

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

In thousands except per unit	Three months ended May 31,		Year ended May 31,	
	2007	2006	2007	2006
NET SALES	\$261,995	\$264,511	\$996,250	\$943,922
Cost of products sold	<u>191,063</u>	<u>195,388</u>	<u>760,160</u>	<u>766,941</u>
GROSS PROFIT	70,932	69,123	236,090	176,981
Selling, general and administrative	29,425	30,116	108,106	88,663
Interest	600	6,700	14,074	31,155
Loss on debt retirements and spin-off charges	22	856	48	113,247
Other income	<u>(5,005)</u>	<u>(29,694)</u>	<u>(36,629)</u>	<u>(47,270)</u>
	<u>25,042</u>	<u>7,978</u>	<u>85,599</u>	<u>185,795</u>
INCOME (LOSS) BEFORE INCOME TAXES AND DISCONTINUED OPERATIONS	45,890	61,145	150,491	(8,814)
Income taxes (benefit)	<u>15,779</u>	<u>19,215</u>	<u>49,584</u>	<u>(8,225)</u>
INCOME (LOSS) FROM CONTINUING OPERATIONS	30,111	41,930	100,907	(589)
Income from discontinued operations – net of income taxes	<u>--</u>	<u>--</u>	<u>--</u>	<u>8,691</u>
NET INCOME	<u>\$ 30,111</u>	<u>\$ 41,930</u>	<u>\$100,907</u>	<u>\$ 8,102</u>
Basic earnings (loss) per share				
Income (loss) from continuing operations	\$ 1.12	\$ 1.80	\$ 4.06	\$ (.03)
Income from discontinued operations	<u>--</u>	<u>--</u>	<u>--</u>	<u>.38</u>
Net income	<u>\$ 1.12</u>	<u>\$ 1.80</u>	<u>\$ 4.06</u>	<u>\$.35</u>
Diluted earnings (loss) per share				
Income (loss) from continuing operations	\$ 1.09	\$ 1.58	\$ 3.80	\$ (.03)
Income from discontinued operations	<u>--</u>	<u>--</u>	<u>--</u>	<u>.38</u>
Net income	<u>\$ 1.09</u>	<u>\$ 1.58</u>	<u>\$ 3.80</u>	<u>\$.35</u>
Average shares outstanding				
Basic	26,860	23,342	24,815	23,071
Diluted	<u>27,847</u>	<u>27,694</u>	<u>27,684</u>	<u>23,071</u>
Cash dividends per share	<u>\$.075</u>	<u>\$.075</u>	<u>\$.30</u>	<u>\$.30</u>
Major product shipments				
Cement (tons)	1,325	1,389	5,074	5,136
Stone, sand and gravel (tons)	5,553	6,562	22,114	25,246
Ready-mix concrete (cubic yards)	970	971	3,665	3,830
Major product prices				
Cement (\$/ton)	\$95.48	\$91.99	\$95.06	\$87.14
Stone, sand and gravel (\$/ton)	7.51	6.42	7.03	6.08
Ready-mix concrete (\$/cubic yard)	77.74	71.33	75.87	69.25

CONSOLIDATED BALANCE SHEETS
TEXAS INDUSTRIES, INC. AND SUBSIDIARIES

In thousands	May 31,	
	2007	2006
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	\$ 15,138	\$ 84,139
Short-term investments	--	50,606
Receivables – net	142,610	132,849
Inventories	121,467	102,052
Deferred income taxes and prepaid expenses	<u>17,621</u>	<u>33,599</u>
TOTAL CURRENT ASSETS	296,836	403,245
OTHER ASSETS		
Goodwill	58,395	58,395
Real estate and investments	111,414	125,913
Deferred charges and intangibles	<u>11,369</u>	<u>22,706</u>
	181,178	207,014
PROPERTY, PLANT AND EQUIPMENT		
Land and land improvements	132,992	128,056
Buildings	41,485	42,069
Machinery and equipment	752,531	688,255
Construction in progress	<u>362,646</u>	<u>95,094</u>
	1,289,654	953,474
Less depreciation and depletion	<u>505,432</u>	<u>483,163</u>
	<u>784,222</u>	<u>470,311</u>
	<u>\$ 1,262,236</u>	<u>\$ 1,080,570</u>
LIABILITIES AND SHAREHOLDERS' EQUITY		
CURRENT LIABILITIES		
Accounts payable	\$ 109,749	\$ 63,581
Accrued interest, wages and other items	57,891	55,059
Current portion of long-term debt	<u>1,340</u>	<u>681</u>
TOTAL CURRENT LIABILITIES	168,980	119,321
LONG-TERM DEBT	274,416	251,505
CONVERTIBLE SUBORDINATED DEBENTURES	--	159,725
DEFERRED INCOME TAXES AND OTHER CREDITS	90,358	76,955
SHAREHOLDERS' EQUITY		
Common stock, \$1 par value	27,323	25,863
Additional paid-in capital	448,289	334,054
Retained earnings	257,087	169,696
Cost of common stock in treasury	--	(52,093)
Accumulated other comprehensive loss	<u>(4,217)</u>	<u>(4,456)</u>
	<u>728,482</u>	<u>473,064</u>
	<u>\$ 1,262,236</u>	<u>\$ 1,080,570</u>

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

In thousands	Year Ended May 31,		
	2007	2006	2005
OPERATING ACTIVITIES			
Net income	\$ 100,907	\$ 8,102	\$ 124,523
Adjustments to reconcile net income to cash provided by continuing operating activities			
Income from discontinued operations	--	(8,691)	(79,079)
Loss on debt retirements	48	107,006	--
Gain on asset disposals	(2,917)	(34,768)	(6,582)
Depreciation, depletion and amortization	46,356	44,955	46,474
Deferred income taxes	11,354	6,581	33,811
Stock-based compensation expense	13,866	4,368	1,815
Excess tax benefits from stock-based compensation	(1,694)	--	--
Other – net	3,234	(4,130)	2,455
Changes in operating assets and liabilities			
Receivables - net	846	(5,060)	(8,873)
Inventories	(18,975)	(18,761)	6,082
Prepaid expenses	1,392	(47)	(1,223)
Accounts payable and accrued liabilities	<u>31,541</u>	<u>(2,186)</u>	<u>25,017</u>
Cash provided by continuing operating activities	185,958	97,369	144,420
Cash provided (used) by discontinued operating activities	<u>--</u>	<u>(7,778)</u>	<u>73,104</u>
Net cash provided by operating activities	185,958	89,591	217,524
INVESTING ACTIVITIES			
Capital expenditures - expansions	(208,381)	(73,212)	(6,365)
Capital expenditures – other	(109,277)	(37,033)	(39,813)
Proceeds from asset disposals	5,552	23,107	7,136
Purchases of short-term investments	(8,500)	(50,500)	--
Sales of short-term investments	59,000	--	--
Investments in life insurance contracts	(6,061)	(4,366)	(58,798)
Other – net	<u>(336)</u>	<u>612</u>	<u>(677)</u>
Cash used by continuing investing activities	(268,003)	(141,392)	(98,517)
Cash used by discontinued investing activities	<u>--</u>	<u>(2,757)</u>	<u>(28,163)</u>
Net cash used by investing activities	(268,003)	(144,149)	(126,680)
FINANCING ACTIVITIES			
Long-term borrowings	38,000	250,000	--
Debt retirements	(25,521)	(600,700)	(699)
Debt issuance costs	--	(7,363)	(39)
Debt retirement costs	(6)	(96,029)	--
Interest rate swap terminations	--	--	(6,315)
Stock option exercises	6,394	7,510	41,399
Excess tax benefits from stock-based compensation	1,694	--	--
Common dividends paid	<u>(7,517)</u>	<u>(6,908)</u>	<u>(6,643)</u>
Cash provided (used) by continuing financing activities	13,044	(453,490)	27,703
Cash provided by discontinued financing activities	<u>--</u>	<u>340,587</u>	<u>--</u>
Net cash provided (used) by financing activities	<u>13,044</u>	<u>(112,903)</u>	<u>27,703</u>
Increase (decrease) in cash and cash equivalents	(69,001)	(167,461)	118,547
Cash and cash equivalents at beginning of year	<u>84,139</u>	<u>251,600</u>	<u>133,053</u>
Cash and cash equivalents at end of year	<u>\$ 15,138</u>	<u>\$ 84,139</u>	<u>\$ 251,600</u>