

Texas Industries, Inc.
Consolidated Statements of Operations
In \$ Thousands

	FY2003	FY2004	FY2005					FY2006				
			Q1	Q2	Q3	Q4	Total	Q1	Q2	Q3	Q4	Total
Shipments												
Cement (Thousands of Tons)	4,900	5,298	1,449	1,299	1,133	1,513	5,394	1,342	1,241	1,164	1,389	5,136
Aggregates (Thousands of Tons)	19,003	22,282	5,830	5,465	5,392	6,929	23,616	7,313	5,954	5,417	6,562	25,246
Ready-mix (Thousands of Cubic Yards)	3,513	3,562	939	929	782	1,028	3,678	1,041	971	847	971	3,830
Price												
Cement (\$ per Ton)	68.90	68.48	71.99	73.81	74.99	79.11	75.05	82.02	84.94	89.62	92.00	87.14
Aggregates (\$ per Ton)	5.55	5.43	5.58	5.60	5.60	5.90	5.68	5.73	5.85	6.40	6.42	6.08
Ready-mix (\$ per Cubic Yard)	57.88	57.94	58.13	59.42	60.99	63.39	60.54	66.99	68.51	70.49	71.30	69.25
Net Sales												
Cement	337,624	362,824	104,357	95,879	84,935	119,652	404,823	110,075	105,442	104,290	127,787	447,594
Aggregates	105,521	120,997	32,524	30,596	30,223	40,877	134,220	41,893	34,830	34,645	42,112	153,480
Ready-mix	203,349	206,394	54,519	55,225	47,750	65,186	222,680	69,753	66,536	59,732	69,233	265,254
Other	117,810	116,108	26,009	22,893	23,900	32,045	104,847	28,748	24,032	29,305	36,470	118,555
Interplant	(100,478)	(98,353)	(25,463)	(26,439)	(23,083)	(30,591)	(105,576)	(29,479)	(28,949)	(29,168)	(33,531)	(121,127)
Delivery Fees	54,292	59,209	17,127	16,444	17,314	22,924	73,809	20,894	18,873	17,959	22,440	80,166
Net Sales	718,118	767,179	209,073	194,598	181,039	250,093	834,803	241,884	220,764	216,763	264,511	943,922
Costs and Expenses (Income)												
Cost of Products Sold	596,737	637,347	177,618	166,149	164,238	184,409	692,414	194,221	197,935	179,397	195,388	766,941
Selling, General and Administrative	70,666	74,814	19,190	20,323	17,515	21,406	78,434	23,228	14,832	20,487	30,116	88,663
Interest	14,827	24,102	5,130	5,044	5,648	7,711	23,533	9,264	7,851	7,340	6,700	31,155
Loss on Debt Retirements and Spin-off Charges		12,302	-	-	314	580	894	112,284	107	-	856	113,247
Other Income	(4,762)	(40,482)	(3,041)	(10,421)	(7,008)	(2,257)	(22,727)	(4,141)	(8,161)	(5,274)	(29,694)	(47,270)
	677,468	708,083	198,897	181,095	180,707	211,849	772,548	334,856	212,564	201,950	203,366	952,736
Income from Continuing Operations												
Before Income Taxes	40,650	59,096	10,176	13,503	332	38,244	62,255	(92,972)	8,200	14,813	61,145	(8,814)
Income Taxes	13,485	16,819	2,649	3,761	(1,150)	11,551	16,811	(32,948)	2,006	3,502	19,215	(8,225)
Income from Continuing Operations	27,165	42,277	7,527	9,742	1,482	26,693	45,444	(60,024)	6,194	11,311	41,930	(589)
Income (Loss) from Discontinued Operations - net of Income Taxes	(51,362)	(4,378)	28,356	21,215	14,508	15,000	79,079	8,691	-	-	-	8,691
Income (Loss) before Accounting Change	(24,197)	37,899	35,883	30,957	15,990	41,693	124,523	(51,333)	6,194	11,311	41,930	8,102
Cumulative Effect of Accounting Change - net of Income Taxes	-	(1,551)	-	-	-	-	-	-	-	-	-	-
Net Income	(24,197)	36,348	35,883	30,957	15,990	41,693	124,523	(51,333)	6,194	11,311	41,930	8,102

Texas Industries, Inc.
Consolidated Balance Sheets
In \$ Thousands

	5/31/2004	8/31/2004	11/30/2004	2/28/2005	5/31/2005	8/31/2005	11/30/2005	2/28/2006	5/31/2006
Cash	133,053	119,946	177,439	160,124	251,600	137,503	133,287	80,194	84,139
Short-term Investments	-	-	-	-	-	-	24,527	48,584	50,606
Accounts Receivable	108,364	111,477	85,829	97,299	117,363	117,817	105,329	110,019	132,849
Inventories	89,373	82,961	84,875	88,238	83,291	87,961	90,986	103,553	102,052
Deferred Income Taxes and Prepaid Expenses	31,553	36,997	37,721	32,682	28,754	30,072	29,295	26,946	33,599
Total Current Assets	362,343	351,381	385,864	378,343	481,008	373,353	383,424	369,296	403,245
Goodwill	61,307	61,307	61,307	61,307	61,307	61,307	61,307	59,911	58,395
Real Estate and Investments	42,430	95,988	101,139	102,826	100,200	100,597	102,746	104,508	125,913
Deferred Income Taxes, Intangibles and Other Charges	39,259	33,894	34,149	28,285	27,571	36,805	37,907	37,274	22,706
Net Assets of Discontinued Operations	798,353	804,296	844,331	871,051	836,100	-	-	-	-
	941,349	995,485	1,040,926	1,063,469	1,025,178	198,709	201,960	201,693	207,014
Property, Plant and Equipment	865,133	869,279	879,057	890,916	882,816	885,833	900,716	929,153	953,474
Accumulated Depreciation	452,324	462,281	472,583	479,965	470,163	474,458	483,279	490,132	483,163
Net Property, Plant and Equipment	412,809	406,998	406,474	410,951	412,653	411,375	417,437	439,021	470,311
Total Assets	1,716,501	1,753,864	1,833,264	1,852,763	1,918,839	983,437	1,002,821	1,010,010	1,080,570
Accounts Payable	53,497	54,925	56,503	60,072	58,022	66,396	69,343	75,111	63,581
Accrued Interest, Wages and Other Items	38,833	36,587	49,718	38,713	49,449	31,966	45,644	33,412	55,059
Current Portion of Long Term Debt	699	696	694	687	688	687	685	683	681
Total Current Liabilities	93,029	92,208	106,915	99,472	108,159	99,049	115,672	109,206	119,321
Long Term Debt	598,412	607,640	605,195	603,507	603,126	252,188	251,848	251,848	251,505
Convertible Subordinated Debentures	199,937	199,937	199,937	199,937	199,937	199,937	199,937	199,937	159,725
Deferred Income Taxes and Other Credits	63,139	54,933	64,721	60,863	80,050	63,961	58,551	61,079	76,955
Shareholders Equity	761,984	799,146	856,496	888,984	927,567	368,302	376,813	387,940	473,064
Total Liabilities and Shareholders Equity	1,716,501	1,753,864	1,833,264	1,852,763	1,918,839	983,437	1,002,821	1,010,010	1,080,570

Texas Industries, Inc.
Consolidated Statements of Cash Flows
In \$ Thousands

	FY2003	FY2004	FY2005					FY2006				
			Q1	Q2	Q3	Q4	Total	Q1	Q2	Q3	Q4	Total
CONTINUING OPERATIONS												
Operating Activities												
Income from Continuing Operations	27,165	42,277	7,527	9,742	1,482	26,693	45,444	(60,024)	6,194	11,311	41,930	(589)
Adjustments to Reconcile Income from Continuing Operations to Cash Provided (Used) by Continuing Operating Activities												
Loss on Debt Retirements	-	12,302	-	-	-	-	-	107,001	5	-	-	107,006
Loss (Gain) on Asset Disposals	687	(37,997)	(2,059)	(431)	(3,664)	(428)	(6,582)	(355)	(6,050)	(2,872)	(25,491)	(34,768)
Depreciation, Depletion and Amortization	49,196	47,409	11,498	11,554	11,676	11,746	46,474	11,185	11,134	11,054	11,582	44,955
Deferred Income Taxes (Benefit)	(27,726)	319	4,306	12,322	(395)	17,578	33,811	(31,832)	504	4,696	33,213	6,581
Income Tax Benefit from Stock Option Exercises	-	-	-	-	8,000	-	8,000	-	-	-	9,969	9,969
Other - Net	6,000	5,391	(89)	6,824	(6,149)	303	889	(161)	1,420	(269)	(3,389)	(2,399)
Changes in Operating Assets and Liabilities												
Receivables Sold	(7,321)	(72,032)	-	-	-	-	-	-	-	-	-	-
Accounts Receivable - Net	(1,258)	1,052	(3,179)	25,760	(11,392)	(20,062)	(8,873)	211	11,746	(4,718)	(12,299)	(5,060)
Inventories	(1,635)	1,664	6,411	(1,913)	(3,363)	4,947	6,082	(4,670)	(3,025)	(12,567)	1,501	(18,761)
Prepaid Expenses	2,099	(5,744)	(837)	1,161	1,139	(3,143)	(1,680)	(791)	(21)	1,205	(330)	63
Accounts Payable and Accrued Liabilities	3,889	(3,011)	(2,531)	12,288	(3,378)	10,638	17,017	(11,198)	16,287	(5,601)	(11,643)	(12,155)
Other Credits	2,819	7,375	1,328	(1,379)	2,071	1,818	3,838	4,993	(3,831)	3,039	(1,674)	2,527
Cash Provided (Used) by Continuing Operations	53,915	(995)	22,375	75,928	(3,973)	50,090	144,420	14,359	34,363	5,278	43,369	97,369
Investing Activities												
Capital Expenditures	(32,327)	(15,887)	(5,676)	(11,222)	(16,203)	(13,077)	(46,178)	(10,321)	(19,582)	(33,670)	(46,672)	(110,245)
Proceeds from Asset Disposals	11,258	47,243	2,135	472	3,837	692	7,136	817	9,612	4,080	8,598	23,107
Purchases of Short-term Investments									(24,527)	(23,973)	(2,000)	(50,500)
Investments in Insurance Contracts	(713)	(1,162)	(53,553)	(3,789)	(1,436)	(20)	(58,798)	(1,028)	(1,721)	(1,322)	(295)	(4,366)
Other - Net	2,961	(2,875)	(1,934)	(3,406)	4,181	482	(677)	1,605	(1,368)	(2,252)	2,627	612
Cash Provided (Used) by Investing Activities	(18,821)	27,319	(59,028)	(17,945)	(9,621)	(11,923)	(98,517)	(8,927)	(37,586)	(57,137)	(37,742)	(141,392)
Financing Activities												
Long Term Borrowings	366,640	718,097	-	-	-	-	-	250,000	-	-	-	250,000
Debt Retirements	(371,344)	(592,398)	(5)	(343)	(9)	(342)	(699)	(600,009)	(342)	(2)	(347)	(600,700)
Debt Issuance Costs	(1,458)	(16,378)	-	-	-	(39)	(39)	(7,051)	(247)	(58)	(7)	(7,363)
Debt Retirement Costs		(8,605)	-	-	-	-	-	(96,024)	(5)	-	-	(96,029)
Interest Rate Swap Terminations		8,358	-	-	(6,315)	-	(6,315)	-	-	-	-	-
Stock Option Exercises	512	2,541	2,832	20,284	16,449	1,834	41,399	3,853	2,027	1,148	482	7,510
Common Dividends Paid	(6,315)	(6,336)	(1,600)	(1,644)	(1,695)	(1,704)	(6,643)	(1,711)	(1,729)	(1,732)	(1,736)	(6,908)
Other - Net	(1,961)	(26)	(61)	-	61	-	-	-	-	-	-	-
Cash Provided (Used) by Financing Activities	(13,926)	105,253	1,166	18,297	8,491	(251)	27,703	(450,942)	(296)	(644)	(1,608)	(453,490)
Net Cash Provided (Used) by Continuing Operations	21,168	131,577	(35,487)	76,280	(5,103)	37,916	73,606	(445,510)	(3,519)	(52,503)	4,019	(497,513)
DISCONTINUED OPERATIONS												
Cash Provided (Used) by Discontinued Operating Activities	(5,797)	12,668	26,223	(12,055)	(6,855)	65,791	73,104	(6,587)	(527)	(590)	(74)	(7,778)
Cash Used by Discontinued Investing Activities	(23,265)	(14,068)	(3,843)	(6,732)	(5,357)	(12,231)	(28,163)	(2,712)	(45)	-	-	(2,757)
Cash Used by Discontinued Financing Activities	(2,117)	-	-	-	-	-	-	340,712	(125)	-	-	340,587
Net Cash Provided (Used) by Discontinued Operations	(31,179)	(1,400)	22,380	(18,787)	(12,212)	53,560	44,941	331,413	(697)	(590)	(74)	330,052
Increase (Decrease) in Cash and Cash Equivalents	(10,011)	130,177	(13,107)	57,493	(17,315)	91,476	118,547	(114,097)	(4,216)	(53,093)	3,945	(167,461)
Cash and Cash Equivalents at Beginning of Year	12,887	2,876	133,053	119,946	177,439	160,124	133,053	251,600	137,503	133,287	80,194	251,600
Cash and Cash Equivalents at End of Year	2,876	133,053	119,946	177,439	160,124	251,600	251,600	137,503	133,287	80,194	84,139	84,139

Texas Industries, Inc.
Reconciliation of EBITDA to Net Income and Cash Provided (Used) by Continuing Operations
In \$ Thousands

	FY2003	FY2004	FY2005				FY2006						
			Q1	Q2	Q3	Q4	Total	Q1	Q2	Q3	Q4	Total	
EBITDA Defined													
Net Income (Loss) from Continuing Operations	27,165	42,277	7,527	9,742	1,482	26,693	45,444	(60,024)	6,194	11,311	41,930	(589)	
<i>Plus (minus):</i>													
Interest	14,827	24,102	5,130	5,044	5,648	7,711	23,533	9,264	7,851	7,340	6,700	31,155	
Income Taxes (Benefit)	13,485	16,819	2,649	3,761	(1,150)	11,551	16,811	(32,948)	2,006	3,502	19,215	(8,225)	
Depreciation, Depletion & Amortization	49,196	47,409	11,498	11,554	11,676	11,746	46,474	11,185	11,134	11,054	11,582	44,955	
Loss on Early Retirement of Debt and Spin-off Charges	-	12,302	-	-	314	580	894	112,284	107	-	856	113,247	
EBITDA	104,673	142,909	26,804	30,101	17,970	58,281	133,156	39,761	27,292	33,207	80,283	180,543	

EBITDA represents income from continuing operations before interest, income taxes, depreciation and amortization, and loss on early retirement of debt

EBITDA is presented because we believe it is a useful indicator of our performance and our ability to meet debt service and capital expenditure requirements.

It is not, however, intended as an alternative measure of operating results or cash flow from operations as determined in accordance with generally accepted accounting principles.

EBITDA is not necessarily comparable to similarly titled measures used by other companies.

EBITDA Reconciliation

Cash from Continuing Operating Activities	53,915	(995)	22,375	75,928	(3,973)	50,090	144,420	14,359	34,363	5,278	43,369	97,369
<i>Plus (minus):</i>												
Changes in Operating Assets and Liabilities	1,407	70,696	(1,192)	(35,917)	14,923	5,802	(16,384)	11,455	(21,156)	18,642	24,445	33,386
Deferred Taxes (Benefit)	27,726	(319)	(4,306)	(12,322)	395	(17,578)	(33,811)	31,832	(504)	(4,696)	(33,213)	(6,581)
Income Taxes (Benefit)	13,485	16,819	2,649	3,761	(1,150)	11,551	16,811	(32,948)	2,006	3,502	19,215	(8,225)
Income Tax Benefit from Stock Option Exercises	-	-	-	-	(8,000)	-	(8,000)	-	-	-	(9,969)	(9,969)
Loss (Gain) on Disposal of Assets	(687)	37,997	2,059	431	3,664	428	6,582	355	6,050	2,872	25,491	34,768
Interest	14,827	24,102	5,130	5,044	5,648	7,711	23,533	9,264	7,851	7,340	6,700	31,155
Spin-off Charges	-	-	-	-	314	580	894	5,283	102	-	856	6,241
Other - net	(6,000)	(5,391)	89	(6,824)	6,149	(303)	(889)	161	(1,420)	269	3,389	2,399
EBITDA	104,673	142,909	26,804	30,101	17,970	58,281	133,156	39,761	27,292	33,207	80,283	180,543