	\$ 2.26
Diluted	<u>\$ .37</u>	<u>\$ .53</u>	<u>\$ .89</u>	<u>\$ 2.22</u>
Average shares outstanding				
Basic	27,680	27,398	27,584	27,359
Diluted	<u>27,757</u>	<u>27,810</u>	<u>27,790</u>	<u>27,852</u>
Cash dividends per share	<u>\$ .075</u>	<u>\$ .075</u>	<u>\$ .225</u>	<u>\$ .225</u>

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

In thousands	Nine months ended	
	February 28, 2009	February 29, 2008
<b>OPERATING ACTIVITIES</b>		
Net income	\$ 24,793	\$ 61,853
Adjustments to reconcile net income to cash provided by operating activities		
Depreciation, depletion and amortization	51,199	40,980
Gains on asset disposals	(6,238)	(1,196)
Deferred income taxes	1,202	4,654
Stock-based compensation expense (credit)	(9,168)	(2,688)
Excess tax benefits from stock-based compensation	(1,771)	(3,519)
Loss on debt retirements	907	--
Other – net	1,384	1,307
Changes in operating assets and liabilities		
Receivables – net	46,940	(9,045)
Inventories	(20,140)	(2,268)
Prepaid expenses	518	2,206
Accounts payable and accrued liabilities	<u>(17,089)</u>	<u>(15,967)</u>
Net cash provided by operating activities	72,537	76,317
<b>INVESTING ACTIVITIES</b>		
Capital expenditures – expansions	(181,657)	(193,160)
Capital expenditures – other	(59,214)	(48,520)
Cash designated for property acquisitions	28,733	--
Proceeds from asset disposals	7,442	3,928
Investments in life insurance contracts	2,479	88,140
Other – net	<u>11</u>	<u>218</u>
Net cash used by investing activities	(202,206)	(149,394)
<b>FINANCING ACTIVITIES</b>		
Long-term borrowings	327,250	213,000
Debt retirements	(197,676)	(144,313)
Debt issuance costs	(5,470)	(1,152)
Stock option exercises	4,341	2,678
Excess tax benefits from stock-based compensation	1,771	3,519
Common dividends paid	<u>(6,209)</u>	<u>(6,161)</u>
Net cash provided by financing activities	<u>124,007</u>	<u>67,571</u>
Decrease in cash and cash equivalents	(5,662)	(5,506)
Cash and cash equivalents at beginning of period	<u>39,527</u>	<u>15,138</u>
Cash and cash equivalents at end of period	<u>\$ 33,865</u>	<u>\$ 9,632</u>