

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

In thousands except per share	Three months ended February 28,		Nine months ended February 28,	
	2006	2005	2006	2005
NET SALES	\$216,763	\$181,039	\$679,411	\$584,710
COSTS AND EXPENSES (INCOME)				
Cost of products sold	179,397	164,238	571,553	508,005
Selling, general and administrative	20,487	17,515	58,547	57,028
Interest	7,340	5,648	24,455	15,822
Loss on debt retirements and spin-off charges	--	314	112,391	314
Other income	<u>(5,274)</u>	<u>(7,008)</u>	<u>(17,576)</u>	<u>(20,470)</u>
	<u>201,950</u>	<u>180,707</u>	<u>749,370</u>	<u>560,699</u>
INCOME (LOSS) BEFORE INCOME TAXES AND DISCONTINUED OPERATIONS	14,813	332	(69,959)	24,011
Income taxes (benefit)	<u>3,502</u>	<u>(1,150)</u>	<u>(27,440)</u>	<u>5,260</u>
INCOME (LOSS) FROM CONTINUING OPERATIONS	11,311	1,482	(42,519)	18,751
Income from discontinued operations – net of income taxes	<u>--</u>	<u>14,508</u>	<u>8,691</u>	<u>64,079</u>
NET INCOME (LOSS)	<u>\$ 11,311</u>	<u>\$ 15,990</u>	<u>\$ (33,828)</u>	<u>\$ 82,830</u>
Basic earnings (loss) per share				
Income (loss) from continuing operations	\$.49	\$.06	\$ (1.85)	\$.86
Income from discontinued operations	<u>--</u>	<u>.65</u>	<u>.38</u>	<u>2.93</u>
Net income (loss)	<u>\$.49</u>	<u>\$.71</u>	<u>\$ (1.47)</u>	<u>\$ 3.79</u>
Diluted earnings (loss) per share				
Income (loss) from continuing operations	\$.47	\$.06	\$ (1.85)	\$.83
Income from discontinued operations	<u>--</u>	<u>.63</u>	<u>.38</u>	<u>2.82</u>
Net income (loss)	<u>\$.47</u>	<u>\$.69</u>	<u>\$ (1.47)</u>	<u>\$ 3.65</u>
Average shares outstanding				
Basic	23,117	22,413	22,986	21,858
Diluted	<u>27,628</u>	<u>23,231</u>	<u>22,986</u>	<u>22,674</u>
Cash dividends per share	<u>\$.075</u>	<u>\$.075</u>	<u>\$.225</u>	<u>\$.225</u>
Major product shipments				
Cement (tons)	1,164	1,133	3,747	3,881
Stone, sand and gravel (tons)	5,417	5,392	18,684	16,687
Ready-mix (cubic yards)	847	782	2,859	2,650
Major product prices				
Cement (\$/ton)	\$89.62	\$74.99	\$85.35	\$73.47
Stone, sand and gravel (\$/ton)	6.40	5.60	5.96	5.59
Ready-mix (\$/cubic yard)	70.49	60.99	68.54	59.43

CONSOLIDATED BALANCE SHEETS
TEXAS INDUSTRIES, INC. AND SUBSIDIARIES

In thousands	(Unaudited) February 28, 2006	May 31, 2005
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	\$ 80,194	\$ 251,600
Short-term investments	48,584	--
Accounts receivable – net	110,019	117,363
Inventories	103,553	83,291
Deferred income taxes and prepaid expenses	<u>26,946</u>	<u>28,754</u>
TOTAL CURRENT ASSETS	369,296	481,008
OTHER ASSETS		
Goodwill	58,395	61,307
Real estate and investments	104,508	100,200
Deferred income taxes, intangibles and other charges	38,790	27,571
Net assets of discontinued operations	<u>--</u>	<u>836,100</u>
	201,693	1,025,178
PROPERTY, PLANT AND EQUIPMENT		
Land and land improvements	132,923	131,911
Buildings	45,235	45,847
Machinery and equipment	688,580	682,962
Construction in progress	<u>62,415</u>	<u>22,096</u>
	929,153	882,816
Less depreciation and depletion	<u>490,132</u>	<u>470,163</u>
	<u>439,021</u>	<u>412,653</u>
	<u>\$ 1,010,010</u>	<u>\$ 1,918,839</u>
LIABILITIES AND SHAREHOLDERS' EQUITY		
CURRENT LIABILITIES		
Accounts payable	\$ 75,111	\$ 58,022
Accrued interest, wages and other items	33,412	49,449
Current portion of long-term debt	<u>683</u>	<u>688</u>
TOTAL CURRENT LIABILITIES	109,206	108,159
LONG-TERM DEBT	251,848	603,126
CONVERTIBLE SUBORDINATED DEBENTURES	199,937	199,937
DEFERRED INCOME TAXES AND OTHER CREDITS	61,079	80,050
SHAREHOLDERS' EQUITY		
Common stock, \$1 par value	25,067	25,067
Additional paid-in capital	293,688	285,313
Retained earnings	129,576	686,476
Cost of common stock in treasury	(52,668)	(61,566)
Pension liability adjustment	<u>(7,723)</u>	<u>(7,723)</u>
	<u>387,940</u>	<u>927,567</u>
	<u>\$ 1,010,010</u>	<u>\$ 1,918,839</u>

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

In thousands	Nine months ended February 28,	
	2006	2005
CONTINUING OPERATIONS		
Operating Activities		
Income (loss) from continuing operations	\$ (42,519)	\$ 18,751
Adjustments to reconcile income (loss) from continuing operations to cash provided by continuing operating activities		
Loss on debt retirements	107,006	--
Gain on asset disposals	(9,277)	(6,154)
Depreciation, depletion and amortization	33,373	34,728
Deferred income taxes (benefit)	(26,632)	16,233
Income tax benefit from stock option exercises	--	8,000
Other - net	990	586
Changes in operating assets and liabilities		
Accounts receivable - net	7,239	11,189
Inventories	(20,262)	1,135
Prepaid expenses	393	1,463
Accounts payable and accrued liabilities	(512)	6,277
Other credits	<u>4,201</u>	<u>2,020</u>
Cash provided by continuing operating activities	54,000	94,228
Investing Activities		
Capital expenditures – expansions	(36,061)	(1,518)
Capital expenditures – other	(27,512)	(31,583)
Proceeds from asset disposals	14,509	6,444
Purchases of short-term investments	(48,500)	(500)
Investments in life insurance contracts	(4,071)	(58,676)
Other - net	<u>(2,015)</u>	<u>(659)</u>
Cash used by continuing investing activities	(103,650)	(86,492)
Financing Activities		
Long-term borrowings	250,000	--
Debt retirements	(600,353)	(357)
Debt issuance costs	(7,356)	--
Debt retirement costs	(96,029)	--
Interest rate swap terminations	--	(6,315)
Stock option exercises	7,028	39,565
Common dividends paid	(5,172)	(4,939)
Other - net	<u>--</u>	<u>--</u>
Cash provided (used) by continuing financing activities	<u>(451,882)</u>	<u>27,954</u>
Net Cash Provided (Used) by Continuing Operations	(501,532)	35,690
DISCONTINUED OPERATIONS		
Cash provided (used) by discontinued operating activities	(7,704)	7,313
Cash used by discontinued investing activities	(2,757)	(15,932)
Cash provided by discontinued financing activities	<u>340,587</u>	<u>--</u>
Net Cash Provided (Used) by Discontinued Operations	<u>330,126</u>	<u>(8,619)</u>
Increase (Decrease) in Cash and Cash Equivalents	(171,406)	27,071
Cash and Cash Equivalents at Beginning of Period	<u>251,600</u>	<u>133,053</u>
Cash and Cash Equivalents at End of Period	<u>\$ 80,194</u>	<u>\$ 160,124</u>