

# Texas Cement Market

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Presented By  
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A stylized, layered mountain range graphic in shades of teal and blue, located in the bottom right corner of the slide.

# State of Texas is:

- **2<sup>nd</sup> Largest State in the country geographically.**
- **2<sup>nd</sup> Largest State Gross Domestic Product in the country in 2005.**
- **2<sup>nd</sup> Largest Cement Producer in U.S.**
  - 10.9% of Total U.S. Cement Grinding Capacity in 2004
- **2<sup>nd</sup> Largest Cement Consumer in U.S.**
  - 11.93% of Total U.S. Consumption in 2005

# State of Texas

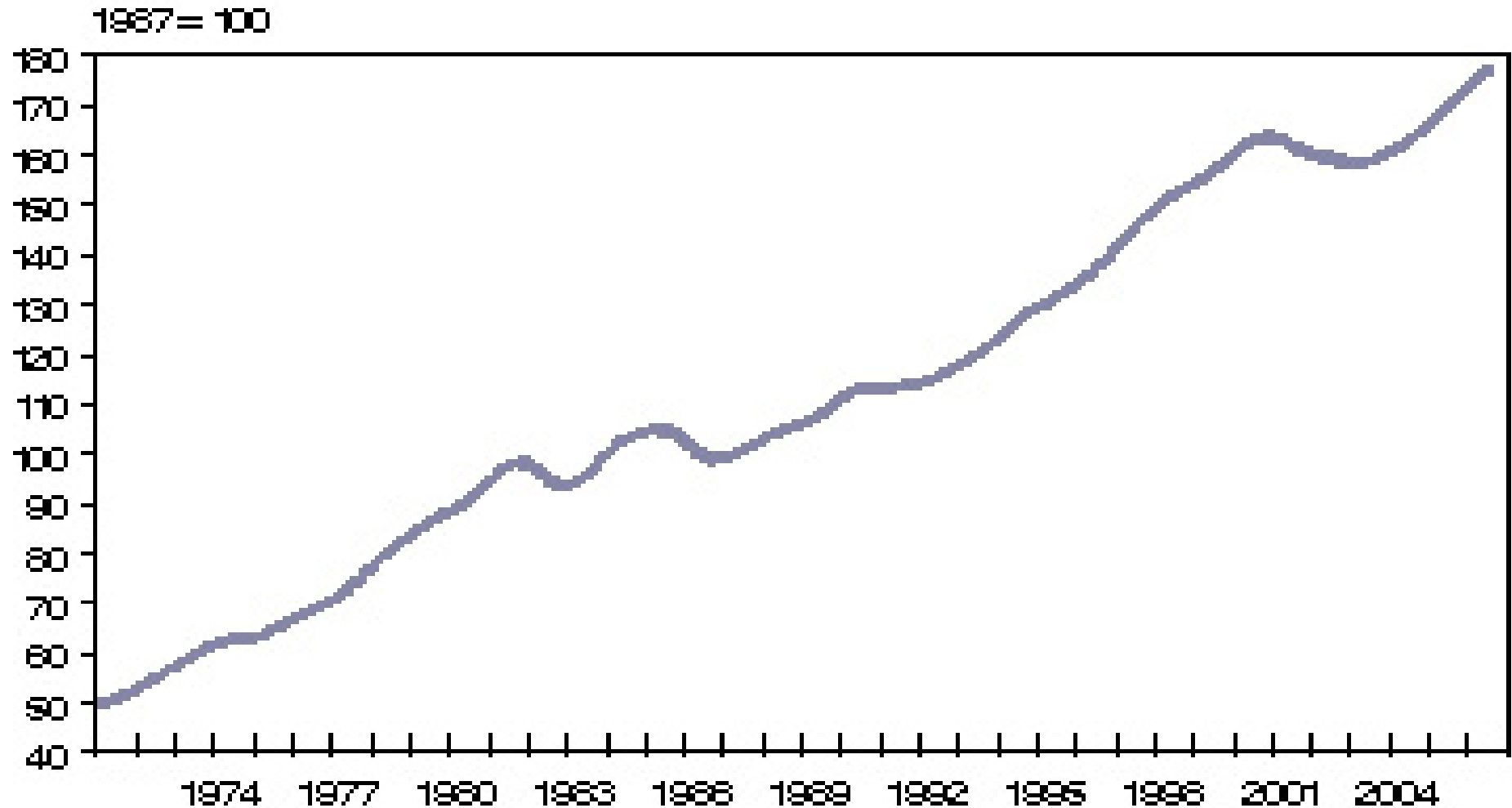
## Gross Domestic Product -- 2005

### \$989.4 Billion

Largest Industries	Current Dollars (\$Billions)
Manufacturing	122.0
Government	107.9
Real Estate	90.7
Mining	87.3
Wholesale Trade	65.5
Retail Trade	65.1
Professional/Tech Services	63.1
Finance & Insurance	60.9

# TEXAS BUSINESS—CYCLE INDEX

MONTHLY, SEASONALLY ADJUSTED, 1987=100

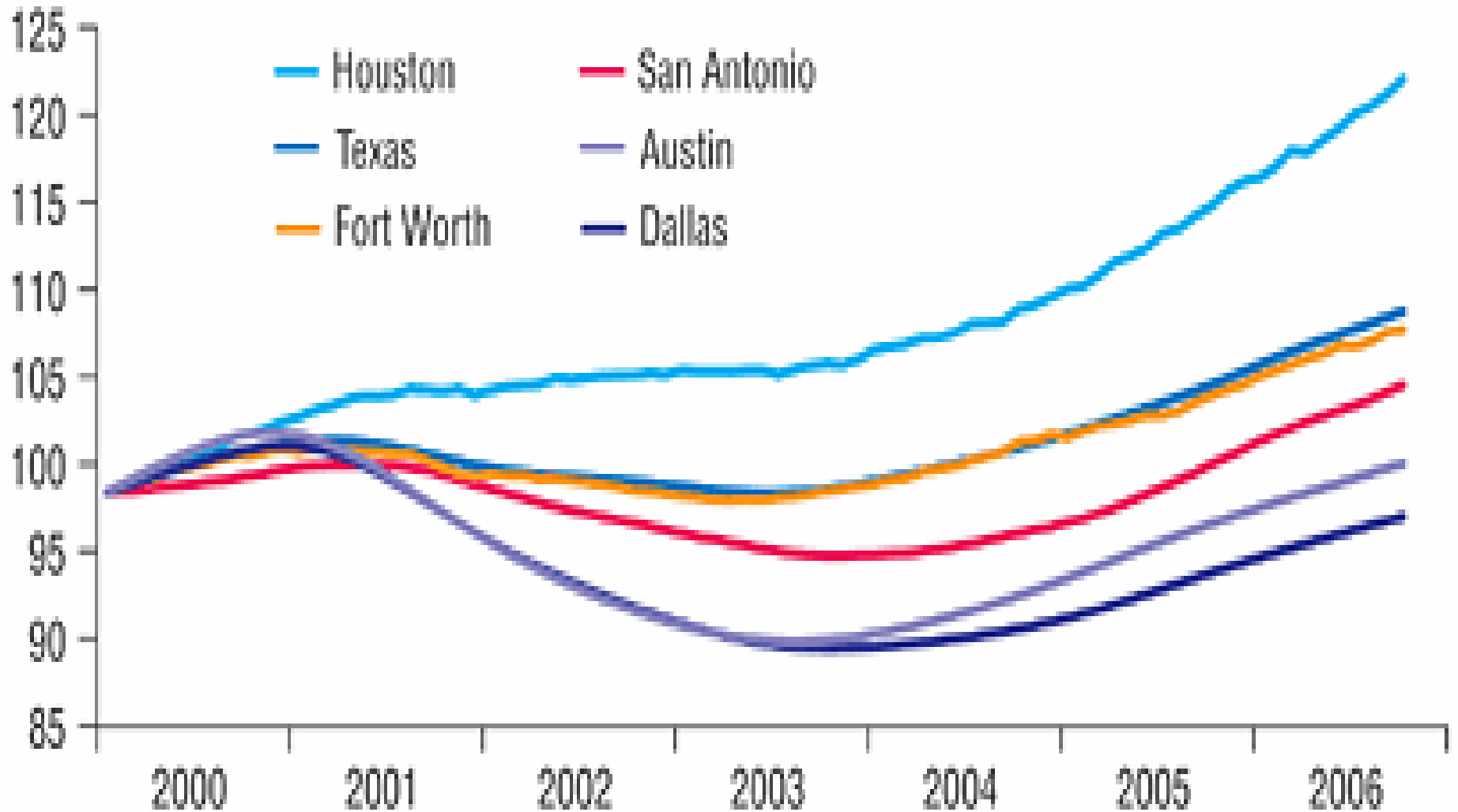


LAST DATA ENTRY OCTOBER 2006

Source: Dallas Federal Reserve Bank

# Business-Cycle Indexes: Texas and Major Metros

Index, January 2000 = 100



Source: Dallas Federal Reserve Bank

# Texas Cement Suppliers

## (Gray Cement)

- ◆ Eleven (11) Cement Companies
  - Production Capacity Estimated to be 12.8 million st annually (10 Plants)
  - Additional 2.3 million st expanded plant capacity is planned over next three years
  - Seven (7) companies importing in excess of 3.5 Million st of Foreign Cement annually
  - 130,000 st additional storage capacity for imports is presently under construction

# Market Share in Texas

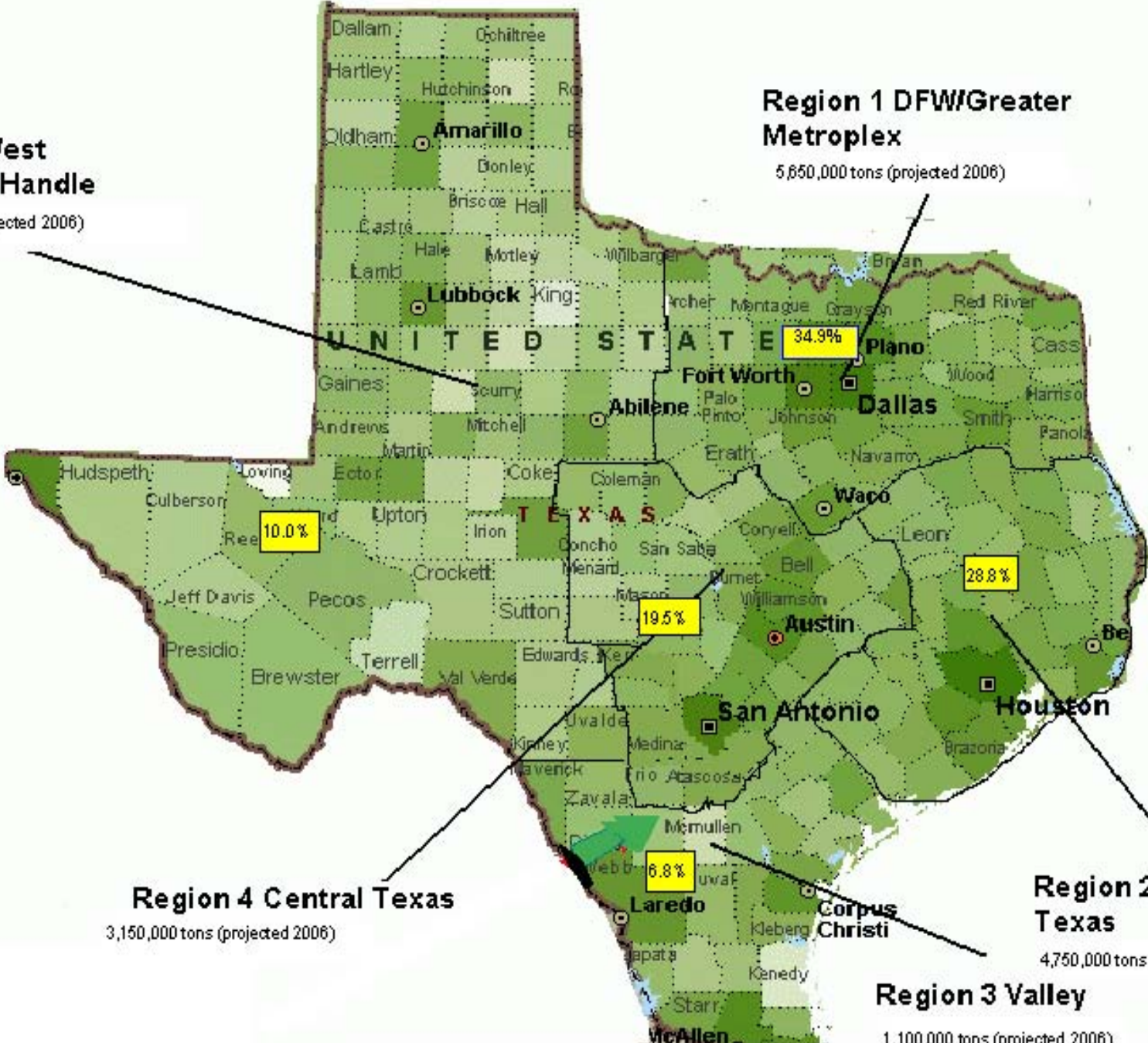
## Year to Date thru Sept 2005/2006

(Short Tons)

Cement Companies	YTD 2005	%	YTD 2006	%
TXI Operations LP	2,610,704	20.91%	2,511,192	19.46%
Cemex USA Cement Inc.	2,083,989	16.69%	2,382,708	18.47%
Ash Grove	1,885,253	15.10%	1,814,010	14.06%
Holcim	1,754,219	14.05%	1,848,817	14.33%
Texas Lehigh Cement Company	1,079,880	8.65%	1,174,397	9.10%
Alamo Cement Company II LTD	915,303	7.33%	900,780	6.98%
Capitol Aggregates LTD	718,663	5.76%	691,733	5.36%
Buzzi Unicem	613,156	4.91%	570,662	4.42%
Rio Grande Portland Cement Corp.	302,475	2.42%	289,163	2.24%
UPD Global	174,555	1.40%	205,640	1.59%
Houston Cement Company, L.P.	0	0.00%	154,137	1.19%
South Coast Cement	163,038	1.31%	154,641	1.20%
Others	186,225	1.49%	204,535	1.59%
<b>TOTAL</b>	<b>12,487,460</b>	<b>thru Sept</b>	<b>12,902,415</b>	<b>thru Sept</b>
<b>Yearly Total</b>	<b>16,527,084</b>	<b>Actual</b>		
<b>(Others = Lehigh White, Federal White, Savannah Cement, Lafarge Calcium, Able Supply, Tejas Cement, AHI Supply)</b>				

**Region 5 West Texas/Pan Handle**  
1,700,000 tons (projected 2006)

**Region 1 DFW/Greater Metroplex**  
5,650,000 tons (projected 2006)



**Region 4 Central Texas**  
3,150,000 tons (projected 2006)

**Region 2 South Texas**  
4,750,000 tons (projected 2006)

**Region 3 Valley**  
1,100,000 tons (projected 2006)

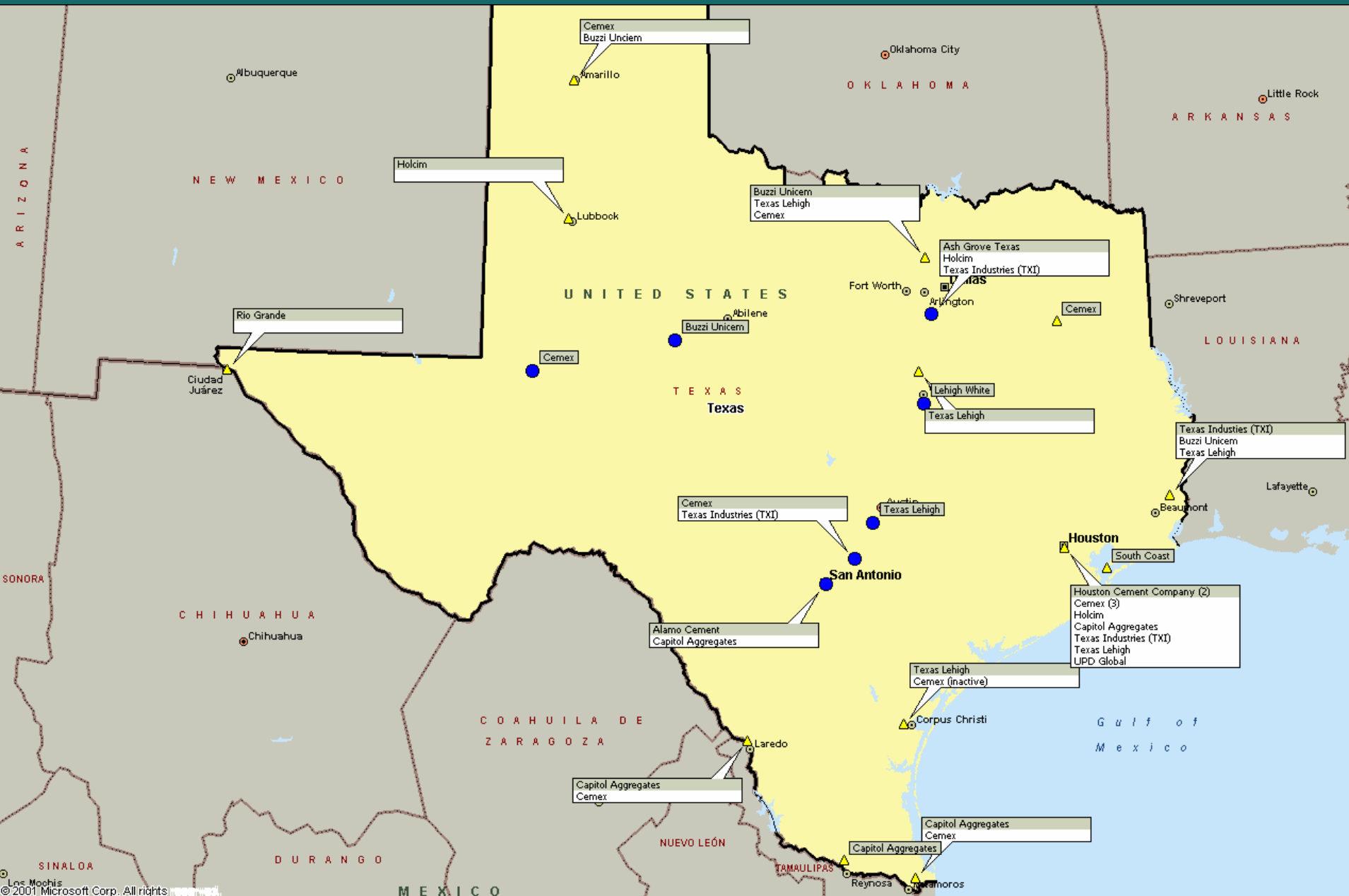
Source: R.O.I. Economic Consulting 3rd Qtr 2006 CCT Sales Survey



# Cement Usage by Category

- ◆ Ready Mix -- 63.2%
- ◆ Contractor Sales – 10.9%
- ◆ Soil Stabilization – 5.6%
- ◆ Concrete Products – 6.9%
- ◆ Masonry Cement – 2.6%
- ◆ Other – 10.8%

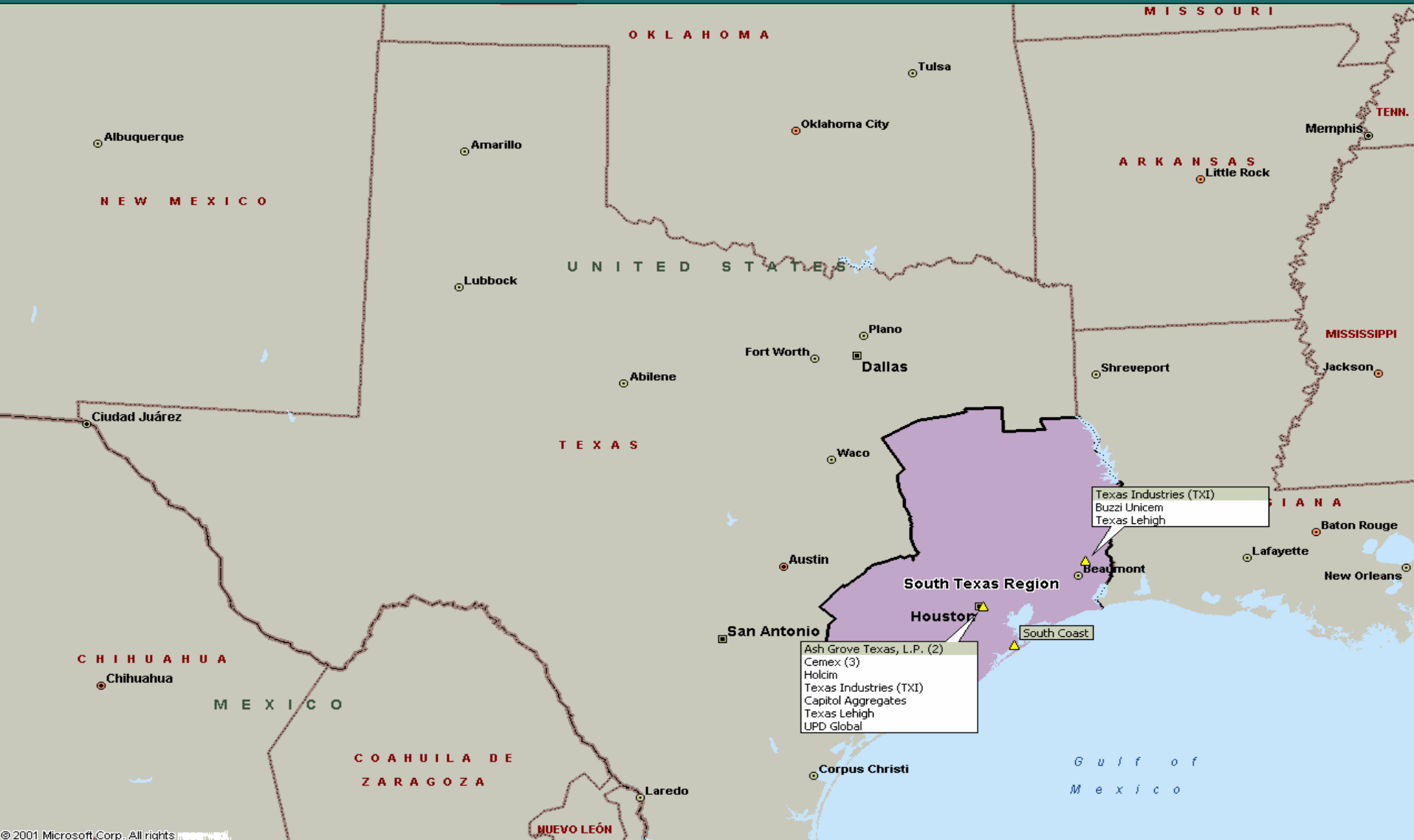
# Cement Plants and Terminals in Texas



# South Texas Region

A stylized, dark teal silhouette of a mountain range is positioned in the bottom right corner of the slide, partially overlapping the main text area.

# South Texas Region



# South Texas Region

- ◆ Consumed in excess of 5 million st of cement in 2005
- ◆ Ten (10) of eleven (11) Texas cement suppliers participate in the South Texas Market
- ◆ Region imported in excess of 2.8 million st in 2005 through Houston/Galveston Customs District

# Houston Metro Market

- ◆ Consumes in excess of 4 million st of South Texas Region usage
- ◆ 100% of cement consumed in the Houston market is supplied by ship, barge, rail or truck.
- ◆ 75% of the cement is used in Ready Mix Concrete
- ◆ Six (6) largest ready mix producers service over 70% of the R/M concrete market
- ◆ Four (4) of the six are owned by cement companies

# In Summary

- ◆ Texas market consumes in excess of 16 million tons of cement annually
- ◆ Approximately 75 % produced in state, with the remaining 25% imported from foreign sources
- ◆ South Texas Region consumes almost 30% of the state total
- ◆ 80% of South Texas Region is consumed in Houston Metro Area, supplied by ten (10) of the eleven(11) cement companies in the state, making it one of the most competitive areas in the country

THE END

