

Eagle Materials Inc. Reports for Period Ending Dec. 31, 2009 American Gypsum Shows Positive Earnings

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DALLAS--(BUSINESS WIRE)--Eagle Materials Inc. (NYSE: [EXP](#) - [News](#)) today reported financial results for the third quarter of fiscal 2010 ended December 31, 2009. Notable items for the quarter include:

- Net earnings of \$4.7 million, or \$0.11 per diluted share
- Revenues of \$104.6 million
- Cash flow from operations of approximately \$23 million
- Net debt-to-total capitalization ratio of 38% compared to 45% a year ago

Revenues this quarter were down 24% compared with the same quarter a year ago. Net earnings were down 58% compared to the same quarter last year. Lower operating costs across all of Eagle's businesses, as well as lower financing costs and corporate overhead, were offset by continued declines in quarterly sales volumes and prices.

Gypsum Wallboard and Paperboard

Gypsum Wallboard and Paperboard's third quarter operating earnings of \$0.9 million were down 86% over the same quarter last year. Lower net sales prices and sales volumes were the primary drivers of the quarterly earnings decline.

Gypsum Wallboard and Paperboard revenues for the third quarter totaled \$58.3 million, a 24% decrease from the same quarter a year ago. The revenue decline reflects lower Gypsum Wallboard and Paperboard sales volumes and prices. The average Gypsum Wallboard net sales price this quarter was \$89.00 per MSF, 14% less than the same quarter a year ago. Gypsum Wallboard sales volume for the quarter of 388 million square feet (MMSF) represents a 14% decline from the same quarter last year. The average Paperboard net sales price this quarter was \$415.62 per ton, 16% less than the same quarter a year ago. Paperboard sales volume for the quarter was 50,000 tons, 4% less than the same quarter a year ago.

Cement, Concrete and Aggregates

Operating earnings from Cement for the third quarter were \$13.4 million, a 39% decline from the same quarter a year ago. Cement revenues for the quarter, including joint venture and

intersegment revenues, totaled \$53.4 million, 25% less than the same quarter last year. Cement sales volumes for the quarter were 584,000 tons, 17% below the same quarter a year ago.

Eagle's purchased cement sales volumes for the quarter declined to approximately 2,000 tons, or less than 1% of total cement sales volume, compared to approximately 110,000 tons, or 16% of total sales volume for the same quarter a year ago. The average net sales price this quarter was \$84.01 per ton, 12% less than the same quarter last year.

Concrete and Aggregates reported a \$0.1 million operating loss for the third quarter, down from the \$0.4 million operating profit for the same quarter a year ago, primarily due to lower sales volumes and net sales prices.

Revenues from Concrete and Aggregates were \$9.3 million for the quarter, 39% less than the same quarter a year ago. Concrete sales volume decreased 34% from the same quarter a year ago to 95,000 cubic yards. Concrete average net sales price for the quarter of \$66.53 per cubic yard was 9% less than the same quarter a year ago. Aggregates sales volume of 468,000 tons for this quarter was 36% less than the sales volume for the same quarter a year ago. Aggregates average net sales price for the quarter was \$6.25, down 2% compared to last year's third quarter.

Details of Financial Results

Texas Lehigh Cement Company LP, one of our cement plant operations, is conducted through a 50/50 joint venture (the "Joint Venture"). We utilize the equity method of accounting for our 50% interest in the Joint Venture. For segment reporting purposes we proportionately consolidate our 50% share of the Joint Venture's revenues and operating earnings, which is consistent with the way management organizes the segments in the Company for making operating decisions and assessing performance.

In addition, for segment reporting purposes, we report intersegment revenues as a part of a segment's total revenues. Intersegment sales are eliminated on the income statement. Refer to Attachment 4 for a reconciliation of the amounts referred to above.

About Eagle Materials Inc.

Eagle Materials Inc. manufactures and distributes Cement, Gypsum Wallboard, Recycled Paperboard, Concrete and Aggregates from 25 facilities across the US. The Company is headquartered in Dallas, Texas.

EXP's senior management will conduct a conference call to discuss the financial results, forward-looking information and other matters at 2:00 p.m. Eastern Time (1:00 p.m. Central Time) on Wednesday, January 27, 2010. The conference call will be webcast simultaneously on the EXP Web site <http://www.eaglematerials.com>. A replay of the webcast and the presentation will be archived on that site for one year. For more information, contact EXP at 214-432-2000.