



NEWS FOR IMMEDIATE RELEASE

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TXI REPORTS SECOND QUARTER RESULTS

January 4, 2007 – Dallas, Texas - Texas Industries, Inc. (NYSE – TXI) today reported net income of \$28.7 million (\$1.09 per share) for the quarter ended November 30, 2006. The quarter included \$12.9 million (\$.47 per share) in after-tax income as a result of cash received from the settlement of the long-standing U.S. antidumping order on Mexican cement. For the same quarter last year, the Company reported net income of \$6.2 million (\$.26 per share).

“Construction activity in Texas, TXI’s primary market, remains solid,” stated Mel Brekhus, Chief Executive Officer. “While residential construction has declined considerably in the California market, highway and other public works construction sectors are improving.”

“Operating margins continued to expand during the quarter. Our focus on operational improvements in combination with the trend of increasing product prices should result in significant margin expansion in the coming quarters as well. The Company has announced cement price increases of \$12 per ton for the Texas and California markets, effective January 1 and March 1, 2007, respectively.”

Net sales for the quarter improved 11% compared to a year ago. Realized prices for cement increased 12%, stone, sand and gravel increased 17% and ready-mix concrete increased 9%. Cement and ready-mix concrete shipments remained stable while stone, sand and gravel shipments declined 6% as a result of the expiration of a low margin supply contract and the insufficient availability of rail transportation in our North Texas market.

Overall energy costs declined compared to those of a year ago. Scheduled maintenance at the North Texas cement plant had approximately the same impact on results as in last year’s second quarter. Selling, general and administrative expenses increased \$15.3 million compared to last year’s quarter as stock-based compensation increased \$6.6 million and incentive compensation

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expense increased \$6.2 million. Interest expense declined \$3.2 million primarily as a result of the capitalization of interest relating to the California cement plant modernization and expansion. Other income for the current quarter included pre-tax income of \$19.8 million relating to the settlement distributions mentioned earlier.

“The expansion and modernization of our California cement plant remains on schedule and on budget,” continued Brekhus. “This project and two others in Texas will expand TXI’s annual cement manufacturing capacity from today’s 5 million tons to 7.5 million tons over the next four-to-five years.”

A teleconference will be held today, January 4, 2007 at 1:00 p.m. Central Standard Time to further discuss second quarter results. A real-time webcast of the conference is available by logging on to TXI’s website at www.txi.com.

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 the Company’s business, construction activity in the Company’s markets, abnormal periods of inclement weather, unexpected periods of equipment downtime, changes in costs of raw materials, fuel and energy, the impact of environmental laws and other regulations and risks and uncertainties described in the Company’s reports on SEC Forms 10-K, 10-Q and 8-K.

TXI is the largest producer of cement in Texas and a major cement producer in California. TXI is also a major supplier of construction aggregates, ready-mix concrete and concrete products.

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CONSOLIDATED STATEMENTS OF OPERATIONS
TEXAS INDUSTRIES, INC. AND SUBSIDIARIES

In thousands except per share	Three months ended November 30,		Six months ended November 30,	
	2006	2005	2006	2005
NET SALES	\$245,832	\$220,764	\$517,484	\$462,648
Cost of products sold	<u>194,057</u>	<u>197,935</u>	<u>399,395</u>	<u>392,156</u>
GROSS PROFIT	51,775	22,829	118,089	70,492
Selling, general and administrative	30,147	14,832	51,205	38,060
Interest	4,643	7,851	10,185	17,115
Loss on debt retirements and spin-off charges	--	107	--	112,391
Other income	<u>(24,800)</u>	<u>(8,161)</u>	<u>(28,351)</u>	<u>(12,302)</u>
	<u>9,990</u>	<u>14,629</u>	<u>33,039</u>	<u>155,264</u>
INCOME (LOSS) FROM CONTINUING OPERATIONS BEFORE INCOME TAXES	41,785	8,200	85,050	(84,772)
Income taxes (benefit)	<u>13,133</u>	<u>2,006</u>	<u>26,967</u>	<u>(30,942)</u>
INCOME (LOSS) FROM CONTINUING OPERATIONS	28,652	6,194	58,083	(53,830)
Income from discontinued operations – net of income taxes	--	--	--	<u>8,691</u>
NET INCOME (LOSS)	<u>\$ 28,652</u>	<u>\$ 6,194</u>	<u>\$ 58,083</u>	<u>\$ (45,139)</u>
Basic earnings (loss) per share				
Income (loss) from continuing operations	\$ 1.19	\$.27	\$ 2.42	\$ (2.35)
Income from discontinued operations	--	--	--	<u>.38</u>
Net income (loss)	<u>\$ 1.19</u>	<u>\$.27</u>	<u>\$ 2.42</u>	<u>\$ (1.97)</u>
Diluted earnings (loss) per share				
Income (loss) from continuing operations	\$ 1.09	\$.26	\$ 2.21	\$ (2.35)
Income from discontinued operations	--	--	--	<u>.38</u>
Net income (loss)	<u>\$ 1.09</u>	<u>\$.26</u>	<u>\$ 2.21</u>	<u>\$ (1.97)</u>
Average shares outstanding				
Basic	24,001	23,020	23,980	22,921
Diluted	<u>27,602</u>	<u>23,671</u>	<u>27,558</u>	<u>22,921</u>
Cash dividends per share	<u>\$.075</u>	<u>\$.075</u>	<u>\$.15</u>	<u>\$.15</u>
Major product shipments				
Cement (tons)	1,239	1,241	2,627	2,583
Stone, sand and gravel (tons)	5,573	5,954	12,034	13,267
Ready-mix concrete (cubic yards)	979	971	1,959	2,012
Major product prices				
Cement (\$/ton)	\$ 94.85	\$ 84.94	\$ 94.66	\$ 83.42
Stone, sand and gravel (\$/ton)	6.83	5.85	6.71	5.78
Ready-mix concrete (\$/cubic yard)	74.76	68.51	74.33	67.72