



# U.S. CONCRETE

2005 Annual Report

A RETURN TO GROWTH

[www.us-concrete.com](http://www.us-concrete.com)



## A RETURN TO GROWTH

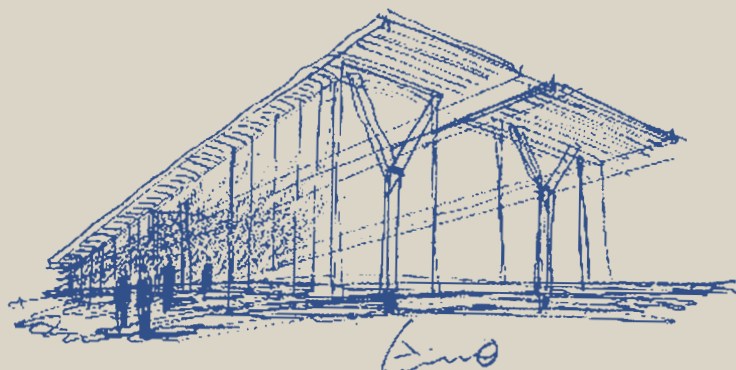
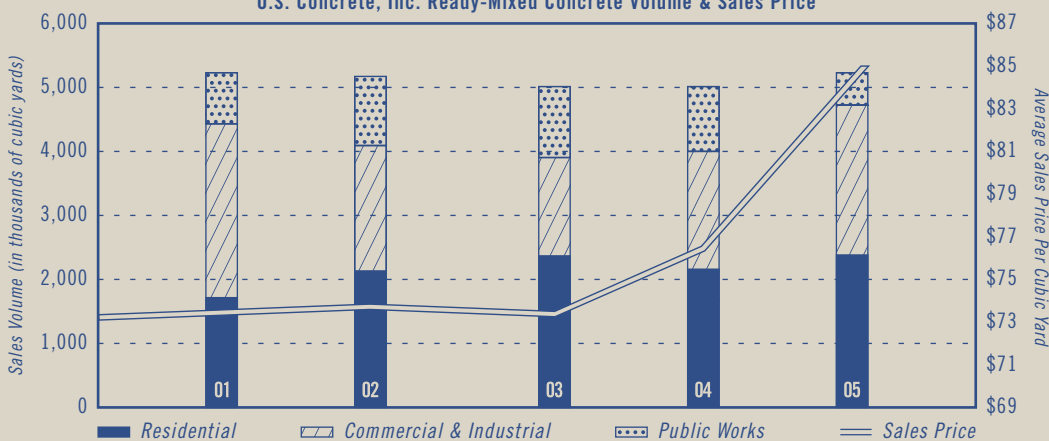
# Corporate Profile

Headquartered in Houston, Texas, U.S. Concrete, Inc. is a major producer of ready-mixed concrete and concrete-related products in select markets in the United States. As of March 15, 2006, we have 100 fixed and seven portable ready-mixed concrete plants, eight precast concrete plants, three concrete block plants and two aggregates quarries. During 2005, these facilities produced approximately 6.2 million cubic yards of ready-mixed concrete, 4.8 million eight-inch equivalent block units and 1.6 million tons of aggregates. Our common stock trades on the NASDAQ National Market under the symbol "RMIX."

### FINANCIAL HIGHLIGHTS

<i>(amounts in thousands)</i>	2005	2004	2003
Revenues	\$575,655	\$500,589	\$473,124
Total Assets	\$494,043	\$449,159	\$400,974
Long-term Debt, Including Current Maturities	\$201,571	\$200,777	\$155,039
Stockholders' Equity	\$184,921	\$168,849	\$176,711

U.S. Concrete, Inc. Ready-Mixed Concrete Volume & Sales Price



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## A RETURN TO GROWTH

# Letter to Our Shareholders

### *Dear Fellow Shareholders:*

*A return to growth* is the best way we can describe 2005 for U.S. Concrete. We achieved excellent results in expanding our revenue base and profits during the year. During the fourth quarter of 2005, we completed two in-market ready-mixed concrete acquisitions, which also included an aggregates quarry. The results we achieved in 2005 were driven by two important initiatives undertaken in 2004. First, we developed and implemented an improved pricing

strategy in 2004, which helped us to achieve significant same-store-sales gains in 2005. This initiative, combined with improving ready-mixed concrete sales volume in 2005, drove our bottom-line profits.

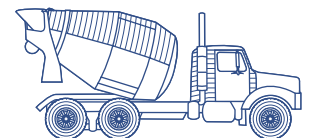
Second, the refinancing of our long-term debt during 2004 provided us the financial flexibility to pursue external growth. We executed our growth strategy and delivered improved operating results, which resulted in significant appreciation in our stock price for our shareholders. We intend to continue to pursue internal and external growth initiatives in 2006.

INTERNAL GROWTH — As commercial construction activity in our regional markets began to accelerate in 2005, we were able to achieve outstanding revenue and profit growth. This performance was particularly encouraging given the adverse weather conditions we faced during the first four months of 2005, primarily in our

California markets, which significantly reduced sales volume during that period. In addition, we experienced escalating raw materials prices throughout the year, driven primarily by the tightness of cement supply.

Pricing trends were positive throughout our markets in 2005, and those positive trends continue today. Higher ready-mixed concrete sales volume during 2005, driven in part by a recovery in the commercial construction market, led to increased productivity and equipment utilization, which helped drive

the increase in our operating margins over 2004. ▶



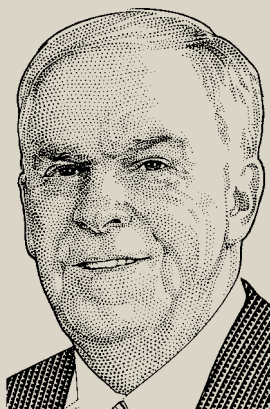


## A RETURN TO GROWTH

We sold approximately 5.3 million cubic yards of ready-mixed concrete in 2005, up 4.8% over 2004. Based on historical results, we expect the two acquisitions we completed near the end of 2005 should provide about 1.1 million cubic yards of additional production in 2006. We also focused on cost controls during the year by rationalizing some of our operating costs, internalizing certain functions and reducing our delivery costs through better scheduling, all of which helped to further improve our profitability.

We continued to concentrate on improving our operations during 2005 through several key initiatives. For example, we upgraded our primary operating system across all our regions during the year, which enabled us to better serve our customers while improving delivery productivity. We also undertook a reorganization of our precast concrete operations in northern California, which we expect to have a positive impact on our

profitability beginning in 2006. In the third quarter, we tested a state-of-the-art GPS truck tracking and auto-sensing system in our northern New Jersey operation. Since the implementation of this truck



*Eugene P. Martineau*

**Eugene P. Martineau**  
Chief Executive Officer and President

tracking system, productivity has improved within this operation, and we expect to implement this system in our other major regional markets.

**EXTERNAL GROWTH** — The U.S. ready-mixed concrete industry, with over 2,300 small, independent producers, is a fragmented but increasingly

consolidating industry. We continue to believe that these industry characteristics present growth opportunities for our company. U.S. Concrete is well-positioned to pursue further consolidation of its existing



*Vincent D. Foster*

**Vincent D. Foster**  
Chairman of the Board

markets and selectively enter new markets.

Since 1999, we have acquired 33 ready-mixed concrete and concrete-related businesses, including the two in the fourth quarter of 2005. In November, we acquired substantially all the operating assets, including real property, of three related companies that produce and

deliver ready-mixed concrete in the greater Memphis, Tennessee and northern Mississippi area. These companies produced approximately 300,000 cubic yards of ready-mixed concrete during 2005. In December, we acquired substantially all the operating assets of two related companies that produce and deliver ready-mixed concrete from six plants and mine sand and gravel from a quarry in the greater Dallas/Fort Worth, Texas market. These companies produced approximately 800,000 cubic yards of ready-mixed concrete and 700,000 tons of aggregates during 2005. The aggregate quarry is situated on 2,100 acres and is estimated to have approximately ten million tons of remaining aggregate reserves.

These "in-market" acquisitions further consolidated two of our existing operations and should provide additional operating synergies during 2006. We expect the increased density achieved through these acquisitions will allow us to service our growing customer

## A RETURN TO GROWTH

base in each market more efficiently. In-market acquisitions such as these provide us opportunities to strengthen supplier relationships at both the local and the national levels, reduce costs and achieve market leadership positions. Through our acquisition program, we have become one of the largest concrete producers in the United States and a leading producer in many of our markets.

### LOOKING AHEAD —

As we move forward, we will continue to focus on internal and external growth opportunities. In February 2006, we issued and sold 8,050,000 shares of our common stock

purchasing power to fund future growth. We believe there are numerous potential acquisition candidates in our existing markets and in new markets. Over the past year, we have experienced increases in inquiries and

on our strategy for internal growth. We will emphasize the sale of value-added products to customers who are more focused on reducing in-place concrete costs than simply the price per cubic yard of concrete. We will

supplier of ready-mixed concrete and related products and services in each of our markets, while further diversifying our geographic scope, by providing exceptional products and service to our customers, a superior work environment for our team members and exceptional value for our shareholders.

We thank all our team members for their contributions during 2005. Our results and achievements during the year reflect their tireless efforts and dedication. We would also like to thank our customers, our vendors and our shareholders for their continued support.

We look forward to

to the public, generating net proceeds to U.S. Concrete of approximately \$85 million. When combined with our other liquidity resources currently available, including available credit under our credit facility, we have over \$150 million in

similar communications from brokers and other representatives of potential acquisition candidates, and we are currently evaluating several potential acquisitions.

To achieve our goals, we also intend to continue to focus

also continue to endeavor to promote operational excellence and achieve additional cost efficiencies.

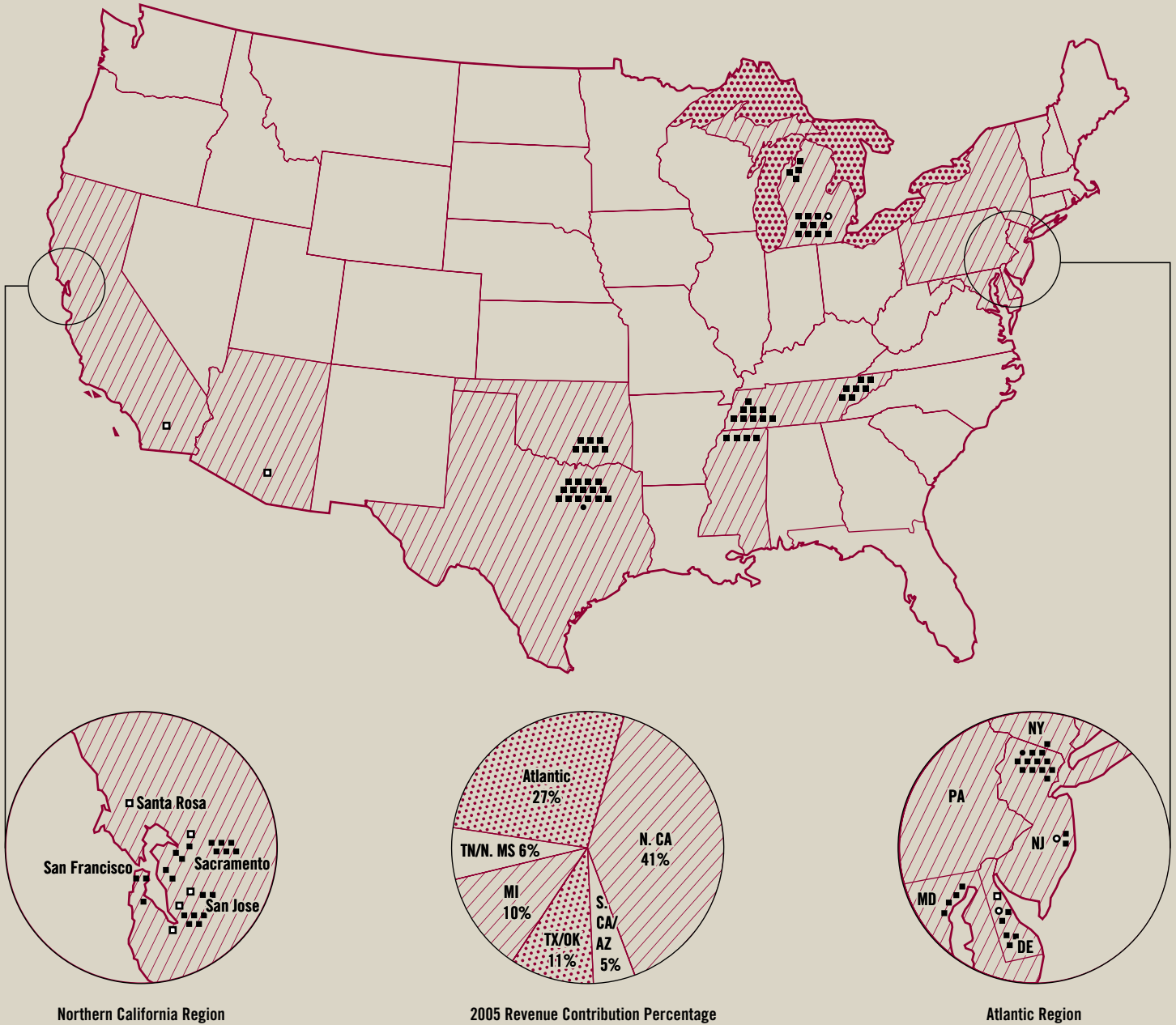
Through these strategic initiatives, we will strive to fulfill our mission, which is to become the leading value-added

building on our momentum during 2006. ■



## A RETURN TO GROWTH

# Geographic Footprint



## A RETURN TO GROWTH

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# Directors and Officers

VINCENT D. FOSTER

Senior Managing Director,

Main Street

Capital Partners, LLC,

Chairman of the Board

EUGENE P. MARTINEAU

Chief Executive Officer and President,

Director

JOHN R. COLSON

Chief Executive Officer,

Quanta Services, Inc.,

Director

T. WILLIAM PORTER III

Chairman, Porter & Hedges, L.L.P.,

Director

MARY P. RICCIARDELLO

Director

MURRAY S. SIMPSON

Director

ROBERT S. WALKER

Director

MICHAEL W. HARLAN

Executive Vice President and

Chief Operating Officer

ROBERT D. HARDY

Senior Vice President and

Chief Financial Officer

M. TERRY GREEN

Senior Vice President – Operations

WILLIAM T. ALBANESE

Regional Vice President

U.S. Concrete

Northern California Region

THOMAS J. ALBANESE

Executive Vice President of Sales

U.S. Concrete

Bay Area Region

SCOTT R. EVANS

Regional Vice President

U.S. Concrete

South Central Region

DONALD C. WAYNE

Vice President,

General Counsel and

Corporate Secretary

SEAN M. GORE

Vice President – Finance

WALLACE H. JOHNSON

Vice President – Marketing and Sales

GARY J. KONNIE

Vice President – Human Resources

RAYMOND C. TURPIN, JR.

Vice President – Technical Affairs

CESAR MONROY

Treasurer

CORPORATE HEADQUARTERS

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