

CONSOLIDATED STATEMENTS OF OPERATIONS
TEXAS INDUSTRIES, INC. AND SUBSIDIARIES

	Three months ended		Nine months ended	
	February 29,	February 28,	February 29,	February 28,
In thousands except per share	2008	2007	2008	2007
NET SALES	\$ 230,535	\$ 216,771	\$ 762,462	\$ 734,255
Cost of products sold	<u>190,980</u>	<u>169,702</u>	<u>616,688</u>	<u>569,097</u>
GROSS PROFIT	39,555	47,069	145,774	165,158
Selling, general and administrative	20,717	27,476	63,964	78,681
Interest	--	3,289	--	13,474
Other income	<u>(2,086)</u>	<u>(3,247)</u>	<u>(7,781)</u>	<u>(31,598)</u>
INCOME BEFORE INCOME TAXES	<u>18,631</u>	<u>27,518</u>	<u>56,183</u>	<u>60,557</u>
	20,924	19,551	89,591	104,601
Income taxes	<u>6,300</u>	<u>6,838</u>	<u>27,738</u>	<u>33,805</u>
NET INCOME	<u>\$ 14,624</u>	<u>\$ 12,713</u>	<u>\$ 61,853</u>	<u>\$ 70,796</u>
Net income per share				
Basic	\$.53	\$.52	\$ 2.26	\$ 2.93
Diluted	<u>\$.53</u>	<u>\$.50</u>	<u>\$ 2.22</u>	<u>\$ 2.71</u>
Average shares outstanding				
Basic	27,398	24,438	27,359	24,133
Diluted	<u>27,810</u>	<u>27,771</u>	<u>27,852</u>	<u>27,629</u>
Cash dividends per share	<u>\$.075</u>	<u>\$.075</u>	<u>\$.225</u>	<u>\$.225</u>
Major product shipments				
Cement (tons)	1,142	1,122	3,751	3,749
Stone, sand and gravel (tons)	5,010	4,527	16,424	16,561
Ready-mix concrete (cubic yards)	857	736	2,905	2,695
Major product prices				
Cement (\$/ton)	\$91.01	\$95.50	\$93.28	\$94.91
Stone, sand and gravel (\$/ton)	7.52	7.30	7.36	6.87
Ready-mix concrete (\$/cubic yard)	81.26	77.49	80.50	75.19

CONSOLIDATED BALANCE SHEETS
TEXAS INDUSTRIES, INC. AND SUBSIDIARIES

In thousands	Unaudited February 29, 2008	May 31, 2007
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	\$ 9,632	\$ 15,138
Receivables – net	151,708	142,610
Inventories	123,735	121,467
Deferred income taxes and prepaid expenses	<u>22,482</u>	<u>17,621</u>
TOTAL CURRENT ASSETS	307,557	296,836
OTHER ASSETS		
Goodwill	60,110	58,395
Real estate and investments	23,834	111,414
Deferred charges and intangibles	<u>11,376</u>	<u>11,369</u>
	95,320	181,178
PROPERTY, PLANT AND EQUIPMENT		
Land and land improvements	133,033	132,992
Buildings	40,917	41,485
Machinery and equipment	776,524	752,531
Construction in progress	<u>533,943</u>	<u>362,646</u>
	1,484,417	1,289,654
Less depreciation and depletion	<u>525,274</u>	<u>505,432</u>
	<u>959,143</u>	<u>784,222</u>
	<u>\$ 1,362,020</u>	<u>\$ 1,262,236</u>
LIABILITIES AND SHAREHOLDERS' EQUITY		
CURRENT LIABILITIES		
Accounts payable	\$ 89,895	\$ 109,749
Accrued interest, wages and other items	42,754	57,891
Current portion of long-term debt	<u>221</u>	<u>1,340</u>
TOTAL CURRENT LIABILITIES	132,870	168,980
LONG-TERM DEBT	344,438	274,416
DEFERRED INCOME TAXES AND OTHER CREDITS	90,274	90,358
SHAREHOLDERS' EQUITY		
Common stock, \$1 par value	27,452	27,323
Additional paid-in capital	458,408	448,289
Retained earnings	312,779	257,087
Accumulated other comprehensive loss	<u>(4,201)</u>	<u>(4,217)</u>
	<u>794,438</u>	<u>728,482</u>
	<u>\$ 1,362,020</u>	<u>\$ 1,262,236</u>

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

In thousands	Nine months ended	
	February 29, 2008	February 28, 2007
OPERATING ACTIVITIES		
Net income	\$ 61,853	\$ 70,796
Adjustments to reconcile net income to cash provided by operating activities		
Gain on asset disposals	(1,196)	(570)
Depreciation, depletion and amortization	40,980	33,856
Deferred income taxes	4,654	16,830
Stock-based compensation expense (credit)	(2,688)	10,268
Excess tax benefits from stock-based compensation	(3,519)	(1,647)
Other – net	1,307	1,559
Changes in operating assets and liabilities		
Receivables – net	(9,045)	4,540
Inventories	(2,268)	(12,259)
Prepaid expenses	2,206	3,910
Accounts payable and accrued liabilities	<u>(15,967)</u>	<u>(1,532)</u>
Net cash provided by operating activities	76,317	125,751
INVESTING ACTIVITIES		
Capital expenditures – expansions	(193,160)	(175,000)
Capital expenditures – other	(48,520)	(61,439)
Proceeds from asset disposals	3,928	961
Purchases of short-term investments	--	(8,500)
Sales of short-term investments	--	59,000
Investments in life insurance contracts	88,140	(5,288)
Other – net	<u>218</u>	<u>(125)</u>
Net cash used by investing activities	(149,394)	(190,391)
FINANCING ACTIVITIES		
Long-term borrowings	213,000	--
Debt retirements	(144,313)	(1,285)
Debt issuance and retirement costs	(1,152)	(4)
Stock option exercises	2,678	5,976
Excess tax benefits from stock-based compensation	3,519	1,647
Common dividends paid	<u>(6,161)</u>	<u>(5,468)</u>
Net cash provided by financing activities	67,571	866
Decrease in cash and cash equivalents	(5,506)	(63,774)
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>\$ 9,632</u>	<u>\$ 20,365</u>