
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-K

ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE
SECURITIES EXCHANGE ACT OF 1934
FOR THE FISCAL YEAR ENDED MARCH 31, 2000

COMMISSION FILE NO. 1-12984

CENTEX CONSTRUCTION PRODUCTS, INC.
(EXACT NAME OF REGISTRANT AS SPECIFIED IN ITS CHARTER)

DELAWARE
(STATE OF INCORPORATION)

75-2520779
(I.R.S. EMPLOYER IDENTIFICATION NO.)

3710 RAWLINS, SUITE 1600, LB 78, DALLAS, TEXAS 75219
(ADDRESS OF PRINCIPAL EXECUTIVE OFFICES)

(214) 559-6514
(REGISTRANT'S TELEPHONE NUMBER)

SECURITIES REGISTERED PURSUANT TO SECTION 12(b) OF THE ACT:

TITLE OF EACH CLASS	NAME OF EACH EXCHANGE ON WHICH REGISTERED
COMMON STOCK (PAR VALUE $.01 PER SHARE)	NEW YORK STOCK EXCHANGE

SECURITIES REGISTERED PURSUANT TO SECTION 12(g) OF THE ACT: NONE

Indicate by check mark whether the registrant: (1) has filed all reports required to be filed by section 13 or 15(d) of the Securities Exchange Act of 1934, during the preceding 12 months (or for such shorter period that such registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes [X]. No [ ].

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K is not contained herein, and will not be contained, to the best of the registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K, or any amendment to Form 10-K. [X].

Indicate the number of shares of the registrant's classes of common stock (or other similar equity securities) outstanding as of the close of business on June 16, 2000:

Common Stock	18,575,832 shares

DOCUMENTS INCORPORATED BY REFERENCE

Portions of the following documents are incorporated by reference in Parts I, II, and III, of this Report:

(a) 2000 Annual Report to Stockholders of Centex Construction Products, Inc. for the fiscal year ended March 31, 2000.

(b) Proxy statement for the annual meeting of stockholders of Centex Construction Products, Inc. to be held on July 20, 2000.

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PART I

ITEM 1. BUSINESS

GENERAL

Centex Construction Products, Inc. ("CXP" or the "Company") is a producer of a variety of basic construction products used in residential, industrial, commercial and infrastructure applications. The Company produces and sells cement, gypsum wallboard, aggregates and readymix concrete. The Company is incorporated in the state of Delaware. Prior to April 19, 1994, the Company was a wholly-owned subsidiary of Centex Corporation ("Centex"). On April 19, 1994, the Company completed an Initial Public Offering ("IPO") of 51% of its common stock. As a result of the IPO, Centex's ownership of the Company was reduced to 49%. Unless the context indicates to the contrary, the terms "CXP" and the "Company" as used herein, should be understood to include subsidiaries of CXP and predecessor corporations. The Company's common stock, par value $0.01 per share ("CXP Common Stock"), began trading publicly on April 19, 1994. As of June 16, 2000, 18,575,832 shares of CXP Common Stock, which are traded on the New York Stock Exchange, were outstanding.

As previously disclosed, CXP's Board of Directors authorized CXP management to repurchase 5,668,630 shares of CXP Common Stock as management determines advisable. As a result of repurchases during fiscal years 2000, 1999, 1998 and 1997 by CXP of its common stock from the public, and certain purchases of CXP common stock by Centex from the public, Centex now owns approximately 64.4% of the outstanding shares of CXP Common Stock at March 31, 2000.

CXP's involvement in the construction products business dates to 1963, when it began construction of its first cement plant. Since that time, the Company's operations have been expanded to include additional cement production and distribution facilities and the production, distribution and sale of aggregates, readymix concrete and gypsum wallboard. The Company's production facilities are located principally in the western half of the U.S. and in certain key southwestern states.

The Company operates four quarrying and manufacturing facilities and a network of 11 terminals for the production and distribution of portland and masonry cement. These facilities are located primarily in Texas, northern Illinois, the Rocky Mountain area, Nevada and northern California. The Company is also vertically integrated, to a limited extent, with readymix concrete operations in the Austin, Texas area and in northern California. The Company extracts and produces aggregates from its deposits near Sacramento, California (the largest single permitted sand and gravel deposit in northern California) and Austin, Texas. The Company operates two quarries in close proximity to its gypsum wallboard manufacturing facilities which are located in Albuquerque and nearby Bernalillo, New Mexico and Gypsum (near Vail), Colorado. The Company has an associated cogeneration power facility, located at the Gypsum, Colorado wallboard plant. The Company's wallboard production is shipped by rail and truck to markets throughout the continental United States. The Company's corporate office is in Dallas, Texas.

INDUSTRY SEGMENT INFORMATION

The following table presents revenues and earnings before interest and income taxes contributed by each of the Company's industry segments during the periods indicated. Identifiable assets, depreciation, depletion and amortization, and capital expenditures by segment are presented in Note E of the Notes to the Consolidated Financial Statements of CXP on pages 26 and 27 of CXP's Annual Report to Stockholders for the fiscal year ended March 31, 2000 (the "2000 CXP Annual Report").

	FOR THE FISCAL YEARS ENDED MARCH 31,				
	2000	1999	1998	1997	1996
	(In Millions)				
Contribution to Revenues:					
Cement	$159.0	$152.4	$140.4	$133.3	$125.7
Gypsum Wallboard	209.3	141.6	118.7	72.2	58.3
Concrete and Aggregates	55.5	46.9	42.0	36.8	39.9
Other, net	1.2	1.7	1.9	1.8	2.8
	425.0	342.6	303.0	244.1	226.7
Less Intersegment Sales	(6.3)	(6.5)	(5.7)	(4.7)	(4.1)
Total Net Revenues	$418.7	$336.1	$297.3	$239.4	$222.6
Contribution to Operating Earnings:					
Cement	$ 53.0	$ 56.8	$ 48.1	$ 39.8	$ 35.3
Gypsum Wallboard	107.6	56.6	35.8	20.5	11.9
Concrete and Aggregates	9.3	7.4	4.5	4.8	5.6
Other, net	1.2	1.7	1.9	1.8	2.8
	171.1	122.5	90.3	66.9	55.6
Corporate Overhead	(4.7)	(4.4)	(3.8)	(3.9)	(2.5)
Total Earnings Before Interest and Income Taxes	$166.4	$118.1	$ 86.5	$ 63.0	$ 53.1

Revenues for the past three years from each of the Company's industry segments, expressed as a percentage of total consolidated net revenues, were as follows:

	Percentage of Total Consolidated Net Revenues		
Segment:	2000	1999	1998
Cement	36.6%	43.5%	45.4%
Gypsum Wallboard	50.0	42.1	39.9
Concrete and Aggregates:			
Readymix Concrete	9.8	10.5	10.7
Aggregates	3.3	3.4	3.3
	13.1	13.9	14.0
Other, net	0.3	0.5	0.7
Total Consolidated Net Revenues	100.0%	100.0%	100.0%

CEMENT OPERATIONS

Company Operations. The Company's cement production facilities are located in or near Buda, Texas; LaSalle, Illinois; Laramie, Wyoming; and Fernley, Nevada. The Laramie, Wyoming and Fernley, Nevada facilities are wholly-owned. The Buda, Texas plant is owned by Texas-Lehigh Cement Company, a joint venture owned 50% by the Company and 50% by Lehigh Portland Cement Company, a subsidiary of Heidelberger Zement AG. The LaSalle, Illinois plant is owned by Illinois Cement Company, a joint venture owned 50% by CXP and 50% by RAAM Limited Partnership, a partnership controlled by members of the Pritzker family. The Company receives a management fee of $150,000 per year to manage the Illinois joint venture. The Company's Laramie, Wyoming plant operates under the name of Mountain Cement Company and the Fernley, Nevada plant under the name of Nevada Cement Company.

Cement is the basic binding agent for concrete, a primary construction material. The manufacture of portland cement primarily involves the extracting, crushing, grinding and blending of limestone and other raw materials into a chemically proportioned mixture which is then burned in a rotary kiln at extremely high temperatures to produce an intermediate product known as clinker. The clinker is cooled and interground with a small amount of gypsum to the consistency of face powder to produce finished cement. Clinker can be produced utilizing either of two basic methods, a "wet" or a "dry" process. In the wet process, the raw materials are mixed with water to the advantage of greater ease in the handling and mixing of the raw materials. However, additional heat, and therefore fuel, is required to evaporate the moisture before the raw materials can react to form clinker. The dry process, a more fuel efficient technology, excludes the addition of water into the process. Dry process plants are either preheater plants, in which hot air is recycled from the rotary kiln to preheat materials, or are precalciner plants, in which separate burners are added to accomplish a significant portion of the chemical reaction prior to the introduction of the raw materials into the kiln. As fuel is a major component in the cost of producing clinker, most modern cement plants, including all four of the plants operated by the Company, incorporate the more fuel efficient dry process technology. At present, approximately 80% of the Company's net clinker capacity is from preheater or preheater/precalciner kilns, compared to approximately one-half of U.S. cement capacity manufactured from such kilns.

Location	Rated Annual Clinker Capacity (Thousand short tons)(1)	Manufacturing Process	Number of Kilns	Dedication Date	Estimated Minimum Limestone Reserves (Years)
Buda, Texas (2)	1,200	Dry - 4 Stage Preheater	1	1978	60
		Flash Calciner		1983	
LaSalle, Illinois (2)	620	Dry - 4 Stage Preheater	1	1974	40
Laramie, Wyoming	600	Dry - 2 Stage Preheater	1	1988	30
		Dry - Long Dry Kiln	1	1996	
Fernley, Nevada	500	Dry - Long Dry Kiln	1	1964	15
		Dry - 1 Stage Preheater	1	1969	
Total - Gross(3)	2,920				
- Net (3)	2,010				

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(1) One short ton equals 2,000 pounds.

(2) The amounts shown represent 100% of plant capacity and production. These plants are owned by separate joint ventures, in each of which the Company has a 50% interest.

(3) Generally, a plant's cement grinding production capacity is greater than its clinker production capacity.

The Company's net cement production, excluding the joint venture partners' 50% interest in the Buda and LaSalle plants, totaled 2.07 million tons in fiscal 2000 and 2.05 million tons in fiscal 1999. Total net cement sales were 2.30 million tons in fiscal 2000 and 2.22 million tons in fiscal 1999 as all plants sold all of the product they produced. Cement production is capital-intensive and involves high fixed costs. As a result, plant capacity utilization levels are an important measure of a plant's profitability, since incremental sales volumes tend to generate increasing profit margins. During the past two years, the Company purchased cement from others to be resold. Purchased cement sales typically occur at lower gross profit margins. As a result of high downtime coupled with the kiln renovation at the Laramie plant, the Company had to purchase additional cement to replace lost manufactured cement sales. In fiscal 2000, 12.2% of the cement sold by the Company was acquired from outside sources, compared to 6.9% in fiscal 1999. During the second quarter of FY 2000 the Company completed a capital project that expanded the annual clinker capacity of the LaSalle, Illinois plant by approximately 85,000 tons and added a new finish mill.

Raw Materials and Fuel Supplies. The principal raw material used in the production of portland cement is calcium carbonate in the form of limestone. Limestone is obtained principally through the mining and extraction operations conducted at quarries owned or leased by the Company (including its joint ventures) and located in close proximity to its plants. The Company believes that the estimated recoverable limestone reserves owned or leased by it (or its joint ventures) will permit each of its plants to operate at its present production capacity for at least 30 years or, in the case of the Company's Nevada plant, at least 15 years. The Company expects that additional limestone reserves for its Nevada plant will be available when needed on an economically feasible basis, although such reserves may be more distant and more expensive to transport than the Company's existing reserves. Other raw materials used in substantially smaller quantities than limestone are sand, clay, iron ore and gypsum, that are either obtained from Company-owned or leased reserves or are purchased from outside suppliers.

The Company's cement plants use coal and coke as their primary fuel, but are equipped to burn natural gas as an alternative. The Company has not used hazardous waste-derived fuels in its plants. The Company's LaSalle, Illinois and Buda, Texas plants have been permitted to burn scrap tires as a partial fuel alternative. Electric power is also a major cost component in the manufacture of cement. The Company has sought to diminish overall power costs by adopting interruptible power supply agreements which may expose the Company to some production interruptions during periods of power curtailment.

Sales and Distribution. Demand for cement is highly cyclical and derived from the demand for concrete products which, in turn, is derived from demand for construction. According to estimates of the Portland Cement Association (the "PCA"), the industry's primary trade organization, the three construction sectors that are the major components of cement consumption are (i) public works construction, including public buildings, (ii) commercial and industrial construction and (iii) residential construction, which comprised 52%, 20% and 28%, respectively, of U.S. cement consumption in 1998, the most recent period for which such data is available. Public works construction was favorably impacted when the U.S. Congress passed legislation in 1998 known as the Transportation Equity Act for the 21st Century. This legislation authorized $218 billion in federal expenditures on highways, bridges and mass transit projects over the next six years. This represents a 44% increase over the previous six-year period, which ended in 1997. Construction spending and cement consumption have historically fluctuated widely. The construction sector is affected by the general condition of the economy and can exhibit substantial variations across the country as a result of the differing structures of the regional economies. Regional cement markets experience peaks and valleys correlated with regional construction cycles. Also, demand for cement is seasonal, particularly in northern states where inclement weather affects construction activity. Sales are generally greater from spring through the middle of autumn than during the remaining part of the year. While the impact on the Company of construction cycles in individual regions may be mitigated to some degree by the geographic diversification of the Company, profitability is very sensitive to shifts in the balance between supply and demand. As a consequence, the Company's cement segment sales and earnings follow a similar cyclical pattern.

The following table sets forth certain information regarding the geographic area served by each of the Company's cement plants and the location of the Company's distribution terminals in each area. The Company has a total of 11 cement storage and distribution terminals that are strategically located to extend the sales areas of its plants.

Plant Location	Principal Geographic Areas	Distribution Terminals
Buda, Texas	Texas and western Louisiana	Corpus Christi, TX Houston, TX Orange, TX Roanoke (Fort Worth), TX Waco, TX
LaSalle, Illinois	Illinois and southern Wisconsin	Hartland, WI
Laramie, Wyoming	Wyoming, Utah, northern Colorado, western Nebraska and eastern Nevada	Rock Springs, WY Salt Lake City, UT Denver, CO North Platte, NE
Fernley, Nevada	Nevada (except Las Vegas) and northern California	Sacramento, CA

Cement is distributed directly to customers principally by common carriers, customer pick-up and, to a lesser extent, trucks owned by the Company. The Company transports cement principally by rail to its storage and distribution terminals. Cement is distributed primarily in bulk, but also in paper bags. No single customer accounted for as much as 10% of the Company's cement sales during fiscal 2000.

Sales are made on the basis of competitive prices in each area. As is customary in the industry, the Company does not typically enter into long-term sales contracts, except with respect to major construction projects.

Competition. The cement industry is extremely competitive as a result of multiple domestic suppliers and the importation of foreign cement through various terminal operations. Despite the price inelasticity with overall cement demand, competition among producers and suppliers of cement is based primarily on price, with consistency of quality and service to customers being important but of lesser significance. Price competition among individual producers and suppliers of cement within a geographic area is intense because of the fungible nature of the product. The U.S. cement industry is fragmented into regional geographic areas rather than a single national selling area. Because of cement's low value-to-weight ratio, the relative cost of transporting cement is high and limits the geographic area in which each company can market its products economically. No one cement company has a distribution of plants extensive enough to serve all geographic areas. The number of principal competitors of the Company's Texas, Illinois, Wyoming and Nevada plants are six, six, four and six, respectively, operating in these regional areas.

The United States cement industry comprises approximately 44 companies which own 107 gray cement plants with approximately 86 million tons of clinker manufacturing capacity (approximately 90 million tons of cement manufacturing capacity, assuming a 105% conversion ratio). The PCA estimates that U.S. portland cement demand totaled approximately 116 million tons in calendar 1999, with approximately 28% of such demand being satisfied by imported cement. Continued strength in all three construction sectors in calendar 1999 resulted in the sixth consecutive year of record setting cement consumption in the U.S. Based on the level of demand, the Company estimates that the cement industry as a whole operated in excess of 98% of its aggregate manufacturing capacity during calendar 1999. The PCA reports that, as of October 1999, approximately 26 plant modernization and expansion projects, including six new cement plants, have been announced or are underway. These projects, if completed, could add almost 22 million tons of new domestic cement manufacturing capacity and increase existing capacity by 24%. The announced expansions represent a significant change for the industry, but market forces and other factors may interfere with producers' plans. The Company does not anticipate that all of the industry's announced expansions will actually be constructed and because of the long lead times associated with adding additional capacity, any increased production capability is expected to be gradual over the next several years. The PCA has predicted U.S. cement use will grow to 128 million tons by

2004, compared with an estimated 116 million tons of cement consumption in calendar 1999. The Company, however, can offer no guarantee regarding this predicted increase in near-term demand. In addition, the Company does not know how much, if any, old, inefficient cement production capacity may be retired during this period. Even if all announced expansions are completed, a capacity deficit of approximately 16 million tons would still exist in 2004 if the PCA consumption projections are valid.

Cement imports into the United States occur primarily to supplement domestic cement production during peak demand periods. Throughout most of the 1980's, however, competition from low-priced imported cement in most coastal and border areas of the U.S. grew significantly, which included the company's Fernley, Nevada and Buda, Texas plants' markets. According to the PCA, the 1980's was a period of relatively high cement imports. This high level of imports depressed cement prices during a period of strong U.S. cement demand. As a result of antidumping petitions filed by a group of domestic cement producers, significant antidumping duty cash deposit requirements have been imposed on cement imported from Mexico since 1990 and from Japan since 1991. Venezuela signed a suspension agreement requiring it not to export to the U.S. at dumped prices. The existing antidumping orders and suspension agreement have contributed substantially to an improvement in the condition of the U.S. cement industry.

In the case of Mexico, margins to calculate cash deposit rates and the resulting antidumping duties are subject to annual review by the Department of Commerce and appeal to the U.S. Court of International Trade and the U.S. Court of Appeals for the Federal Circuit or to binational dispute panels under the North American Free Trade Agreement ("NAFTA").

Pursuant to the Uruguay Round Agreement, the General Agreement on Tariffs and Trade ("GATT") and the GATT Antidumping Code were superseded on January 1, 1995, by a new GATT that will be administered by the World Trade Organization. The antidumping orders outstanding against cement and clinker from Mexico and Japan and the suspension agreement on cement and clinker from Venezuela will remain in force. As a result of legislation passed by the U.S. Congress in 1994, Commerce and the ITC began conducting "sunset" reviews in 1999 of the antidumping orders and suspension agreements to determine whether they should be revoked or remain in effect for another five years. Results of the 1999 review is expected later in calendar 2000.

NAFTA thus far has had no material adverse effect on the antidumping duty cash deposit rates imposed on gray portland cement and clinker imported from Mexico. The Company does not believe that NAFTA will have a material, adverse effect on the foregoing antidumping duty cash deposit rates in the near future. A substantial reduction or elimination of the existing antidumping duties as a result of GATT, NAFTA or any other reason could adversely affect the Company's results of operations.

U.S. imports of foreign cement began to increase in the mid-1990's as the use of cement in the U.S. began to recover. The PCA has estimated that imports represented approximately 28% of cement used in the U.S. during 1999 as compared with approximately 23% in 1998 and 18% in 1997. Unlike the imports during the 1980's, however, most of the recent imports have provided an additional source of supply rather than disrupting the market with unfair prices. During most of the recent period of strong demand, the prices of cement imports rose. The increase was attributable, at least in part, to the influence of the outstanding antidumping orders and suspension agreements. While the average cost of imported cement rose during 1999, the cost of cement imports from some countries, particularly those from Southeast Asia, are less. Moreover, independently owned cement operators could undertake to construct new import facilities and begin to purchase large quantities of low-priced cement from countries not yet subject to antidumping orders, such as those in Asia, which could compete with domestic producers, as has happened in the Company's Houston, Texas market. The introduction of low-priced imported cement from such sources usually results in a decrease in the Company's result of operations.

Capital Expenditures. Capital expenditures during fiscal 2000 amounted to $10.3 million for the Company's cement segment compared with $7.5 million and $3.5 million in fiscal 1999 and 1998, respectively. Capital outlays in fiscal 2001 have been budgeted at approximately $6.6 million. Approximately 27% of the budgeted fiscal 2001 total is related to compliance with environmental regulations.

Environmental Matters. The cement manufacturing industry, including the operations of the Company, is regulated by federal, state and local laws and regulations pertaining to several areas including human health and safety and environmental compliance. The Comprehensive Environmental Response, Compensation, and Liability Act of 1980 ("CERCLA"), as amended by the Superfund Amendments and Reauthorization Act of 1986, as well as analogous laws in certain states, create joint and several liability for the cost of cleaning up or correcting releases to the environment of designated hazardous substances. Among those who may be held jointly and severally liable are those who generated the waste, those who arranged for disposal, those who owned or operated the disposal site or facility at the time of disposal, and current owners. In general, this liability is imposed in a series of governmental proceedings initiated by the identification of a site for initial listing as a "Superfund site" on the National Priorities List or a similar state list and the identification of potentially responsible parties who may be liable for cleanup costs. None of the Company's sites are listed as a "Superfund site."

The Company's operations are also potentially affected by the Resource Conservation and Recovery Act ("RCRA"), which is the primary federal statute governing the management of solid waste and which includes stringent regulation of solid waste that is considered hazardous waste. The Company's operations generate nonhazardous solid waste that may include cement kiln dust ("CKD"). Because of a RCRA exemption, known as the Bevill Amendment, CKD generated in the Company's operations is currently not considered a hazardous waste under RCRA, pending completion of a study and recommendations to Congress by the U.S. Environmental Protection Agency ("U.S. EPA"). Nevertheless, such CKD is still considered a solid waste and is regulated primarily under state environmental laws and regulations. The U.S. EPA has completed its review of CKD and has decided to promulgate regulations to govern the handling and disposal of CKD which will supersede the Bevill Amendment. The Bevill Amendment will remain in effect until those regulations are in place.

In the past, the Company collected and stored CKD on-site at its cement plants. The Company continues to store such CKD at its Illinois, Nevada and Wyoming cement plants and at a former plant site in Corpus Christi, Texas, which is no longer in operation. Currently, the Company recycles substantially all CKD related to present operations at all of its cement facilities. When the U.S. EPA removes the CKD exemption and develops particular CKD management standards in the future, the Company might be required to incur significant costs in connection with its CKD. CKD that comes in contact with water might produce a leachate with an alkalinity high enough to be classified as hazardous and might also leach certain hazardous trace metals therein.

Another issue of potential significance to the Company is global warming and the international accord on carbon dioxide stabilization/reduction. Carbon dioxide is a green house gas many scientists and others believe contributes to a warming of the Earth's atmosphere. In December 1997, the United Nations held an international convention in Kyoto, Japan to take further international action to ensure greenhouse gas stabilization and/or reduction after the turn of the century. The conference agreed to a protocol to the United Nations Framework Convention on Climate Change originally adopted in May 1992. The protocol establishes quantified emission reduction commitments for certain developed countries, including the U.S., and certain countries that are undergoing the process of transition to a market economy. These reductions are to be obtained by 2008-2012. The protocol was made available for signature by member countries starting in the spring of 1998. The protocol will require Senate ratification and enactment of implementing legislation before it becomes effective in the United States.

The consequences of greenhouse gas reduction measures for cement producers are potentially significant because carbon dioxide is generated from combustion of fuels such as coal and coke in order to generate the high temperatures necessary to manufacture cement clinker (which is then ground with gypsum to make cement). In addition, carbon dioxide is generated in the calcining of limestone to make cement clinker. Any imposition of raw material or production limitations or fuel-use or carbon taxes could have a significant impact on the cement manufacturing industry. It will not be possible to determine the impact on the Company, if any, until governmental requirements are defined and/or the Company can determine whether emission offsets and/or credits are obtainable, and whether alternative cementitious products or alternative fuel can be substituted.

The Company's cement kilns utilize coal, coke, natural gas, minimal amounts of self-generated waste oil, and scrap tires in the Illinois and Texas plants, as fuel.

In April 1992, one of the Company's subsidiaries, Nevada Cement Company ("NCC"), was identified as a potentially responsible party under CERCLA by the U.S. EPA at the North American Environmental, Inc. storage facility in Clearfield, Utah ("North American Environmental Site") because of allegations that NCC arranged for the disposal of hazardous substances at that site. The Company has records indicating that all of the hazardous substances originating from NCC that were temporarily stored at the North American Environmental Site were removed from the storage facility and destroyed in accordance with applicable laws. The Company is aware of no current estimates of the total remediation costs or the total volume of waste associated with this site. The U.S. EPA has identified the NCC cement plant site in Fernley, Nevada, as a potential hazardous waste site and entered it into the Comprehensive Environmental Response, Compensation, and Liability Information System ("CERCLIS") database in January 1992. U.S. EPA performed an assessment in 1992 under CERCLA at the NCC plant because of concerns over an unlined disposal pond and a citizen complaint about disposal of wastes. NCC cleaned up the contaminated soil in the vicinity of this pond under the jurisdiction of the Nevada Department of Conservation and Natural Resources, Division of Environmental Protection at an immaterial cost to NCC. There can be no assurance that the Company will not incur material liability in connection with the North American Environmental Site or the contamination concerns at the Fernley, Nevada plant site.

Another RCRA concern in the cement industry involves the historical disposal of refractory brick containing chromium. Such refractory brick was formerly widely used in the cement industry to line cement kilns. The Company currently crushes spent refractory brick and uses it as raw feed, but such brick does not contain chromium.

The Clean Air Act Amendments of 1990 (the "Amendments") provided comprehensive federal regulation of all sources of air pollution and established a new federal operating permit and fee program for virtually all manufacturing operations. The Amendments will likely result in increased capital and operational expenses for the Company in the future, the amounts of which are not presently determinable. The Company's U.S. operations have submitted detailed permit applications and will pay increased recurring permit fees. In addition, the U.S. EPA is developing regulations for toxic air pollutants under these Amendments for a broad spectrum of industrial sectors, including portland cement manufacturing. The U.S. EPA has indicated that the new maximum available control technology standards could require significant reduction of air pollutants below existing levels prevalent in the industry. Management has no reason to believe, however, that these new standards would place the Company at a competitive disadvantage.

The Federal Water Pollution Control Act, commonly known as the Clean Water Act ("Clean Water Act"), provides comprehensive federal regulation of all sources of water pollution. All applicable facilities currently have National Pollutant Discharge Elimination System ("NPDES") stormwater permits.

Management believes that the Company's current procedures and practices in its operations, including those for handling and managing materials, are consistent with industry standards. Nevertheless, because of the complexity of operations and compliance with environmental laws, there can be no assurance that past or future operations will not result in operational errors, violations, remediation or other liabilities or claims. Moreover, the Company cannot predict what environmental laws will be enacted or adopted in the future or how such future environmental laws will be administered or interpreted. Compliance with more stringent environmental laws, as well as potentially more vigorous enforcement policies of regulatory agencies or stricter interpretation of existing environmental laws, could necessitate significant capital outlays.

With respect to some of the Company's quarries used for the extraction of raw materials for its cement and gypsum wallboard operations and for the mining of aggregates for its aggregate operations, the Company is obligated under certain of its permits and certain regulations to engage in reclamation of land within the quarries upon completion of extraction and mining. The Company generally accrues the reclamation costs for each specific quarry.

GYPSUM WALLBOARD OPERATIONS

Company Operations. The Company owns and operates three gypsum wallboard manufacturing facilities, two located in Albuquerque and nearby Bernalillo, New Mexico and one located in Gypsum (near Vail), Colorado. The Company mines and extracts gypsum and then manufactures gypsum wallboard by first pulverizing quarried gypsum, then placing it in a calciner for conversion into plaster. The plaster is mixed with various chemicals and water to produce a mixture known as slurry, which is inserted between two continuous sheets of recycled paperboard on a high-speed production line and allowed to harden. The resulting sheets of gypsum wallboard are then cut to appropriate lengths, dried and bundled for sale. Gypsum wallboard is used to finish the interior walls and ceilings in residential, commercial and institutional construction. These panel products provide aesthetic as well as sound-dampening and fire-retarding value.

The Albuquerque plant was acquired in 1985, and was operated until early 1991. Following the start-up of the new Bernalillo plant in the spring of 1990, the Company elected to suspend operations at the Albuquerque plant due to weak market conditions. Operations at the Albuquerque plant were recommenced in May 1993, due to improvements in wallboard demand and prices. The Gypsum, Colorado gypsum wallboard plant and accompanying electric power cogeneration facility were purchased in February 1997. The plant originally commenced production in early 1990 and had been operated by an independent producer until its acquisition by CXP.

The following table sets forth certain information regarding these plants:

Location	Rated Annual Gypsum Wallboard Capacity (MMSF)(1)	Estimated Minimum Gypsum Rock Reserves (years)(2)
Albuquerque, New Mexico	390	80(3)
Bernalillo, New Mexico	470	80(3)
Gypsum, Colorado	630	35
Total	1,490	

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(1) Million Square Feet ("MMSF")
(2) Proven reserves only. See Raw Materials and Fuel Supplies section for additional reserves.
(3) The same reserves serve both New Mexico plants.

The Company's net gypsum wallboard production totaled 1,375 MMSF in fiscal 2000 and 1,151 MMSF in fiscal 1999. Total gypsum wallboard sales were 1,363 MMSF in fiscal 2000 and 1,155 MMSF in fiscal 1999.

During the third quarter of fiscal 1999, the Company completed a major capital project to modernize, upgrade and expand its Albuquerque, New Mexico plant that increased the plant's annual productive capacity by 60 MMSF, allowed for the production of 54" gypsum wallboard and significantly reduced fuel cost. The Company also completed a major capital project early in fiscal 2000 to expand the annual productive capacity of the Gypsum, Colorado plant by approximately 60% or 240 MMSF.

Raw Materials and Fuel Supplies. The Company mines and extracts gypsum rock, the principal raw material used in the manufacture of gypsum wallboard, from mines and quarries owned, leased or subject to claims owned by the Company and located near its plants. The New Mexico and Colorado mines and quarries are estimated to contain approximately 50 million tons and 21 million tons of proven and probable gypsum reserves, respectively. Based on its current production capacity, the Company estimates that the life of its existing gypsum rock reserves is approximately 80 years in New Mexico and 35 years Colorado.

Paper used in manufacturing gypsum wallboard is purchased by the Company from third-party suppliers. Approximately 90% of the Company's paper requirements are under two "evergreen" paper contracts, with both contracts having a twelve month notice provision for termination. The remainder of the Company's paper requirements are purchased on the open market from various suppliers. The Company does not believe that the loss of a supplier would have a material, adverse effect on its business.

The Company's gypsum wallboard manufacturing operations use large quantities of natural gas and electrical power. Substantially all of the Company's natural gas requirements for its gypsum wallboard plants are currently provided by two gas producers under gas supply agreements expiring in May 2000 for both the New Mexico and Colorado plants. If the agreements are not renewed, the Company expects to be able to obtain its gas supplies from other local gas producers at competitive prices. Electrical power is supplied to the Company's New Mexico plants at standard industrial rates by a local utility. The Company's Albuquerque plant adopted an interruptible power supply agreement which may expose it to some production interruptions during periods of power curtailment. Power for the Gypsum, Colorado plant is supplied by the cogeneration power facility that was acquired along with the gypsum wallboard plant in February 1997. Currently, the cogeneration power facility supplies only the power needs of the gypsum wallboard plant and does not sell any power to third parties.

Sales and Distribution. The principal sources of demand for gypsum wallboard are (i) residential construction, (ii) repair and remodeling, (iii) non-residential construction, and (iv) other activities such as exports and temporary construction, which the Company estimates accounted for approximately 42%, 37%, 15% and 6%, respectively, of calendar 1999 industry sales. While the gypsum wallboard industry remains highly cyclical, recent growth in the repair and remodeling segment, together with certain trends in new residential and commercial construction activity, have partially mitigated the impact of fluctuations in overall levels of new construction.

Although the percentage of gypsum wallboard shipments accounted for by new residential construction has declined in recent years, new residential construction remains the largest single source of gypsum wallboard demand. In recent years, demand has been favorably impacted by a shift toward more single-family detached housing within the new residential construction segment and by an increase in the size of the average single-family detached home.

The size of the total residential repair and remodel market grew to an estimated record $125 billion in 1998, up from $46 billion in 1980. Although data on commercial repair and remodel activity are not readily available, the Company believes that this segment has also grown significantly in recent years. The growth of the repair and remodeling market is primarily due to the aging of housing stock, remodeling of existing buildings and tenant turnover in commercial space. In addition, repair and remodeling activity has benefitted from the fact that it has increasingly come to be viewed by homeowners, particularly in recessionary periods, as a low cost alternative to purchasing a new house.

The Company sells gypsum wallboard to numerous building materials dealers, gypsum wallboard specialty distributors, home center chains and other customers located throughout the United States. One customer with multiple shipping locations accounted for approximately 11% of the Company's total gypsum wallboard sales during fiscal 2000. However, the Company does not believe that the loss of that customer would have a material adverse affect on the Company and its subsidiaries taken as a whole.

During fiscal 2000, the principal states in which the Company had gypsum wallboard sales were Colorado, Texas, Florida, New Mexico, and Illinois. Prior to fiscal 1992, most of the Company's gypsum wallboard sales were made in the western United States, with significant sales in California. However, due to the sharp decline in construction activity in California during the early 1990's, the Company has focused the distribution of its gypsum wallboard in various other areas of the country.

Although gypsum wallboard is distributed principally in regional areas, the Company and certain other producers have the ability to ship gypsum wallboard by rail outside their usual regional distribution areas to take advantage of these other regional increases in demand. The Company owns or leases 168 railcars for transporting gypsum wallboard. In addition, in order to facilitate distribution in certain strategic areas, the Company maintains a distribution center in Albuquerque, New Mexico and four reload yards in Florida, Alabama and Illinois. The Company's rail distribution capabilities permit it to reach customers in all states west of the Mississippi River and many eastern states. During fiscal 2000, approximately 25% of the Company's sales volume of gypsum wallboard was transported by rail.

Competition. There are eleven manufacturers of gypsum wallboard operating a total of 82 plants. The Company estimates that the three largest producers - USG Corporation, National Gypsum Company and Georgia-Pacific Corporation - account for approximately 80% of gypsum wallboard sales in the United States. In 1996 and early 1997, the industry experienced some consolidation, the largest being Georgia-Pacific Corporation's purchase of the gypsum wallboard business of Domtar, Inc. In general, a number of the Company's competitors in the gypsum wallboard industry have greater financial, manufacturing, marketing and distribution resources than the Company. Furthermore, certain of its competitors have vertically integrated operations consisting of gypsum wallboard manufacturing plants, paper mills and distribution centers, which may provide them with certain cost advantages over the Company.

Competition among gypsum wallboard producers is primarily on a regional basis, with local producers benefitting from lower transportation costs, and to a lesser extent on a national basis. Because of the commodity nature of the product, competition is based principally on price and, to a lesser extent, on product quality and customer service.

Total United States gypsum wallboard production capacity is estimated currently at 31.6 billion square feet per year, a 9% rise from 1998. The Gypsum Association, an industry trade group, estimates that total calendar 1999 gypsum wallboard shipments were approximately 28.8 billion square feet, resulting in industry capacity utilization of 100% until the fall of 1999 when new capacity came on line.

During the past three years, a number of the Company's competitors in the gypsum wallboard industry commenced, or announced an intention to commence, capital expansion projects to construct new gypsum wallboard manufacturing facilities or to expand existing facilities. The completion of these projects, if all of them are actually started and carried through to completion, could increase domestic industry capacity over the next two years by up to 14%. However, some or all of this additional capacity could be absorbed if there is an increase in domestic demand (over the past 25 years demand for gypsum wallboard in the United States has increased at an average annual rate of 4%) and/or if less efficient plants are shut down. Late in fiscal 2000, the gypsum wallboard industry shifted from market allocations to an "over" supply situation. Consequently, pricing peaked in October 1999 and started to decline. If during the next two years there is no corresponding increase in domestic demand for gypsum wallboard and/or no corresponding shut down of inefficient or marginally efficient gypsum wallboard plants, gypsum wallboard prices will likely decline further, thus negatively impacting future results in the Company's Gypsum Wallboard group.

Capital Expenditures. Capital expenditures during fiscal 2000 for the gypsum wallboard segment amounted to $10.8 million; $24.2 million in fiscal year 1999; and $7.9 million in fiscal year 1998. Capital outlays in fiscal 2001 have been budgeted at approximately $2.4 million with 35% of the expenditures related to compliance with environmental regulation. The majority of the fiscal 1999 expenditures ($22.3 million) were for the Albuquerque, New Mexico and Gypsum, Colorado plant upgrade projects.

Environmental Matters. The gypsum wallboard industry is subject to environmental regulations similar to those governing the Company's cement operations. None of the Company's gypsum wallboard operations are presently the subject of any local, state or federal environmental proceedings or inquiries. The Company does not, and has not, used asbestos in any of its gypsum wallboard products.

In the fiscal year ended March 31, 1996, one of the Company's gypsum wallboard subsidiaries entered into a consent order with the U.S. EPA to settle claims of the U.S. EPA against potentially responsible parties with respect to a waste disposal facility in Broomfield, Colorado. The Company's subsidiary contracted with the facility for the disposal of a small amount of liquid waste. The facility was eventually closed by governmental agencies. The Company's subsidiary settled this matter by entering into the consent order and paying approximately $50 into a settlement fund.

CONCRETE AND AGGREGATES OPERATIONS

Company Operations. Readymix concrete, a versatile, low-cost building material used in almost all construction, involves the mixing of cement, sand, gravel, crushed stone and water to form concrete which is then sold and distributed to numerous construction contractors. Concrete is produced in batch plants and transported to the customer's job site in mixer trucks.

The construction aggregates business consists of the mining, extraction, production and sale of crushed stone, sand, gravel and lightweight aggregates such as expanded clays and shales. Construction aggregates of suitable characteristics are employed in virtually all types of construction, including the production of portland and asphaltic cement concrete mixes and in highway construction and maintenance.

As in the cement industry, the demand for readymix concrete and aggregates largely depends on regional levels of construction activity. The construction sector is subject to the vagaries of weather conditions, the availability of financing at reasonable rates and overall fluctuations in regional economies, and therefore tends to be cyclical. Both the concrete and aggregates industries are highly fragmented, with numerous participants operating in local areas. Because the cost of transporting concrete and aggregates is very high relative to product values, producers of concrete and aggregates typically can sell their products only in areas within 100 miles of their production facilities. Barriers to entry in each industry are low, except with respect to environmental permitting requirements for new aggregate production facilities and zoning of land to permit mining and extraction of aggregates.

The Company produces and distributes readymix concrete north of Sacramento, California and in Austin, Texas. The following table sets forth certain information regarding these operations:

Location	Number of Plants	Number of Trucks
Northern California	5	41
Austin, Texas	5	73
Total	10	114

The Company's production of readymix concrete reached a ten-year peak of 992,000 cubic yards in 1986. In response to decreased demand in the northern California and Austin areas, production declined to 430,000 cubic yards in fiscal 1990. Since that date, production has increased each successive year as market conditions continue to improve. The Company believes that it has the capacity to increase its concrete production from existing levels by adding to its fleet of trucks. The Company's net readymix concrete production was 788,000 cubic yards in fiscal 2000 and 706,000 cubic yards in fiscal 1999.

The Company conducts aggregate operations near its concrete facilities in northern California and Austin, Texas. Aggregates are obtained principally by mining and extracting from quarries owned or leased by the Company and located in close proximity to its plants. The following table sets forth certain information regarding these operations:

Location	Types of Aggregates	Estimated Annual Production Capacity (Thousand tons)(1)	Estimated Minimum Reserves (Years)
Northern California	Sand and Gravel	1,400	100
Austin, Texas	Limestone	2,300(2)	70
Total		3,700	

- ---------
(1) Based on single-shift operation.
(2) Buda and Georgetown Quarries.

The Company's total net aggregate sales were 3.4 million tons in fiscal 2000 and 2.9 million tons in fiscal 1999. Total aggregates production was 3.9 million tons in fiscal 2000 and 3.1 million tons in fiscal 1999. A portion of the Company's total aggregates production is used internally by the Company's readymix concrete operations.

Raw Materials. The Company supplies 100% and 64% of its cement requirements for its Austin and northern California concrete operations, respectively. The Company supplies approximately 36% and 28%, respectively, of its aggregates requirements for its Austin and northern California concrete operations. The Company obtains the balance of its cement and aggregates requirements from multiple sources in each of these areas.

The Company is engaged in negotiations with state and federal government agencies over issues of title to a portion of its principal aggregates deposit in northern California. Even if the negotiations are unsuccessful in resolving adverse claims, the undisputed portion of the Company's California aggregate deposit contains sufficient reserves to serve the Company's needs. See "Item 3, Legal Proceedings."

Sales and Distribution. The Company sells readymix concrete to numerous contractors and other customers in each plant's selling area. The Company's batch plants in Austin and northern California are strategically located to serve each selling area. Concrete is delivered from batch plants by trucks owned by the Company.

The Company sells aggregates to building contractors and other customers engaged in a wide variety of construction activities. Aggregates are delivered from the Company's aggregate plants by common carriers, customer pick-up and, to a lesser extent, trucks owned by the Company. No single customer accounted for more than 10% of the Company's concrete or aggregates sales during fiscal 2000. The Company is attempting to secure a rail link from its principal aggregates deposit north of Sacramento, California to extended markets.

Competition. Competition among concrete producers within the Company's northern California and Austin selling areas is strong. The Company's competitors include five small and four large concrete producers in the northern California area and five large and four small concrete producers in the Austin area.

Both concrete and aggregates are commodity products. Each type of aggregate is sold in competition with other types of aggregates and in competition with other producers of the same type of aggregates. Accordingly, competition in both the concrete and aggregates businesses is based principally on price and, to a lesser extent, on product quality and customer service.

Capital Expenditures. Capital expenditures during fiscal 2000 amounted to $6.9 million for the concrete and aggregates segment compared with $2.1 million and $2.0 million in fiscal 1999 and 1998, respectively. Capital outlays in fiscal 2001, have been budgeted at approximately $11.7 million. Approximately 2% of the budgeted fiscal 2001 total is related to compliance with environmental regulations.

Environmental Matters. The concrete and aggregates industry is subject to environmental regulations similar to those governing the Company's cement operations. None of the Company's concrete or aggregates operations are presently the subject of any local, state or federal environmental proceeding or inquiries.

EMPLOYEES

The Company and its subsidiaries had approximately 1,190 employees at March 31, 2000. Approximately 17% of the employees are represented by collective bargaining units. The number of employees of the Company is 13.

FORWARD-LOOKING STATEMENTS

The Management's Discussion and Analysis of Financial Condition and Results of Operations (incorporated by reference herein from the 2000 CXP Annual Report) and other sections of the 2000 CXP Annual Report and this Annual Report on Form 10-K contain forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, Section 21E of the Securities Exchange Act of 1934 and the Private Securities Litigation Reform Act of 1995. Forward-looking statements may be identified by the context of the statement and generally arise when the Company is discussing its beliefs, estimates or expectations. These statements are not guarantees of future performance and involve a number of risks and uncertainties. These statements involve known and unknown risks and uncertainties that may cause the Company's actual results to be materially different from planned or expected results. Those risks and uncertainties include, but are not limited to, the cyclical and seasonal nature of the Company's business, public infrastructure expenditures, adverse weather, availability of raw materials, unexpected operational difficulties, governmental regulation and changes in governmental and public policy, changes in economic conditions specific to any one or more of the Company's markets, competition, announced increases in capacity in the gypsum wallboard and cement industries, general economic conditions, and interest rates. Investors should take such risks and uncertainties into account when making investment decisions. The Company undertakes no obligation to update publicly any forward-looking statements as a result of new information, future events or other factors.

ITEM 2. PROPERTIES

The Company operates cement plants, quarries and related facilities at Buda, Texas; LaSalle, Illinois; Fernley, Nevada and Laramie, Wyoming. The Buda and LaSalle plants are each owned by separate joint ventures in which CXP has a 50% interest. The Company's principal aggregate plants and quarries are located in Austin, Texas and Marysville, California. In addition, the Company operates gypsum wallboard plants in Albuquerque and nearby Bernalillo, New Mexico and Gypsum, Colorado. None of the Company's facilities are pledged as security for any debts.

See "Item 1. Business" on pages 1-14 of this Report for additional information relating to the Company's properties.

ITEM 3. LEGAL PROCEEDINGS

The Company's Western Aggregates, Inc. subsidiary ("WAI") has received notices of possible title claims of the United States and State of California relating to WAI's leasehold interest under a 99-year mineral lease on the aggregates in 10,000 acres of property north of Sacramento, California commonly known as the Yuba Goldfields. WAI is negotiating with the government authorities in an effort to resolve these title claims. The Company cannot predict the outcome of negotiations with the United States or the State of California. However, even if such negotiations are unsuccessful in resolving the adverse title claims to lands in the Yuba Goldfields, the Company believes that the portion of WAI's mineral lease which is not in dispute contains sufficient estimated reserves to meet WAI's current mining requirements for aggregates for a period of more than 100 years. Accordingly, the Company believes that, the title claims of the United States and the State of California to lands in the Yuba Goldfields will not have a material, adverse effect on the financial condition or the results of operations of the Company.

In addition to the matters described above, the Company is a party to certain other ordinary legal proceedings incidental to its business. In general, although the outcome of litigation is inherently uncertain, the Company believes that none of the litigation matters in which the Company or any subsidiary is involved, if determined unfavorably to the Company or any subsidiary, would have a material, adverse effect on the consolidated financial condition or operations of the Company.

ITEM 4. SUBMISSION OF MATTERS TO A VOTE OF SECURITY HOLDERS

None

EXECUTIVE OFFICERS OF CXP (SEE ITEM 10 OF PART III)

The following is a listing of the Company's executive officers, as such term is defined under the rules and regulations of the Securities and Exchange Commission. All of these executive officers, except for Mr. House and Mr. Sells, have been employed by the Company and/or one or more subsidiaries of the Company for at least the past five years. All executive officers were elected by the Board of Directors of the Company on July 15, 1999, to serve until the next Annual Meeting of Directors or until their respective successors are duly elected and qualified or appointed as the case may be. There is no family relationship between any of these officers.

Name	Age	Positions with CXP
Richard D. Jones, Jr.	54	President and Chief Executive Officer (President since January 1998; Chief Executive Officer since July 1999; Executive Vice President from January 1990 through December 1997).
Arthur R. Zunker, Jr.	56	Senior Vice President - Finance and Treasurer (Senior Vice President - Finance and Treasurer since January 1994; Senior Vice President - Administration from August 1984 to January 1994).
H. David House	58	Executive Vice President - Gypsum (Executive Vice President - Gypsum since January 1998; President of American Gypsum Company since June 1997; President of James Hardie Gypsum Division from August 1993 through May 1996).

Name	Age	Positions with CXP
Steven R. Rowley	47	Executive Vice President - Cement (Executive Vice President - Cement since January 1998; Executive V.P. of Illinois Cement Company from June 1995 through December 1997; Plant Manager at Nevada Cement Company from April 1991 through May 1995).
Robert A. Sells	44	Executive Vice President - Concrete/Aggregates (Executive Vice President - Concrete/Aggregates since June 1999).

PART II

ITEM 5. MARKET FOR REGISTRANT'S COMMON EQUITY AND RELATED STOCKHOLDER MATTERS

(See Item 7 below.)

ITEM 6. SELECTED FINANCIAL DATA

(See Item 7 below.)

ITEM 7. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The information called for by Items 5, 6 and 7 is incorporated herein by reference to the information set forth under the following captions (on the page or pages indicated) in the 2000 CXP Annual Report:

Items	Caption in the 2000 CXP Annual Report	Pages
5	Stock Prices and Dividends	Inside Front Cover
5	Indebtedness (Note C to Consolidated Financial Statements of CXP)	24
6	Summary of Selected Financial Data	40-41
7	Short-term Borrowings and Long-term Debt (Note C to Consolidated Financial Statements of CXP)	24
7	Management's Discussion and Analysis of Financial Condition and Results of Operations	34-39

ITEM 8. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA

The information called for in this Item 8 is incorporated herein by reference to the 2000 CXP Annual Report as set forth in the index to consolidated financial statements and schedules on page 18 of this Report (see Item 14).

ITEM 9. CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE

None

PART III

ITEM 10. DIRECTORS AND EXECUTIVE OFFICERS OF THE REGISTRANT

(See Item 11 below.)

ITEM 11. EXECUTIVE COMPENSATION

Except for the information relating to the executive officers of the Company, which follows Item 4 of Part I of this Report, the information called for by Items 10, 11, 12 and 13 is incorporated herein by reference to the information included and referenced under the following captions (on the page or pages indicated) in the Company's Proxy Statement dated June 21, 2000, for the Company's July 20, 2000 Annual Meeting of Stockholders (the "2000 CXP Proxy Statement"):

Items	Caption in the 2000 CXP Proxy Statement	Pages
10	Election of Directors	2-4
10	Section 16(a) Compliance	16
11	Executive Compensation	10-15
12	Security Ownership of Management and Certain Beneficial Owners	8-9
13	Certain Transactions	16

ITEM 12. SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT

(See Item 11 above.)

ITEM 13. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS

(See Item 11 above.)

PART IV

ITEM 14. EXHIBITS, FINANCIAL STATEMENTS SCHEDULES AND REPORTS ON FORM 8-K

(a) The following documents are filed as part of this Report.

(1) and (2) See the Index to Consolidated Financial Statements and Schedules below for a list of the Financial Statements and Financial Statement schedules filed herewith.

INDEX TO CONSOLIDATED FINANCIAL STATEMENTS AND SCHEDULES

CENTEX CONSTRUCTION PRODUCTS, INC.	Reference 2000 CXP Annual Report Page
Report of Independent Public Accountants	33
Statements of Consolidated Earnings for the years ended March 31, 2000, 1999 & 1998	16
Consolidated Balance Sheets as of March 31, 2000 & 1999	17
Statements of Consolidated Cash Flows for the years ended March 31, 2000, 1999 & 1998	18
Statements of Comprehensive Earnings for the years ended March 31, 2000, 1999 & 1998	19
Statements of Consolidated Stockholders' Equity for the years ended March 31, 2000, 1999 & 1998	20
Notes to Consolidated Financial Statements	21-32
Quarterly Results (Unaudited)	42

Consolidated supporting schedules have been omitted either because the required information is contained in notes to the consolidated financial statements or because such schedules are not required or are not applicable.

(3) Exhibits

The information on exhibits required by this Item 14 is set forth in the CXP Index to Exhibits appearing on page 20 and 21 of this Report.

(b) Reports on Form 8-K:

None

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the registrant in the capacities and on the dates indicated.

June 20, 2000	/s/ RICHARD D. JONES, JR. --- Richard D. Jones, Jr., Director, President and Chief Executive Officer (principal executive officer)
June 20, 2000	/s/ ARTHUR R. ZUNKER, JR. --- Arthur R. Zunker, Jr., Senior Vice President - Finance and Treasurer (principal financial and accounting officer)
June 20, 2000	/s/ ROBERT L. CLARKE --- Robert L. Clarke, Director
June 20, 2000	/s/ LAURENCE E. HIRSCH --- Laurence E. Hirsch, Chairman
June 20, 2000	/s/ DAVID W. QUINN --- David W. Quinn, Director
June 20, 2000	/s/ HAROLD K. WORK --- Harold K. Work, Director

INDEX TO EXHIBITS
CENTEX CONSTRUCTION PRODUCTS, INC.
AND SUBSIDIARIES

Exhibit Number	Description of Exhibits
3.1	Restated Certificate of Incorporation of Centex Construction Products, Inc. (the "Company")(filed as Exhibit 3.1 to the Form S-8 Registration Statement of the Company (No. 33-82928)(the "S-8 Registration Statement"), filed on August 16, 1994, and incorporated herein by reference)
3.2	Amended and Restated Bylaws of the Company (filed as Exhibit 3.2 to the S-8 Registration Statement and incorporated herein by reference)
4.1	Form of Certificate evidencing Common Stock (filed as Exhibit 4.1 to Amendment No. 3 to the Form S-1 Registration Statement of the Company (No. 33-74816), filed on April 4, 1994, ("Amendment No. 3"), and incorporated by reference herein)
4.2	Credit Agreement dated as of April 18, 1994, among the Company, The First National Bank of Chicago, individually and as agent, and the other lenders named therein (filed as Exhibit 4.2 to the Annual Report on Form 10-K of the Company (File No. 1-12984) for the fiscal year ended March 31, 1995 (the "Form 10-K") and incorporated herein by reference)
4.3	Amendment No. 1 to the Credit Agreement, dated as of March 20, 1996, among the Company, the First National Bank of Chicago, individually and as agent, and the other lenders named therein (filed as Exhibit 4.3 to the Annual Report on Form 10-K of the Company (File No. 1-12984) for the fiscal year ended March 31, 1996 and incorporated herein by reference)
4.4	Amendment No. 2 to the Credit Agreement, dated as of March 27, 1998, among the Company, the First National Bank of Chicago, individually and as agent, and the other lenders named therein
10.1	Joint Venture Agreement between Ilce, Inc. (f/k/a Illinois Cement Company, Inc.) and RAAM Limited Partnership, dated April 1, 1972, as amended (filed as Exhibit 10.1 to the Form S-1 Registration Statement (No. 33-74816) of the Company, filed on February 4, 1994, (the "S-1 Registration Statement") and incorporated herein by reference)
10.2	Joint Venture Agreement by and among Texas Cement Company, the Company, and Lehigh Portland Cement Company, dated March 25, 1986, as amended (filed as Exhibit 10.2 to the S-1 Registration Statement) and incorporated herein by reference)
10.3	The Centex Construction Products, Inc. amended and restated Stock Option Plan (filed as Exhibit 10.3 to the Annual Report on Form 10-K of the Company (File No. 1-12984) for the fiscal year ended March 31, 1997 and incorporated herein by reference)(1)

10.4*	Amended and Restated Supplemental Executive Retirement Plan of Centex Construction Products, Inc.(1)
10.5	Indemnification Agreement dated as of April 19, 1994, between the Company and Centex Corporation ("Centex") (filed as Exhibit 10.5 to the 1995 Form 10-K and incorporated herein by reference)
10.6	Tax Separation Agreement dated as of April 1, 1994, among Centex, the Company and its subsidiaries (filed as Exhibit 10.6 to the 1995 Form 10-K and incorporated herein by reference)
10.7	Administrative Services Agreement dated as of April 1, 1994, between the Company and Centex Service Company (filed as Exhibit 10.7 to the 1995 Form 10-K and incorporated herein by reference)
10.8	Trademark License Agreement dated as of April 19, 1994, between the Company and Centex (filed as Exhibit 10.8 to the 1995 Form 10-K and incorporated herein by reference)
10.9	Form of Indemnification Agreement between the Company and each of its directors (filed as Exhibit 10.9 to Amendment No. 3 and incorporated herein by reference)(1)
10.10	Limited Liability Company Unit Purchase Agreement (EGP), dated as of December 5, 1997, among Centex American Gypsum Company, Centex Eagle Gypsum Company, and Eagle-Gypsum Products (filed as Exhibit 2.1 to the Company's Current Report on Form 8-K (File No. 1-12984), filed on March 12, 1997, (the "Form 8-K") and incorporated herein by reference)
10.11	Limited Liability Company Unit Purchase Agreement (NES), dated as of December 5, 1997, among Centex American Gypsum Company, CEGC Holding Company, and National Energy Systems, Inc. (filed as Exhibit 2.2 to the Form 8-K and incorporated herein by reference)
13**	Annual Report to Stockholders of the Company for fiscal year ended March 31, 2000 (the "Annual Report to Stockholders")
21*	Subsidiaries of the Company
23*	Consent of Independent Public Accountants
27*	Financial Data Schedule

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* Filed herewith.

** With the exception of the information expressly incorporated by reference in this Annual Report on Form 10-K from the Annual Report to Stockholders, the Annual Report to Stockholders is not deemed filed with the Commission as a part of this Annual Report on Form 10-K.

(1) Required to be identified as a management contract or a compensatory plan or arrangement pursuant to Item 14(a)(3) of Form 10-K.

EXHIBIT 10.4

1 February 2000

SERP

CENTEX CONSTRUCTION PRODUCTS, INC.
AMENDED AND RESTATED
SUPPLEMENTAL EXECUTIVE RETIREMENT PLAN

PURPOSE

Under the Internal Revenue Code (the "Code") the federal government sets a limit (currently $170,000) on the amount of annual compensation which may be considered in determining, for the account of an eligible participant, a company's contribution to a tax-qualified defined contribution plan, including the Profit Sharing and Retirement Plan of Centex Construction Products, Inc. (the "Plan"). The purpose of this non-qualified Supplemental Executive Retirement Plan ("SERP") is to establish balances for each participant in this SERP in an amount substantially equal to the additional contribution which he or she would have received under the Plan had 100% of his or her annual salary been eligible for a profit sharing contribution. The first SERP contribution was for the Plan year ended March 31, 1995. The Plan year was changed to a calendar year basis in 1999.

ELIGIBILITY

All current participants in the Plan whose employer's contribution, other than a 401(k) contribution, is reduced either by the compensation limit under Section 401(k)(17) of the Code (currently $170,000) or in order to satisfy any of the non-discrimination tests applicable to the Plan, such as Section 410(b)(2) of the Code, which is commonly referred to as the "average benefits test". Those provisions of the Code which so limit the employer's contribution are herein called the "Limitations". New employees paid annual compensation in excess of the Limitations (including an employee who does not yet qualify for participation in the Plan, provided that he or she does subscribe to the Plan when he or she becomes eligible to do so), and participants in the Plan who first meet the eligibility standards after subscribing to the Plan, may be added to this SERP at the sole discretion of either the Chairman of the Board or the President and Chief Executive Officer of Centex Construction Products, Inc. (the "Company").

FUNDING

This is an unfunded, non-qualified plan. The amounts to be allocated to each participant for both contributions and earnings will be reflected only as accrued liabilities on the books and records of the Company. The participants will thus be unsecured creditors of the Company. From time to time the Company may, in its sole and absolute discretion, create and administer separate accounts for one or more participants which the Company may fund, from time to time, in amounts which are equivalent to the total account of the participant.

CONTRIBUTIONS

The annual SERP accrual for the account of each participant will be calculated using the total compensation which, but for the Limitations, would be eligible for a profit sharing contribution under the Plan ("Total Compensation") less the amount which has been considered for the Plan contribution (this amount will be $170,000 for the Plan year ending December 31, 2000, and is subject to upward adjustment in future years as permitted by law). The difference between Total Compensation and that considered in the Plan is herein called "Excess Salary".

The accrual contribution to be allocated to the account of a participant in the SERP will be the product of his or her Excess Salary times the percent of salary used by his or her employer in calculating the Plan contribution. Should the Plan formula be changed in future years such that the contribution is not calculated exclusively as a percentage of compensation, then the percentage to be used for the SERP shall represent the percentage derived by dividing the total profit sharing contribution for the applicable employer by the sum of all of Total Compensation for all of that employer's Plan participants.

EARNINGS

Each participant may designate how his or her SERP account balance is to be invested by the Company and will have a "phantom" account whose results will match the result of the investments made by the Company. Each participant may so designate how his or her SERP balance is to be invested by the Company by selecting among the various investment options available to him or her as a participant in the Plan. If a participant does not notify Fidelity, the offeror of such various investment options, as to which investment options he or she selects, then such account balance will be invested in the Fidelity Freedom 2000 Fund, which is heavily invested in fixed income securities, or its successor.

PAYOUT

Upon termination of employment, including retirement from the Company and all its subsidiaries and affiliates (including Centex Corporation and its subsidiaries) the Company will become obligated to pay to an employee the entire vested balance in his or her account in the SERP. Payout will be made on the same basis as payout to the employee under the Plan, subject to the following:

1. The Company may, in its sole and absolute discretion, pay out the entire SERP balance to such participant, regardless of whether or not such participant has elected to maintain his or her balance in the Plan, at any time upon 90 days prior written notice.

2. If the balance of the SERP account at the time of termination of employment is less than $5,000, then within thirty (30) days following termination of employment the vested portion of his or her account balance will be disbursed to such participant, and thereafter he or she will have no further interest in the SERP.

3. Following termination of employment upon retirement, if the participant is entitled to and, with the consent of the Company, does leave his or her SERP account balance in place, then the account will be credited with earnings at the same rate as active participants, depending upon the investment selections made by the retired participant.

4. Following termination of employment for any reason other than retirement, if the participant is entitled to and, with the consent of the Company, does leave his or her SERP account balance in place, then the account will be credited with earnings at the lesser of the rate earned by the participant's Plan account for the year or 80% of the average Bank of America prime interest rate for the year. Such participant will not have the option of using the phantom accounts offered by Fidelity for active participants.

5. Vesting of SERP balances will be identical to vesting of employer contributions to the Plan. Thus, if a terminated employee is only 60% vested in the Plan, the vesting in the SERP balance and accumulated earnings will also be 60%. No participant will be entitled to borrow or withdraw early any part of his or her vested balance.

MODIFICATION, SUSPENSION OR TERMINATION OF SERP

The Company may at any time amend, suspend or terminate the SERP. However, the amount accrued in the account of a participant in the SERP will not be reduced. If the SERP is suspended or terminated, the amount accrued in each account but not paid to the participant will continue to accrue interest at a rate equal to 80% of the prime rate charged from time to time by Bank of America until payout of such sum to the participant.

EXHIBIT 13

A solid foundation for transition and growth

6th RECORD YEAR

Centex Construction Products, Inc.

[Drawing of a tree]

2000 ANNUAL REPORT

Centex Construction Products, Inc. (NYSE: CXP) produces and distributes building materials used to construct the nation's homes, commercial and industrial buildings, and infrastructure. CXP is one of two publicly held companies operating in the Cement, Gypsum Wallboard, and Concrete and Aggregates industries. At March 31, 2000, CXP was 64.4%-owned by Centex Corporation.

Stock Prices and Dividends

	Fiscal Year Ended March 31, 2000			Fiscal Year Ended March 31, 1999		
	Price			Price		
Quarter	High	Low	Dividends	High	Low	Dividends
First	$ 39 1/2	$ 33	$ 0.05	$ 42 3/4	$ 35 3/8	$ 0.05
Second	$ 41 13/16	$ 34 11/16	$ 0.05	$ 45 1/8	$ 34 3/4	$ 0.05
Third	$ 39	$ 33 1/16	$ 0.05	$ 41	$ 31 1/4	$ 0.05
Fourth	$ 39	$ 22 5/8	$ 0.05	$ 40 15/16	$ 33 15/16	$ 0.05

The common stock of Centex Construction Products, Inc. is traded on the New York Stock Exchange (ticker symbol CXP). The approximate number of record holders of the common stock of CXP as of May 31, 2000 was 305. The closing price of CXP's common stock on the New York Stock Exchange on May 31, 2000 was $30.00.

Centex Construction Products, Inc.

CEMENT

CXP's four manufacturing plants and network of 11 distribution terminals produce and market Cement in the western half of the United States. Annual production capacity, net of two joint-venture partners' interests, is approximately 2.1 million tons, or about 2.3% of the nation's total capacity. CXP is the fourth largest domestically owned Cement manufacturer and the twelfth largest Cement producer in the U.S.

GYPSUM WALLBOARD

CXP's Gypsum Wallboard operation, which includes three facilities located in New Mexico and Colorado, is the nation's fifth largest Wallboard producer. Together, the plants have a total annual production capacity of approximately 1.5 billion square feet, representing about 4.7% of total U.S. capacity. During fiscal 2000, CXP's Gypsum Wallboard production was shipped by rail and by truck to a total of 39 states throughout the continental United States.

CONCRETE AND AGGREGATES

CXP's Concrete and Aggregates operations consist of 10 Readymix Concrete batch plants, approximately 114 Readymix trucks and three Aggregates production facilities, all of which are located in northern California and central Texas. CXP's northern California Aggregates deposit is believed to be the largest single permitted Aggregates deposit in that area. CXP's Aggregates operation's total annual single shift production capacity is approximately 3.7 million tons.

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Centex Construction Products, Inc. and Subsidiaries

Financial Highlights
(amounts in thousands, except per share data)

	For the Years Ended March 31, 2000	1999	1998	1997	1996
Revenues	$418,695	$336,073	$297,322	$239,380	$222,594
Earnings Before Income Taxes	$170,177	$121,127	$ 88,333	$ 64,406	$ 52,304
Net Earnings	$108,232	$ 77,289	$ 56,533	$ 41,799	$ 33,944
Diluted Earnings Per Share	$ 5.63	$ 3.71	$ 2.56	$ 1.89	$ 1.47
Cash Dividends Per Share(1)	$ 0.20	$ 0.20	$ 0.20	$ 0.20	$ 0.05
Debt	$ 400	$ 480	$ 560	$ 2,640	$ 720
Stockholders' Equity	$340,472	$279,920	$274,803	$239,436	$216,462
Average Diluted Shares Outstanding	19,211	20,832	22,063	22,174	23,023
Book Value Per Share At Year End	$ 18.33	$ 14.18	$ 12.77	$ 10.89	$ 9.42

(1) Declared initial quarterly cash dividend of five cents per share on March 12, 1996.

TO OUR SHAREHOLDERS

Fiscal 2000, CXP's sixth consecutive year of stellar financial results, was also a period of significant operational and strategic achievement for the Company - establishing a firm foundation for our future growth.

- Net earnings, earnings per share, operating earnings and revenues for fiscal 2000 all reached record levels.

- CXP's gross operating margin rose to 41% in fiscal 2000 from 36% in fiscal 1999.

- For fiscal 2000, CXP's annualized rate of return on beginning stockholders' equity was 38.7% versus 28.1% for fiscal 1999.

- At March 31, 2000, CXP had $96 million in cash and $340 million of equity.

- Record production was reported by CXP's Gypsum Wallboard operations, three of our four Cement plants and both Aggregates facilities.

- During fiscal 2000, we completed three major expansion and renovation projects.

- In preparation for the next phase of CXP's growth, we added a mergers and acquisitions team.

CXP's fiscal 2000 net earnings reached an all-time high $108.2 million or $5.63 per diluted share, 40% and 52% higher, respectively, than fiscal 1999's record earnings of $77.3 million or $3.71 per diluted share. Fiscal 2000 revenues were also a record, increasing 25% to $418.7 million from $336.1 million a year ago.

[Bar graph indicating growth in revenues from 1995 to 2000]

[Bar graph indicating growth in net earnings from 1995 to 2000]

To Our Shareholders

The key to this year's outstanding performance was CXP's Gypsum Wallboard segment, which posted all-time-high operating earnings of $107.6 million - a 90% gain over last year. Fueled by favorable market conditions, wallboard pricing reached record levels. This pricing, coupled with a 30% expansion in our Gypsum Wallboard manufacturing capacity, lifted operating margins to 51% in fiscal 2000 compared to 40% in the prior year.

Although CXP's Cement operations achieved a 3% sales volume gain, operating earnings of $53.0 million for fiscal 2000 were 7% less than last year's record results. Sales volume and slightly higher pricing was more than offset by a 10% decline in operating margins, due mostly to maintenance and downtime at the Wyoming facility and an increase in lower-margin purchased cement sales. Our Texas, Illinois and Nevada plants each reported all-time-high production, and in the fourth quarter our Cement operations collectively produced at a rate that, annualized, would have exceeded fiscal 1999's record. The Wyoming kiln was upgraded and a new finish mill at the Illinois plant came on line early in the fiscal year. Both projects have been performing above design capacities.

CXP's Concrete and Aggregates businesses reported operating earnings of $9.3 million for fiscal 2000, 26% higher than in fiscal 1999. Robust conditions in our northern California and Texas markets necessitated extended hours of operation at both of our Aggregates quarries. Fiscal 2000 Aggregates production rose 26% over last year and product pricing increased 7%. To take advantage of the expanding Austin, Texas economy, CXP brought on line a new quarry north of Austin that will initially serve the road construction market. In addition, we continued to add Concrete delivery trucks to our Readymix fleets at both our Austin and northern California operations to enable us to keep pace with demand.

[Bar graph indicating growth in operating margin from 1995 to 2000]

[Bar graph indicating growth in diluted earnings per share from 1995 to 2000]

To Our Shareholders

During fiscal 2000,
CXP continued to
cultivate its
Aggregates growth
strategy.

[Drawing of an aggregates sack]

To Our Shareholders

CXP's focus during the past six years has been to maximize the operational opportunities and profitability of our existing base of assets. Having surpassed the goals we originally set, we are focusing our energies in a new direction: actively seeking acquisitions in other major construction markets and adding greenfield or expansion operations in our existing markets. Our strong balance sheet leaves CXP well-positioned to make significant acquisitions or expansions without overleveraging the Company.

CXP will actively continue to seek growth opportunities in its core Cement and Gypsum Wallboard businesses, while maintaining its long standing philosophy of investing capital in existing assets in order to improve efficiencies and remain a low-cost producer.

To accelerate its development, CXP will focus on growing Aggregates into a significant third line of business. This makes sense strategically because the aggregates industry is dominated by hundreds of small- to medium-sized companies, so there are many acquisition candidates and the transaction sizes are well matched with CXP's financial capabilities. In addition, publicly traded aggregates businesses are more highly valued by investors than are cement or wallboard businesses.

To help CXP meet the challenges of growing our businesses, and, as appropriate, downstream value-added products, we have added two Business Development personnel and a senior Aggregates operating executive to CXP's corporate staff. We also have retained seasoned investment consultants to assist the growth of CXP's Aggregates business.

During fiscal 2000, CXP's Board of Directors authorized the repurchase of a total of 1,688,630 shares of stock. CXP purchased 1,224,600 shares of its stock during the year, leaving approximately 594,800 shares remaining at March 31, 2000 under the Company's current authorization.

[Bar graph indicating growth in stockholders' equity from 1995 to 2000]

[Bar graph indicating growth in EBITDA from 1995 to 2000]

To Our Shareholders

[Photograph of Larry Hirsch and Dick Jones]
Larry Hirsch and Dick Jones at CXP's Aggregates operation in Buda, Texas.

We want to recognize an exceptional individual, CXP's former Chairman and Chief Executive Officer Greg Dagnan, whose leadership positioned CXP to achieve its current level of success. After guiding CXP since 1990, including during the Company's Initial Public Offering in 1994, Greg announced his retirement at CXP's annual shareholders' meeting last July. Greg had an extremely successful and productive career at CXP and, under his guidance, CXP's financial performance reached the highest level in the industry. We salute Greg for his extraordinary contributions to the CXP organization.

Dick Jones, who joined CXP as Executive Vice President and Chief Operating Officer in 1990 and became President in fiscal 1998, was elected Chief Executive Officer when Greg retired. Larry Hirsch, Chairman and CEO of Centex Corporation, which is CXP's majority shareholder, became CXP's Chairman.

Many other people continue to demonstrate their dedication to helping CXP achieve its goals. We are especially grateful to all of our employees whose efforts have been instrumental in CXP's success. In addition, we appreciate our relationships with our many long-time customers.

CXP enters the new millennium with seasoned management, excellent low-cost facilities, and exciting prospects for growth. Although we face near-term challenges, including the expansion of gypsum wallboard and cement capacity and cement imports, we believe CXP is well-positioned to continue to grow and prosper in fiscal 2001 and beyond.

/s/ RICHARD D. JONES JR.	/s/ LAURENCE E. HIRSCH
Richard D. Jones, Jr.	Laurence E. Hirsch
President and	Chairman
Chief Executive Officer	
	May 31, 2000

Operations

A CROSS SECTION OF OPPORTUNITIES

Sustained, profitable growth. It's the standard by which all successful companies are measured. At Centex Construction Products, the growth of our operations is a dynamic process - the successful result of solid core competencies complemented by the addition of new resources as we adapt to the ever-changing business environment.

CXP has grown in careful, strategic steps. Our Cement operations, which provided a solid business foundation for many years, remain at the heart of the Company. Our Gypsum Wallboard operations, which were added in response to an expanding construction market, in recent years have provided valuable growth for CXP.

As our Cement and Gypsum Wallboard operations mature, we continue to seek new opportunities for expansion, the most promising of which are in the Aggregates business. Dominated by small regional companies, this segment of the construction market remains fragmented, creating significant opportunities for targeted acquisitions.

Whatever the business climate, CXP's balanced mix of businesses and our continued careful approach to sustainable growth leave our operations well-positioned to flourish, both now and in the years to come.

Our balanced mix of businesses has produced impressive growth during the past six years.

[Bar graph indicating growth in operating earnings from 1995 to 2000]

Operations

CXP's growth is the result of solid core competencies complemented by the addition of new resources.

[Graphic of a cross section of a tree indicating CXP's three lines of business, aggregates, cement and gypsum]

Aggregates	Cement	Gypsum
Aggregates will be a source of growth for CXP.	Cement remains at the core of CXP's businesses.	Wallboard has provided growth for CXP in recent years.

[Three photographs of three separate views of CXP's Wyoming cement plant kiln]

The kiln at the Wyoming cement plant was upgraded.

CEMENT

CXP's Cement revenues rose 4% to $159.0 million in fiscal 2000 due to an increase in Cement sales volume and slightly higher Cement pricing. Operating earnings from Cement were $53.0 million, 7% less than last year's record level. The gains in sales volume and pricing were more than offset by a 10% decline in operating margins due to increased production costs at the Wyoming facility and a greater percentage this year of lower-margin purchased Cement sales to total sales.

CXP's Texas, Illinois and Nevada Cement plants all operated at capacity and were sold out for the twelfth consecutive year. The largest kiln at the Wyoming plant was down 35 days for major renovations, which included upgrading 300 feet of kiln shell.

This year's total Cement sales volume of 2.3 million tons was 3% higher than fiscal 1999's sales volume, primarily due to favorable weather and record cement industry consumption. In order to meet increased market demands and replace lost Wyoming manufactured Cement sales, CXP increased its purchased Cement sales by 85% to 281,000 tons.

Operations

Although U.S. cement consumption reached a record high, CXP's fiscal 2000 average Cement net sales price rose to only $69.25 per ton, 1% higher than last year, primarily due to the conservative pricing policies of major producers, the increase in imported cement to 28% of U.S. consumption, and competition for market share.

Early in fiscal 2000, the 4,000-horsepower finished cement grinding mill project at the Illinois plant was completed on schedule and within budget. In addition, we completed an addition to the Illinois plant that already has increased the facility's annual clinker capacity by 12% and will allow for further capacity expansion. During the year, the Illinois plant purchased 73,000 tons of imported clinker and converted it to finished Cement, which helped offset lost production volume at the Wyoming plant.

GYPSUM WALLBOARD

CXP's Gypsum Wallboard revenues increased 48% to $209.3 million in fiscal 2000 due to increased sales volume and higher net sale prices. Operating earnings rose 90% to a record $107.6 million in fiscal 2000. The earnings gain resulted from an 18%

[Three photographs of views of the board line and warehouse area at the Eagle Gypsum Wallboard plant]

The board line and the warehouse area at the Eagle Gypsum Wallboard plant have been expanded.

Operations

improvement in sales volume to 1,363 million square feet (MMSF) and a 61% increase in operating margins to $78.96 per thousand square feet (MSF). All three of CXP's Gypsum Wallboard plants operated at capacity.

The average net sales price of $153.57 per MSF was 25% higher than fiscal 1999's average price as the industry benefitted from record consumption and a tight demand/supply situation during most of calendar 1999. Gypsum Wallboard prices peaked in October 1999 and pricing began to soften during the fourth quarter of fiscal 2000 as new industry capacity came on line.

The $18 million expansion of the Eagle plant was completed at the beginning of the fiscal year. The project, which increased the plant's annual capacity by 60% to 640 MMSF, was completed ahead of schedule and within budget. The plant is currently operating at its rated capacity.

Both the Albuquerque and Bernalillo plants recorded all-time-high production volume for fiscal 2000. Taking advantage of last year's upgrade project, the Albuquerque plant increased its production of higher-margin specialty products during fiscal 2000.

CONCRETE AND AGGREGATES

Fiscal 2000 Concrete and Aggregates revenues of $55.5 million increased 18% due to higher sales volume and sales prices. Operating earnings from these operations rose 26% to an all-time-high $9.3 million. The gain resulted from increased sales volume and improved operating margins.

Concrete operating earnings of $5.9 million were 19% above prior year earnings. A strong Austin, Texas construction market helped generate fiscal 2000 sales volume of 788,000 cubic yards, 12% higher than last year. Our average Concrete net sales price of $52.07 per cubic yard was 5% higher than the sales price in fiscal 1999. During fiscal 2000, CXP increased its fleet of Readymix trucks by 12% in order to meet increased market demands in both Texas and California.

Operations

Fiscal 2000's Aggregates operating earnings of $3.3 million were 41% higher than last year's earnings due to increased sales volume and higher operating margins. Aggregates sales volume of 3.4 million tons was 16% higher than last year, primarily due to a 35% increase in sales volume at the northern California plant. Both facilities recorded all-time-high production volume in fiscal 2000. The Aggregates net sales price of $4.29 per ton this year was 7% higher than in fiscal 1999, and the Aggregates per-ton operating margin of $0.99 this year was a 22% improvement over last year's margin.

Late in fiscal 2000, first phase operations commenced at the new Aggregates facility located in Georgetown, north of Austin, Texas. The plant is currently capable of producing road construction aggregates only. Evaluations are under way to add a second processing plant capable of producing concrete aggregates and other products. The full impact of this operation will not be realized until fiscal 2002.

[Three photographs of three separate views of CXP's Aggregates facility in Georgetown Texas]

The Georgetown, Texas Aggregates facility began mining, crushing and production operations.

Strategic Locations

CXP's strategically located facilities in geographically diverse areas reduce our dependence on any one market. Our Cement operation includes four plants, two of which are 50%-owned with joint-venture partners, and 11 Cement distribution terminals. CXP's Gypsum Wallboard operation consists of three Gypsum Wallboard plants, four Gypsum Wallboard reload centers and one Gypsum Wallboard distribution center. Our Concrete and Aggregates group includes 10 Readymix Concrete batch plant locations and three Aggregates processing operations.

The principal markets for CXP's Cement products are Texas, northern Illinois (including Chicago), the Rocky Mountain area, northern Nevada and northern California. Our Gypsum Wallboard is distributed throughout the continental United States. CXP's Concrete and Aggregates are sold to local readymix concrete producers and paving contractors in the Austin, Texas market and in northern California.

[Map of the United States depicting the locations of CXP's facilities]

MAJOR FACILITIES

Cement Plants

- Illinois Cement Company - LaSalle, Illinois*
- Mountain Cement Company - Laramie, Wyoming
- Nevada Cement Company - Fernley, Nevada
- Texas-Lehigh Cement Company - Buda, Texas*

Gypsum Wallboard Plants

- American Gypsum Company - Albuquerque and Bernalillo, New Mexico and Gypsum, Colorado

Concrete and Aggregates Plants

- Centex Materials, Inc. - Austin and Buda, Texas
- Mathews Readymix, Inc. - Marysville, California
- Western Aggregates, Inc. - Marysville, California

* 50%-owned with joint-venture partners

Financials

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Centex Construction Products, Inc. and Subsidiaries

Statements of Consolidated Earnings
(dollars in thousands, except per share data)

	For the Years Ended March 31, 2000	1999	1998
REVENUES			
Cement	$ 158,966	$ 152,460	$ 140,326
Gypsum Wallboard	209,320	141,571	118,718
Concrete and Aggregates	55,490	46,860	42,004
Other, net	1,231	1,717	1,939
Less: Intersegment Sales	(6,312)	(6,535)	(5,665)
	418,695	336,073	297,322
COSTS AND EXPENSES			
Cement	105,961	95,635	92,245
Gypsum Wallboard	101,696	85,001	82,905
Concrete and Aggregates	46,227	39,510	37,501
Less: Intersegment Purchases	(6,312)	(6,535)	(5,665)
Corporate General and Administrative	4,683	4,380	3,825
Interest Income, net	(3,737)	(3,045)	(1,822)
	248,518	214,946	208,989
EARNINGS BEFORE INCOME TAXES	170,177	121,127	88,333
Income Taxes	61,945	43,838	31,800
NET EARNINGS	$ 108,232	$ 77,289	$ 56,533
EARNINGS PER SHARE			
Basic	$ 5.66	$ 3.73	$ 2.58
Diluted	$ 5.63	$ 3.71	$ 2.56

See notes to consolidated financial statements.

Centex Construction Products, Inc. and Subsidiaries

Consolidated Balance Sheets
(dollars in thousands)

	March 31, 2000	March 31, 1999
ASSETS		
Current Assets -		
Cash and Cash Equivalents	$ 96,170	$ 49,646
Accounts and Notes Receivable, net	54,459	43,192
Inventories	38,582	33,030
Total Current Assets	189,211	125,868
Property, Plant and Equipment	413,933	392,302
Less: Accumulated Depreciation	(178,033)	(163,745)
Property, Plant and Equipment, net	235,900	228,557
Notes Receivable, net	367	664
Other Assets	12,661	9,594
	$ 438,139	$ 364,683
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current Liabilities -		
Accounts Payable	$ 22,348	$ 18,276
Accrued Liabilities	49,112	40,849
Income Taxes Payable	1,447	--
Current Portion of Long-term Debt	80	80
Total Current Liabilities	72,987	59,205
Long-term Debt	320	400
Deferred Income Taxes	24,360	25,158
Stockholders' Equity -		
Common Stock, Par Value $0.01; Authorized 50,000,000 Shares; Issued and Outstanding 18,571,732 and 19,744,465 Shares, respectively	186	197
Capital in Excess of Par Value	20,302	62,376
Accumulated Other Comprehensive Loss	(1,789)	--
Retained Earnings	321,773	217,347
Total Stockholders' Equity	340,472	279,920
	$ 438,139	$ 364,683

See notes to consolidated financial statements.

Centex Construction Products, Inc. and Subsidiaries

Statements of Consolidated Cash Flows
(dollars in thousands)

	For the Years Ended March 31,		
	2000	1999	1998
CASH FLOWS FROM OPERATING ACTIVITIES			
Net Earnings	$ 108,232	$ 77,289	$ 56,533
Adjustments to Reconcile Net Earnings to			
Net Cash Provided by Operating Activities -			
Depreciation, Depletion and Amortization	18,589	16,187	15,880
Asset Disposition Provision	--	700	2,276
(Increase) Decrease in Accounts and Notes Receivable	(10,970)	(6,252)	2,503
Increase in Inventories	(5,552)	(493)	(1,055)
Increase (Decrease) in Accounts Payable	4,072	(128)	1,956
Increase in Accrued Liabilities	8,263	5,754	6,841
Increase in Income Taxes Payable	1,447	--	--
Change in Deferred Income Tax Liability	166	2,909	3,415
Increase in Other Assets, net	(5,620)	(3,219)	(234)
Net Cash Provided by Operating Activities	118,627	92,747	88,115
CASH FLOWS FROM INVESTING ACTIVITIES			
Property, Plant and Equipment Additions, net	(28,019)	(33,806)	(13,092)
Proceeds from Asset Dispositions	1,946	960	5,525
Net Cash Used in Investing Activities	(26,073)	(32,846)	(7,567)
CASH FLOWS FROM FINANCING ACTIVITIES			
Reductions in Notes Payable	--	--	(2,000)
Decrease in Other Long-term Debt	(80)	(80)	(80)
Proceeds from Stock Option Exercises	1,148	3,806	6,727
Retirement of Common Stock	(43,233)	(71,861)	(23,531)
Dividends Paid to Stockholders	(3,865)	(4,210)	(4,386)
Net Cash Used in Financing Activities	(46,030)	(72,345)	(23,270)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	46,524	(12,444)	57,278
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	49,646	62,090	4,812
CASH AND CASH EQUIVALENTS AT END OF PERIOD	$ 96,170	$ 49,646	$ 62,090

See notes to consolidated financial statements.

Centex Construction Products, Inc. and Subsidiaries

Statements of Comprehensive Earnings
(dollars in thousands)

	For the Years Ended March 31,		
	2000	1999	1998
NET EARNINGS	$ 108,232	$ 77,289	$ 56,533
OTHER COMPREHENSIVE EARNINGS BEFORE TAX:			
Unrealized (Loss) on Investment in Securities Available-for-Sale, Before Income Taxes	(2,753)	--	--
COMPREHENSIVE EARNINGS, BEFORE INCOME TAXES	105,479	77,289	56,533
INCOME TAX BENEFIT RELATED TO OTHER ITEMS OF COMPREHENSIVE EARNINGS	964	--	--
COMPREHENSIVE EARNINGS	$ 106,443	$ 77,289	$ 56,533

See notes to consolidated financial statements.

Centex Construction Products, Inc. and Subsidiaries

Statements of Consolidated Stockholders' Equity
(dollars in thousands)

	For the Years Ended March 31,		
	2000	1999	1998
COMMON STOCK			
Balance at Beginning of Period	$ 197	$ 215	$ 220
Retirement of Common Stock	(11)	(18)	(5)
Balance at End of Period	186	197	215
CAPITAL IN EXCESS OF PAR VALUE			
Balance at Beginning of Period	62,376	130,413	147,212
Retirement of Common Stock	(43,222)	(71,843)	(23,526)
Stock Option Exercises	1,148	3,806	6,727
Balance at End of Period	20,302	62,376	130,413
RETAINED EARNINGS			
Balance at Beginning of Period	217,347	144,175	92,004
Dividends to Stockholders	(3,806)	(4,117)	(4,362)
Net Earnings	108,232	77,289	56,533
Balance at End of Period	321,773	217,347	144,175
ACCUMULATED OTHER COMPREHENSIVE LOSS			
Balance at Beginning of Period	--	--	--
Other Comprehensive Loss	(1,789)	--	--
Balance at End of Period	(1,789)	--	--
TOTAL STOCKHOLDERS' EQUITY	$ 340,472	$ 279,920	$ 274,803

See notes to consolidated financial statements.

Centex Construction Products, Inc. and Subsidiaries

Notes to Consolidated Financial Statements
(dollars in thousands, except per share data)

(A) SIGNIFICANT ACCOUNTING POLICIES

BASIS OF PRESENTATION

The consolidated financial statements include the accounts of Centex Construction Products, Inc. and its majority-owned subsidiaries ("CXP" or the "Company") after the elimination of all significant intercompany balances and transactions. In addition, the Company holds 50% joint venture interests in its cement plants in Illinois and Texas and has proportionately consolidated its pro rata interest in the revenues, expenses, assets and liabilities of those ventures.

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

CASH AND CASH EQUIVALENTS

Cash equivalents include short-term, highly liquid investments with original maturities of three months or less, and are recorded at cost, which approximates market value.

ACCOUNTS AND NOTES RECEIVABLE

Accounts and notes receivable have been shown net of the allowance for doubtful accounts of $4.1 million and $2.3 million at March 31, 2000 and 1999, respectively. The Company has no significant credit risk concentration among its diversified customer base.

Notes receivable at March 31, 2000 are collectible primarily over three years. The weighted average interest rate at March 31, 2000 and 1999 was 8.4% and 8.6%, respectively.

INVENTORIES

Inventories are stated at the lower of average cost (including applicable material, labor, depreciation, and plant overhead) or market. Inventories consist of the following:

	March 31, 2000	March 31, 1999
Raw Materials and Materials-in-Progress	$ 13,248	$ 9,124
Finished Cement	5,523	5,601
Aggregates	2,071	1,577
Gypsum Wallboard	1,913	1,289
Repair Parts and Supplies	15,323	14,770
Fuel and Coal	504	669
	$ 38,582	$ 33,030

PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment are stated at cost. Major renewals and improvements are capitalized and depreciated. Repairs and maintenance are expensed as incurred. Depreciation is provided on a straight-line basis over the estimated useful lives of depreciable assets. Raw material deposits are depleted as such deposits are extracted for production utilizing the units-of-production method.

Costs and accumulated depreciation applicable to assets retired or sold are eliminated from the accounts and any resulting gains or losses are recognized at such time. The estimated lives of the related assets are as follows:

Plants	20 to 30 years
Buildings	20 to 40 years
Machinery and Equipment	3 to 20 years

INCOME TAXES

The Company accounts for income taxes in accordance with Statement of Financial Accounting Standards No. 109, "Accounting for Income Taxes." That statement requires, among other things, that deferred taxes be provided on differences between the financial reporting basis and tax basis of assets and liabilities using existing tax laws and rates.

STOCK REPURCHASES

The Company Board of Directors has authorized the repurchase of a cumulative total of 5,688,630 shares of CXP's common stock. The Company repurchased 1,224,600 shares at a cost of $43.2 million in fiscal 2000 and 1,954,100 shares at a cost of $71.9 million in fiscal 1999. Cumulative shares repurchased at March 31, 2000 were 5,093,830, leaving approximately 594,800 shares remaining under the Company's current authorization. Centex Corporation owned 64.4% of CXP's outstanding common stock at March 31, 2000.

COMPREHENSIVE EARNINGS

Comprehensive earnings as presented in the accompanying Consolidated Statements of Comprehensive Earnings is defined as the total of net income and all other non-owner changes in equity. Securities that are classified as available-for-sale are stated at market value as determined by the most recently traded price at the balance sheet date. The unrealized gains and losses, net of deferred tax, are excluded from earnings and reported in a separate component of stockholders' equity as "Accumulated Other Comprehensive Loss."

STATEMENTS OF CONSOLIDATED EARNINGS - SUPPLEMENTAL DISCLOSURES

Selling, general and administrative expenses of the operating units are included in costs and expenses of each segment. Corporate general and administrative expenses are shown separately in the statements of consolidated earnings. Total selling, general and administrative expenses for each of the periods are summarized below:

	For the Years Ended March 31,		
	2000	1999	1998
Operating Units Selling, General and Administrative	$ 17,625	$ 14,425	$ 15,979
Corporate General & Administrative	4,683	4,380	3,825
	$ 22,308	$ 18,805	$ 19,804

Maintenance and repair expenses are included in each segment's costs and expenses. The Company incurred expenses of $38.4 million, $32.0 million and $28.9 million in the years ended March 31, 2000, 1999 and 1998, respectively, for maintenance and repairs.

Other net revenues include clinker sales income, lease and rental income, asset sale income, non-inventoried aggregates sales income, and trucking income as well as other miscellaneous revenue items and costs which have not been allocated to a business segment.

Centex Construction Products, Inc. and Subsidiaries

STATEMENTS OF CONSOLIDATED CASH FLOWS - SUPPLEMENTAL DISCLOSURES

Interest payments made during the years ended March 31, 2000, 1999 and 1998 were $0.1 million, $0.1 million and $0.2 million, respectively.

Net payments made for federal and state income taxes during the years ended March 31, 2000, 1999 and 1998 were $57.1 million, $40.8 million and $26.4 million, respectively. Included in the March 31, 1999 payments was a payment to Centex for $0.16 million made under the tax separation agreement.

POSTRETIREMENT BENEFITS

Statement of Financial Accounting Standards No. 106, "Employers Accounting for Postretirement Benefits Other Than Pensions," specifies certain required methods of accounting for postretirement benefits other than pensions. This pronouncement has no impact on the Company's financial statements as the Company has no other postretirement obligations.

EARNINGS PER SHARE

The Company computes earnings per share in accordance with Statement of Financial Accounting Standards No. 128, "Earnings Per Share" (SFAS No. 128). This statement established new standards for computing and presenting earnings per share (EPS). SFAS No. 128 replaced the presentation of primary EPS previously prescribed by Accounting Principles Board Opinion No. 15 (APB No. 15) with a presentation of basic EPS which is computed by dividing income available to common stockholders by the weighted-average number of common shares outstanding for the period.

SFAS No. 128 also requires dual presentation of basic and diluted EPS. Diluted EPS is computed similarly to fully diluted EPS pursuant to APB No. 15. The Company adopted SFAS No. 128 in fiscal 1998, and prior year basic and diluted EPS have been restated to facilitate comparison between the years.

Basic earnings per common share is based on the weighted average number of common shares outstanding in 2000, 1999 and 1998 of 19,130,084; 20,710,174 and 21,895,312, respectively. Diluted earnings per common share is based on the weighted average number of common shares outstanding and share equivalents outstanding, assuming dilution from issued and unexercised stock options outstanding, of 19,211,324; 20,832,451 and 22,062,656 in 2000, 1999 and 1998, respectively. Anti-dilutive options to purchase shares of common stock that were excluded from the computation of diluted earnings per share were 331,000 shares at an average price of $36.32 for the year ended March 31, 2000. All anti-dilutive options have expiration dates ranging from April 2008 to January 2010.

ACCOUNTING FOR STOCK-BASED COMPENSATION

The Company accounts for employee stock options using the intrinsic value method of accounting prescribed by APB Opinion No. 25, "Accounting for Stock Issued to Employees." Generally, no expense is recognized related to the Company's stock options because the option's exercise price is set at the stock's fair market value on the date the option is granted.

NEW ACCOUNTING STANDARD

In June 1998, the Financial Accounting Standards Board issued Statement of Financial Accounting Standards No. 133, "Accounting for Derivative Instruments and Hedging Activities". This standard is effective for fiscal years beginning after June 15, 2000 and will be adopted effective April 1, 2001. The standard requires that all derivative instruments be recorded on the balance sheet at their fair value. Changes in the fair value of the derivatives are recorded each period in current earnings or other comprehensive income depending on whether a derivative is designated as part of a hedge transaction, and if it is, the type of hedge transaction. The impact on the Company's results of operations, financial position or cash flows will be dependent on the level and types of derivative instruments the Company will have entered into, if any, at the time the standard is implemented. The Company had no derivative instruments at March 31, 2000.

(B) PROPERTY, PLANT AND EQUIPMENT

Cost by major category and accumulated depreciation are summarized below:

	March 31, 2000	March 31, 1999
Land and Quarries	$ 32,303	$ 33,237
Plants	336,729	316,567
Buildings, Machinery and Equipment	44,901	42,498
	413,933	392,302
Accumulated Depreciation	(178,033)	(163,745)
	$ 235,900	$ 228,557

The Company recorded asset write down provisions of $700 in connection with the Eagle expansion project in fiscal 1999. The Company completed two expansion projects during fiscal 2000: (i) an $18 million expansion of the Eagle gypsum wallboard plant; and (ii) a $20 million expansion of the 50% owned LaSalle cement plant.

(C) INDEBTEDNESS

LONG-TERM DEBT

Long-term debt is set forth below:

	March 31, 2000	March 31, 1999
Property Note, Interest at 7%, Due March 2005, Secured	$ 400	$ 480
Less: Current Maturities	(80)	(80)
	$ 320	$ 400

CREDIT FACILITY

The Company has a $35 million unsecured long-term revolving credit line (the "Bank Revolver") that expires on March 31, 2001. Borrowings under the Bank Revolver bear interest, at the option of the Company, at (i) a Eurodollar-based rate that varies depending on the Company's ratio of total indebtedness to total capitalization (the "Debt-to-Capital Ratio") or (ii) the greater of the bank's base rate of the federal funds rate plus 0.5%. Under the Bank Revolver, the Company is obligated to pay certain fees, including an annual commitment fee on the unused portion of the commitment. The Bank Revolver contains certain customary restrictive covenants (including restrictions on the consummation of mergers or asset sales, the payment of dividends, the creation of liens and the incurrence of additional indebtedness and requires the Company to maintain or meet certain financial ratios or tests. Among other things, the Bank Revolver requires the Company to maintain a minimum ratio of earnings before interest and taxes to interest and not to exceed the maximum Debt-to-Capital Ratio and to meet a minimum tangible net worth test. The Company was in compliance with such financial ratios and tests at March 31, 2000, and throughout the fiscal year then ended. The Company had no borrowings outstanding at any time under the Bank Revolver during fiscal years 2000 and 1999.

(D) INCOME TAXES

The provision for income taxes includes the following components:

	For the Years Ended March 31,		
	2000	1999	1998
Current Provision			
Federal	$ 56,034	$ 36,547	$ 25,701
State	5,745	4,382	2,684
	61,779	40,929	28,385
Deferred Provision (Benefit)			
Federal	(1,045)	1,951	2,185
State	1,211	958	1,230
	166	2,909	3,415
Provision for Income Taxes	$ 61,945	$ 43,838	$ 31,800

The effective tax rates vary from the federal statutory rates due to the following items:

	For the Years Ended March 31,		
	2000	1999	1998
Earnings Before Income Taxes	$ 170,177	$ 121,127	$ 88,333
Income Taxes at Statutory Rate	$ 59,562	$ 42,394	$ 30,917
Increases (Decreases) in Tax Resulting from -			
State Income Taxes, net	4,522	3,469	2,526
Statutory Depletion in Excess of Cost	(2,413)	(2,297)	(2,225)
Other	274	272	582
Provision for Income Taxes	$ 61,945	$ 43,838	$ 31,800
Effective Tax Rate	36%	36%	36%

The deferred income tax provision results from the following temporary differences in the recognition of revenues and expenses for tax and financial reporting purposes:

	For the Years Ended March 31,		
	2000	1999	1998
Excess Tax Depreciation and Amortization	$ 3,391	$ 4,347	$ 6,544
Bad Debts	(305)	6	(29)
Uniform Capitalization	10	106	36
Accrual Changes	(2,971)	(1,259)	(3,611)
Other	41	(291)	475
	$ 166	$ 2,909	$ 3,415

Components of deferred income taxes are as follows:

	March 31, 2000	March 31, 1999
Items Giving Rise to Deferred Taxes		
Excess Tax Depreciation and Amortization	$ 33,288	$ 29,897
Other	4,187	4,145
	37,475	34,042
Items Giving Rise to Prepaid Taxes		
Accrual Changes	(12,080)	(8,145)
Bad Debts	(1,023)	(717)
Uniform Capitalization	(12)	(22)
	(13,115)	(8,884)
Net Deferred Income Tax Liability	$ 24,360	$ 25,158

(E) BUSINESS SEGMENTS

The Company operates in three business segments: Cement, Gypsum Wallboard, and Concrete and Aggregates, with Cement and Gypsum Wallboard being the Company's principal lines of business. These operations are conducted in the United States and include the mining of limestone and the manufacture, production, distribution and sale of Portland cement (a basic construction material which is the essential binding ingredient in concrete), the mining of gypsum and the manufacture and sale of gypsum wallboard, the sale of readymix concrete, and the mining and sale of aggregates (crushed stone, sand and gravel). These products are used primarily in commercial and residential construction, public construction projects and projects to build, expand and repair roads and highways.

Demand for the Company's products are derived primarily from residential construction, commercial and industrial construction and public (infrastructure) construction which are highly cyclical and are influenced by prevailing economic conditions including interest rates and availability of public funds. Due to the low value-to-weight ratio of cement, concrete and aggregates, these industries are largely regional and local with demand tied to local economic factors that may fluctuate more widely than those of the nation as a whole.

The Company operates four cement plants, eleven cement distribution terminals, three gypsum wallboard plants, four gypsum wallboard reload centers, a gypsum wallboard distribution center, ten readymix concrete batch plant locations, and three aggregates processing plant locations. The principal markets for the Company's cement products are Texas, northern Illinois (including Chicago), the Rocky Mountains, northern Nevada, and northern California. Gypsum wallboard is distributed throughout the continental United States. Concrete and aggregates are sold to local readymix producers and paving contractors in the Austin, Texas area and northern California.

Centex Construction Products, Inc. and Subsidiaries

The following table sets forth certain financial information relating to the Company's operations by segment:

	For the Years Ended March 31, 2000	1999	1998
Revenues			
Cement	$ 158,966	$ 152,460	$ 140,326
Gypsum Wallboard	209,320	141,571	118,718
Concrete and Aggregates	55,490	46,860	42,004
Other, net	1,231	1,717	1,939
	425,007	342,608	302,987
Less: Intersegment Sales	(6,312)	(6,535)	(5,665)
	$ 418,695	$ 336,073	$ 297,322
Segment Operating Earnings			
Cement	$ 53,005	$ 56,825	$ 48,081
Gypsum Wallboard	107,624	56,570	35,813
Concrete and Aggregates	9,263	7,350	4,503
Other, net	1,231	1,717	1,939
	$ 171,123	$ 122,462	$ 90,336
Identifiable Assets			
Cement	$ 147,270	$ 139,183	$ 141,462
Gypsum Wallboard	159,780	143,464	123,997
Concrete and Aggregates	30,018	23,634	22,922
Corporate and Other	101,071	58,402	62,731
	$ 438,139	$ 364,683	$ 351,112
Capital Expenditures			
Cement	$ 10,306	$ 7,536	$ 3,513
Gypsum Wallboard	10,783	24,204	7,982
Concrete and Aggregates	6,890	2,050	2,027
Corporate and Other	40	24	27
	$ 28,019	$ 33,814	$ 13,549
Depreciation, Depletion and Amortization			
Cement	$ 8,742	$ 7,768	$ 7,860
Gypsum Wallboard	7,210	6,005	5,552
Concrete and Aggregates	2,465	2,190	2,194
Corporate and Other	172	224	274
	$ 18,589	$ 16,187	$ 15,880

Segment operating earnings represent revenues less direct operating expenses, segment depreciation, and segment selling, general and administrative expenses. Corporate assets consist primarily of cash and cash equivalents, general office assets and miscellaneous other assets.

(F) COMMITMENTS AND CONTINGENCIES

The Company, in the ordinary course of business, has various litigation, commitments and contingencies. Management believes that none of the litigation in which it or any subsidiary is involved, if finally determined unfavorably to the Company, would have a material adverse effect on the consolidated financial condition or results of operations of the Company.

The Company's operations and properties are subject to extensive and changing federal, state and local laws, regulations and ordinances governing the protection of the environment, as well as laws relating to worker health and workplace safety. The Company carefully considers the requirements mandated by such laws and regulations and has procedures in place at all of its operating units to monitor compliance. Any matters which are identified as potential exposures under these laws and regulations are carefully reviewed by management to determine the Company's potential liability. Although management is not aware of any exposures which would require an accrual under Statement of Financial Accounting Standards No. 5, "Accounting for Contingencies," there can be no assurance that prior or future operations will not ultimately result in violations, claims or other liabilities associated with these regulations.

The Company has certain deductible limits under its workers' compensation and liability insurance policies for which reserves are established based on the estimated costs of known and anticipated claims.

The Company has certain operating leases covering manufacturing, transportation and certain other facilities and equipment. Rental expense for the fiscal years 2000, 1999, and 1998 totaled $3.2 million, $3.1 million and $3.0 million, respectively. Minimum annual rental commitments as of March 31, 2000, under noncancelable leases are set forth as follows:

Fiscal Year	Total
2001	$2,533
2002	$1,744
2003	$1,140
2004	$1,140
2005	$ 853
Thereafter	$1,900

(G) STOCK OPTION PLAN

The Company has a stock option plan for certain directors, officers and key employees of the Company, the 1994 Stock Option Plan ("1994 Plan"). The 1994 Plan provides for a total of 2,000,000 shares to be reserved for issuance. The exercise price of option grants under the 1994 Plan may not be less than the fair market value at the date of grant. Option periods and exercise dates may vary within a maximum period of 10 years. The options are performance-based options and will vest on the achievement of specific financial goals of the Company. Failure to meet the specified goals will delay vesting until the end of the 10-year period. The Company records proceeds from the exercise of options as additions to common stock and capital in excess of par value. The federal tax benefit, if any, is considered additional capital in excess of par value. No charges or credits would be made to earnings unless options were to be granted at less than fair market value at the date of grant. A summary of the activity of the 1994 Plan is presented below.

	For the Years Ended March 31,					
	2000		1999		1998	
	Number of Shares	Weighted Average Exercise Price	Number of Shares	Weighted Average Exercise Price	Number of Shares	Weighted Average Exercise Price
Outstanding Options at Beginning of Year	528,552	$ 27.82	362,699	$ 12.64	736,950	$ 12.25
Granted	370,000	$ 35.34	370,000	$ 36.40	6,300	$ 24.73
Exercised	(51,867)	$ 14.04	(173,147)	$ 12.81	(378,438)	$ 12.08
Forfeited/Expired	(43,477)	$ 36.22	(31,000)	$ 36.56	(2,113)	$ 12.00
Outstanding Options at End of Year	803,208	$ 31.72	528,552	$ 27.82	362,699	$ 12.64
Options Exercisable at End of Year	218,139		183,252		356,399	
Weighted Average Fair Value of Options Granted during the Year	$ 18.52		$ 19.57		$ 13.58	

The following table summarizes information about stock options outstanding at March 31, 2000:

	Options Outstanding			Options Exercisable	
Range of Exercise Prices	Number of Shares Outstanding	Wtd. Avg. Remaining Contractual Life	Weighted Average Exercise Price	Number of Shares Outstanding	Weighted Average Exercise Price
$12.00 to $22.25	139,329	4.5 years	$ 12.20	139,329	$ 12.20
$33.31 to $34.91	322,000	9.0 years	$ 34.81	--	--
$35.19 to $39.53	341,879	8.3 years	$ 36.76	78,810	$ 36.56
	803,208	7.9 years	$ 31.72	218,139	$ 21.00

Shares available for future stock option grants were 531,230 at March 31, 2000.

The Company has adopted the disclosure-only provisions of SFAS No. 123 "Accounting for Stock-Based Compensation" and continues to account for stock-based compensation as it has in the past using the intrinsic value method prescribed in Accounting Principles Board Opinion No. 25, "Accounting for Stock Issued to Employees." Accordingly, no compensation expense has been recognized for options issued under the 1994 Plan. Had compensation cost for options issued under the 1994 Plan been determined based on the fair value at the grant date for awards consistent with the provisions of SFAS No. 123, pro forma net earnings would have been $106,917, $76,085 and $56,462 for the fiscal years ended March 31, 2000, 1999 and 1998, respectively. Basic and diluted earnings per share for fiscal year ended March 31, 2000 would have been $5.59 and $5.57, respectively, and for fiscal year ended March 31, 1999 would have been $3.67 and $3.65, respectively, and for fiscal year ended March 31, 1998 would have remained unchanged.

The fair value of each option grant was estimated on the date of grant using the Black-Scholes option-pricing model with the following weighted average assumptions:

	For the Years Ended March 31,		
	2000	1999	1998
Expected Volatility	33.6%	35.3%	36.1%
Risk-free Interest Rate	5.8%	5.8%	6.4%
Dividend Yield	.6%	.6%	.8%
Expected Life (Years)	10	10	10

(H) FAIR VALUE OF FINANCIAL INSTRUMENTS

The fair values of the Company's long-term debt is estimated using discounted cash flow analyses based upon the Company's current incremental borrowing rates for similar types of borrowing arrangements. The carrying values of the Company's long-term debt approximates fair value. The fair value of available-for-sale securities approximates their carrying value at March 31, 2000 and 1999.

All assets and liabilities which are not considered financial instruments have been valued using historical cost accounting. The carrying values of cash and cash equivalents, accounts and notes receivables, accounts payable and accrued liabilities approximate their fair values due to the short-term maturities of these assets and liabilities.

(I) AGREEMENTS WITH CENTEX CORPORATION

On April 19, 1994 ("Closing Date") the Company completed the sale of 11,730,000 shares or 51% of its common stock through an Initial Public Offering. Prior to that time, the Company was a wholly owned subsidiary of Centex Corporation ("Centex"). On the Closing Date the Company entered into certain agreements with Centex to define the Company's ongoing relationship with Centex. The major agreements are:

Indemnification Agreement: The Company and Centex entered into an Indemnification Agreement, pursuant to which the Company and Centex agreed generally to indemnify each other against substantially all liabilities relating to the businesses of the Company and its subsidiaries as they had been and will be conducted, including environmental liabilities.

Tax Separation Agreement: The Company and Centex entered into a Tax Separation Agreement (the "Tax Agreement"). The Tax Agreement (i) provides for the termination of any existing tax sharing or allocation arrangements between the Company and Centex, (ii) specifies the manner in which the federal income tax liability and certain state tax liabilities (including any subsequent adjustments to such federal and state liabilities) of the consolidated group of which Centex is the common parent (the "Group") will be allocated for the final year in which the Company is a member of the Group and for any prior tax year of the Group and (iii) specifies the manner in which audits or administrative or judicial proceedings relating to federal income taxes and certain state taxes of the Group will be controlled.

Administrative Services: Centex Service Company ("CSC"), a subsidiary of Centex, will provide the Company with employee benefit administration, public/investor relations and certain other services. The Administrative Services Agreement is renewable annually with the administrative fee determined on an annual basis. The Company paid CSC an administrative fee of $198 in fiscal 2000 and $95 in fiscal 1999 and will pay $220 per year in fiscal 2001. In addition, the Company reimburses CSC for its out-of-pocket expenses incurred in connection with the performance of such services.

Centex Construction Products, Inc. and Subsidiaries

(J) ACQUISITIONS

The Company acquired all of the Common Units of Centex Eagle Gypsum Company LLC, a limited liability company, owned by Eagle Gypsum Products and National Energy System, Inc. on February 26, 1997 for a total purchase price of $52.0 million plus $4.0 million of net working capital. The operations of Centex Eagle Gypsum Company LLC, consist of a gypsum wallboard manufacturing facility, a gypsum mine, and a cogeneration power facility, all located in Eagle County, Colorado.

The acquisition was accounted for as a purchase, and accordingly, the purchase price was allocated to the underlying assets acquired and liabilities assumed based upon their estimated fair market values at the date of acquisition. The purchase price was allocated as follows: $52.0 million to property and equipment and $4.0 million to various components of net working capital. The results of operations of Centex Eagle Gypsum Company LLC, have been included in the Company's financial statements since the date of acquisition.

(K) PENSION AND PROFIT SHARING PLANS

The Company has several defined benefit and defined contribution retirement plans covering substantially all of its employees. Benefits paid under the defined benefit plans are based on years of service and the employee's qualifying compensation over the last few years of employment. The Company's funding policy is to contribute amounts that are deductible for income tax purposes.

The following table provides a reconciliation of the defined benefit plan obligations and fair value of plan assets over the two year period ended March 31, 2000 and a statement of the funded status as of March 31, 2000 and 1999:

	2000	1999
Reconciliation of Benefit Obligations:		
Benefit Obligation at April 1	$ 4,539	$ 4,274
Service Cost - Benefits Earned During the Period	192	200
Interest Cost on Projected Benefit Obligation	306	287
Actuarial (Gain) Loss	(661)	(86)
Benefits Paid	(148)	(136)
Benefit Obligation at March 31	4,228	4,539
Reconciliation of Fair Value of Plan Assets:		
Fair Value of Plan Assets at April 1	5,264	5,279
Actual Return on Plan Assets	756	104
Employer Contributions	0	17
Benefits Paid	(148)	(136)
Fair Value of Plans at March 31	5,872	5,264
Funded Status:		
Funded Status at March 31	1,644	725
Unrecognized Loss (Gain) from Past Experience Different than that Assumed and Effects of Changes in Assumptions	(663)	247
Unrecognized Prior-Service Cost	107	214
Net Amount Recognized (Prepaid Pension Cost Included in Other Assets)	$ 1,088	$ 1,186

Net periodic pension cost for the fiscal years ended March 31, 2000, 1999 and 1998, included the following components:

	2000	1999	1998
Service Cost - Benefits Earned During the Period	$ 192	$ 200	$ 184
Interest Cost of Projected Benefit Obligation	306	287	259
Expected Return on Plan Assets	(401)	(417)	(338)
Amortization of Transition Asset	(53)	(44)	(9)
Amortization of Prior-Service Cost	54	57	57
Net Periodic Pension Cost	$ 98	$ 83	$ 153

The following table sets forth the rates used in the actuarial calculations of the present value of benefit obligations and the rate of return on plan assets:

	2000	1999	1998
Weighted Average Discount Rate	7.8%	7.0%	6.8%
Rate of Increase in Future Compensation Levels	3.5%	3.5%	3.5%
Expected Long-term Rate of Return on Assets	8.0%	8.0%	9.0%

The Company also provides a profit sharing plan, which covers substantially all salaried and certain hourly employees. The profit sharing plan is a defined contribution plan funded by employer discretionary contributions and also allows employees to contribute on an after tax basis up to 10% of their base annual salary. Employees are fully vested to the extent of their contributions and become fully vested in the Company's contributions over a seven-year period. Costs relating to the employer discretionary contributions for the Company's defined contribution plan totaled $1,369, $991 and $1,224, in fiscal years 2000, 1999 and 1998, respectively.

Centex Construction Products, Inc. and Subsidiaries

Report of Independent Public Accountants

To the Stockholders and Board of Directors of Centex Construction Products, Inc.:

We have audited the accompanying consolidated balance sheets of Centex Construction Products, Inc. (a Delaware corporation) and subsidiaries as of March 31, 2000 and 1999, and the related consolidated statements of earnings, cash flows, stockholders' equity and comprehensive earnings for each of the three years in the period ended March 31, 2000. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Centex Construction Products, Inc. and subsidiaries as of March 31, 2000 and 1999, and the results of its operations and its cash flows for each of the three years in the period ended March 31, 2000, in conformity with accounting principles generally accepted in the United States.

ARTHUR ANDERSEN LLP

Dallas, Texas,
May 15, 2000

Centex Construction Products, Inc. and Subsidiaries

Management's Discussion and Analysis of Results of
Operations and Financial Condition

FISCAL YEAR 2000 COMPARED TO FISCAL YEAR 1999

Record results from its gypsum wallboard and concrete and aggregates business segments resulted in Centex Construction Products, Inc. reporting the highest revenues, net earnings and earnings per share in its history for the fiscal year ending March 31, 2000, the sixth consecutive fiscal year of record results.

Consolidated. Consolidated net revenues for fiscal 2000 totaled $418.7 million, a 25% gain over $336.1 million in fiscal 1999. Increased sales volume and higher average net sales prices in all business segments generated the revenue gain. Benefitting from increased operating margins in each of its product lines, except cement, operating earnings of $171.1 million improved 40% over fiscal 1999 operating earnings of $122.5 million. Corporate overhead of $4.7 million increased 7% over fiscal 1999 mainly due to additional incentive compensation. Higher invested cash balances resulted in $3.7 million of net interest income in fiscal 2000 versus $3.0 million in fiscal 1999. The Company's effective fiscal 2000 tax rate of 36.4% increased from 36.2% in fiscal 1999 due to higher state income taxes. As a result of the foregoing, fiscal 2000 net earnings of $108.2 million increased 40% over $77.3 million in fiscal 1999. Diluted fiscal 2000 earnings per share of $5.63 were 52% greater than $3.71 for fiscal 1999. Diluted earnings per share for fiscal 2000 increased more than net earnings due to fewer average shares outstanding in fiscal 2000.

The following table compares sales volumes, average unit sales prices and unit operating margins for the Company's operations:

	Cement (Ton)		Gypsum Wallboard (MSF)		Concrete (Cubic Yard)		Aggregates (Ton)	
	2000	1999	2000	1999	2000	1999	2000	1999
Sales Volume (Thousands)	2,295	2,218	1,363	1,155	788	706	3,368	2,916
Average Net Sales Price	$ 69.25	$ 68.75	$ 153.57	$ 122.55	$ 52.07	$ 49.78	$ 4.29	$ 4.02
Operating Margin	$ 23.09	$ 25.62	$ 78.96	$ 48.97	$ 7.53	$ 7.08	$ 0.99	$ 0.81

Cement. Cement revenues of $159.0 million for fiscal 2000 were 4% higher than $152.5 million for the prior fiscal year due to increased sales volume and slightly higher average sales price. Operating earnings fell 7% to $53.0 million from $56.8 million in fiscal 1999 due to a 3% increase in sales volume that was more than offset by a 7% increase in cost of sales. Sales volume of 2.3 million tons was 77,000 tons higher than last fiscal year's record high sales volume primarily due to favorable weather conditions in all markets and increased purchased cement sales volume. All plants operated at capacity and were again "sold out". The Company purchased 281,000 tons of cement in fiscal 2000, up 85% from last fiscal year, to supplement its manufactured cement shipments. Although U.S. cement consumption was at a record high, average net pricing of $69.25 per ton increased only $0.50 per ton over $68.75 per ton in fiscal 1999. Cement pricing in the Texas and northern California markets softened due to additional cement imports and competitors' efforts to increase market share. Operating margins declined $2.53 per ton mainly due to increased cost of sales. The cost of sales increase resulted from the Laramie plant having one of its kilns down 35 days for a major rebuild and the increased percentage this year of higher costing purchased cement sales to total sales.

Gypsum Wallboard. Gypsum wallboard revenues of $209.3 million for fiscal 2000 increased 48% over fiscal 1999 revenues of $141.6 million due to increased sales volume and higher average sales prices. Segment operating earnings totaled $107.6 million for fiscal 2000, a 90% increase over $56.6 million for fiscal 1999. The operating earnings gain resulted from higher sales volume and a 61% improvement in operating margins. Gypsum wallboard fiscal 2000 sales volume of 1,363 million square feet ("MMSF") increased 18% over fiscal 1999 due to higher utilization rates at all three plants and increased production capacity at the Albuquerque and Eagle plants. The Company's plants operated at capacity during the fiscal year. The operating margin gain resulted from higher average sales prices being partially offset by increased cost of sales. Gypsum wallboard fiscal 2000 average sales price of $153.57 per thousand square feet ("MSF") increased 25% over $122.55 per MSF in fiscal 1999 as a result of record high industry consumption. Although gypsum wallboard prices peaked during October 1999, demand softened during December 1999 and January 2000. This, along with new industry capacity coming on line, lowered the Company's average gypsum wallboard sales prices to $145.00 per MSF for the March 2000 quarter. Although the Eagle plant was down for a period of time early in the fiscal year to tie-in the plant upgrade project, unit cost of sales increased only one percent in fiscal 2000 to $74.61 per MSF.

Concrete and Aggregates. Revenues from concrete and aggregates were $55.5 million, up 18% from $46.9 million in fiscal year 1999. The revenue gain resulted from increased sales volume and higher average sales prices. Segment operating earnings of $9.3 million in fiscal 2000 increased 26% from $7.4 million in the prior fiscal year. Increased sales volume and higher operating margins generated the operating earnings gain. Concrete operating earnings of $5.9 million in fiscal 2000 were 19% greater than last fiscal year's earnings due to increased operating margins and higher sales volume. The operating margin gain resulted from a 5% increase in average concrete sale prices being partially offset by higher materials and operating costs. Concrete sales volume of 788,000 cubic yards in fiscal 2000 increased 12% over fiscal 1999 due to strong demand in the Austin, Texas market. Aggregates operating earnings of $3.3 million for fiscal 2000 increased 41% over fiscal 1999 operating earnings of $2.4 million due to increased sales volume and higher operating margins. Aggregates sales volume of 3.4 million tons increased 16% over fiscal 1999 sales volume mainly due to strong California sales volume. Product mix and higher net sales prices raised the aggregates net sale price to $4.29 per ton, an increase of 7% over $4.02 per ton for last year. Operating margins increased 22% over the prior fiscal year to $0.99 per ton due to higher net sales prices being partially offset by increased cost of sales, primarily from product mix and higher related administrative expenses.

Corporate Overhead. Corporate Overhead of $4.7 million increased $303,000 over last fiscal year due to additional corporate personnel and higher incentive compensation.

Interest Income. Net interest income of $3.7 million for fiscal year 2000 increased $692,000 over last fiscal year due to higher average invested cash balances during fiscal 2000.

FISCAL YEAR 1999 COMPARED TO FISCAL YEAR 1998

Record earnings in each of its product lines, particularly gypsum wallboard, resulted in Centex Construction Products, Inc. reporting the highest net earnings in its history for fiscal 1999.

Consolidated revenues for fiscal 1999 totaled $336.1 million, a 13% gain over $297.3 million in fiscal 1998. Increased sales volume and higher sales prices in all segments generated the revenue gain. Benefitting from increased sales volume and higher operating margins in each of its product lines, operating earnings of $122.5 million improved 36% over fiscal 1998 operating earnings of $90.3 million. Corporate overhead of $4.4 million increased 15% over fiscal 1998 mainly due to higher incentive compensation. Higher invested cash balances resulted in $3.0 million of net interest income in fiscal 1999, increasing $1.2 million over fiscal 1998. The company's effective fiscal 1999 tax rate of 36.2% increased from 36.0% in fiscal 1998 due to higher state income taxes. As a result the foregoing, fiscal 1999 net earnings of $77.3 million increased 37% over $56.5 million in fiscal 1998, the fifth consecutive year of record net earnings. Diluted fiscal 1999 earnings per share of $3.71 increased 45% from $2.56 for fiscal 1998. Diluted earnings per share for fiscal 1999 increased more than net earnings due to fewer average shares outstanding in fiscal 1999.

The following table compares sales volumes, average unit sales prices and unit operating margins for the Company's operations:

	Cement (Ton)		Gypsum Wallboard (MSF)		Concrete (Cubic Yard)		Aggregates (Ton)	
	1999	1998	1999	1998	1999	1998	1999	1998
Sales Volume (Thousands)	2,218	2,153	1,155	1,089	706	672	2,916	2,592
Average Net Sales Price	$ 68.75	$ 65.19	$ 122.55	$ 109.01	$ 49.78	$ 47.33	$ 4.02	$ 3.93
Operating Margin	$ 25.62	$ 22.34	$ 48.97	$ 32.88	$ 7.08	$ 5.12	$ 0.81	$ 0.41

Cement. Cement revenues of $152.5 million for fiscal 1999 were 9% higher than $140.3 million for the prior fiscal year. Operating earnings increased 18% to $56.8 million from $48.1 million in fiscal 1998 due to a 3% increase in sales volume and a 15% gain in operating margins. Sales volume of 2.22 million tons was 65,000 tons higher than last fiscal year's record high sales volume primarily due to favorable weather and strong sales volume at the western cement plants. All plants operated at capacity and were again "sold out". The Company purchased 152,000 tons of cement in fiscal 1999, up 23,000 tons from fiscal 1998, to supplement its manufactured cement shipments. Record U.S. cement consumption resulted in average net pricing of $68.75 per ton, increasing 5.5% over $65.19 per ton in fiscal 1998.

Gypsum Wallboard. Gypsum wallboard revenues of $141.6 million for fiscal 1999 increased 19% over fiscal 1998 revenues of $118.7 million due to increased sales volume and higher average sales prices. Segment operating earnings totaled $56.6 million for fiscal 1999, a 58% increase over $35.8 million for fiscal 1998. The operating earnings gain resulted from higher sales volume and a 49% improvement in operating margins. Gypsum wallboard fiscal 1999 sales volume of 1,155 million square feet ("MMSF") increased 6% over fiscal 1998 due to higher utilization rates at all three plants. The operating margin gain resulted from the combination of higher average sales prices and lower cost of sales. Gypsum wallboard fiscal 1999 average sales prices of $122.55 per thousand square feet ("MSF") increased 12.4% over $109.01 per MSF in fiscal 1998 as a result of record high industry consumption. The Company's plants operated at capacity during fiscal 1999 and ended the year with lower than normal inventory levels. Although the Albuquerque plant was down for a period of time during the year to tie-in the plant upgrade project, unit cost of sales declined 3% in fiscal 1999 to $73.58 per MSF primarily due to the $2.3 million asset write down provision in fiscal 1998 relating to the Albuquerque plant upgrade project.

Concrete and Aggregates. Revenues from concrete and aggregates were $46.9 million for fiscal 1999, up 12% from $42.0 million in fiscal year 1998. The revenue gain resulted from increased sales volume and higher average sales prices. Segment operating earnings of $7.4 million in fiscal 1999 increased 63% from $4.5 million in the prior fiscal year. Increased sales volume and higher operating margins generated the operating earnings gain. Concrete operating earnings of $5.0 million in fiscal 1999 were 45% greater than last fiscal year's earnings due to increased operating margins and higher sales volume. The operating margin gain resulted from the 5% increase in average concrete sale prices being partially offset by higher materials and operating costs. Concrete sales volume of 706,000 cubic yards in fiscal 1999 increased 5% over fiscal 1998 due to a strong Austin, Texas construction market. Aggregates operating earnings of $2.4 million for fiscal 1999 more than doubled the $1.1 million fiscal 1998 operating earnings due to increased sales volume and higher operating margins. Aggregates sales volume of 2.9 million tons increased 12 1/2% over fiscal 1998 sales volume due to higher Austin, Texas road construction aggregates sales. Operating margins increased 98% to $0.81 per ton due to higher net sales prices and reduced cost of sales, primarily due to a significant decrease in legal costs resulting from the settlement of the Yuba Goldfields title dispute in fiscal 1998.

Corporate Overhead. Corporate Overhead of $4.4 million for fiscal 1999 increased $555,000 over fiscal 1998 due to additional corporate personnel and higher incentive compensation.

Interest Income. Net interest income of $3.0 million for fiscal year 1999 increased $1.2 million over fiscal 1998 due to higher average invested cash balances during fiscal 1999.

LIQUIDITY AND CAPITAL RESOURCES

Each of the Company's business segments operates in capital-intensive industries. The Company at March 31, 2000 is virtually debt-free, has a cash balance of $96 million, and has a $35 million unsecured revolving credit facility in place to finance its working capital and capital expenditures needs.

Working capital at March 31, 2000 was $116.2 million, an increase of $49.6 million from March 31, 1999, principally due to a $46.5 million increase in cash. Earnings from operations before interest and taxes ("EBITDA") was $185.0 million in fiscal 2000, up $50.7 million or 38% from fiscal 1999. Fiscal 2000 capital expenditures and stock repurchases totaled $71.3 million. Capital expenditures for fiscal 2000 were $28.0 million, down from $33.8 million in fiscal 1999. During fiscal year 2000, the Company completed the $2.6 million Georgetown aggregates facility and two expansion projects that commenced during fiscal 1999: (i) an $18 million expansion of the Company's Eagle gypsum wallboard plant in Gypsum, Colorado that added 240 MMSF to the plant's current annual capacity; and (ii) a $20 million expansion of the 50% owned LaSalle, Illinois cement plant that increased its annual clinker capacity by 75,000 tons and added a new 4,000 horsepower finish mill. The Eagle project was completed early in the first quarter of fiscal 2000, and the Illinois project was completed during the second quarter of fiscal 2000. Stock repurchases during fiscal 2000 totaled $43.2 million compared to $71.9 million in fiscal 1999. Based on its financial condition and low debt levels at March 31, 2000, the Company believes that its internally generated cash flow coupled with funds available under its credit facility will enable the Company to provide adequately for its current operations and future growth.

STOCK REPURCHASE PROGRAM

Reflecting the Company's continuing confidence in its future performance, during fiscal 2000, CXP's Board of Directors authorized the repurchase of an additional 1,688,630 shares of the Company's stock. A cumulative total of 5,688,630 shares have been authorized for repurchase since the Company became publicly held in April 1994. The Company repurchased 1,224,600 shares from the public during fiscal 2000, bringing total shares repurchased from the public to 5,093,800. Centex Corporation owned 64.4% of the outstanding shares of CXP common stock at March 31, 2000. There were approximately 594,800 shares remaining under the Company's current authorization at March 31, 2000.

INFLATION AND CHANGING PRICES

Inflation has become less of a factor in the U.S. economy as the rate of increase has moderated during the last several years. The Consumer Price Index rose approximately 2.7% in calendar 1999, 1.6% in 1998, and 1.7% in 1997. Prices of materials and services, with the exception of wallboard paper, have remained relatively stable over the three-year period. Strict cost control and improving productivity also minimize the impact of inflation. The impact of inflation on income from operations has been a factor along with increasing sales prices due to full or near full utilization of industry capacity during the three years ended March 31, 2000. These factors have enabled the Company to increase per unit profit margins for its products in each successive year.

YEAR 2000

Beginning in fiscal year 1997, the Company evaluated and implemented changes to its systems in order to ensure Year 2000 compliance. As a result of this process, a small number of non-critical systems were identified as not being Year 2000 compliant and were upgraded or replaced accordingly during 1999. The cost of replacing, upgrading or otherwise changing non-compliant systems was not material to the Company as a whole, or to the Company's individual subsidiaries. The Company used internally generated cash to fund the correction of non-compliant systems. The Company's Year 2000 compliance preparation included the completion of a contingency plan, the hiring of a third party consultant and the surveying of material vendors and suppliers.

To date, the Company has not experienced an adverse effect on the Company's operations or financial condition or the operations or financial condition of any of its individual subsidiaries, either directly or indirectly through its vendors or subcontractors, related to Year 2000 compliance issues.

Although the Company has not been affected to date by the change from December 31, 1999 to January 1, 2000, Year 2000 issues could arise subsequent to the filing of this report. The Company believes that such circumstances are highly unlikely to occur and that, even if they were to occur, it is highly unlikely that the Company's operations or financial condition would be materially adversely affected. Nevertheless, the Company intends to continue to monitor Year 2000 related issues and immediately address any effects that may arise.

YEAR 2000 FORWARD-LOOKING STATEMENTS

Certain statements in this section, other than historical information, are "forward-looking" statements. See "Forward-Looking Statements," below. These statements involve risks and uncertainties relative to the Company's ability to assess and remediate any Year 2000 compliance issues, the ability of third parties to correct material non-compliant systems and the Company's assessment of the Year 2000 issue's impact on its financial results and operations.

GENERAL OUTLOOK

The general outlook for the Company's Cement, Concrete and Aggregates segments in fiscal 2001 is favorable. TEA-21, the federal program authorizing $217 billion of highway and mass transit money over a six-year period, is expected to have an increasing positive impact on these businesses. Several issues that held back activity in calendar 1999, the programs' first full year, apparently are being resolved at the state level and infrastructure-related construction should steadily ramp up from this point forward. Although rising mortgage rates could slow residential building activity in calendar 2000, increased public works construction should offset an expected modest slowdown in housing. However, cement pricing in the company's Texas and northern California markets are expected to continue "under pressure" due to additional cement imports and competitors' efforts to increase market share.

The outlook for the Company's Gypsum Wallboard operation is mixed. Escalating interest rates may slow housing sales, which, combined with new production capacity, could increase competitive pressures on pricing. Repair and remodel activity, however, increased approximately 10% in calendar 1999 and should be healthy over the next several years.

Despite these concerns, fiscal 2001 should be another excellent year for the Company.

FORWARD-LOOKING STATEMENTS

Certain sections of this Management's Discussion and Analysis of Financial Condition and Results of Operations contain forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, Section 21E of the Securities Exchange Act of 1934 and the Private Litigation Reform Act of 1995. Forward-looking statements may be identified by the context of the statement and generally arise when the Company is discussing its beliefs, estimates or expectations. These statements involve known and unknown risks and uncertainties that may cause the Company's actual results to be materially different from planned or expected results. Those risks and uncertainties include, but are not limited to, the cyclical and seasonal nature of the Company's business, public infrastructure expenditures, adverse weather, availability of raw materials, unexpected operational difficulties, governmental regulation and changes in governmental and public policy, changes in economic conditions specific to any one or more of the Company's markets, competition, announced increases in capacity in the gypsum wallboard and cement industries, general economic conditions, interest rates and the Year 2000 compliance readiness of the Company's suppliers and service producers. Investors should take such risks and uncertainties into account when making investment decisions.

Centex Construction Products, Inc. and Subsidiaries

Summary of Selected Financial Data
(dollars in thousands, except per share data)
(unaudited)

	For the Years Ended March 31,			
	2000	1999	1998	1997
Revenues	$418,695	$336,073	$297,322	$239,380
Net Earnings	$108,232	$ 77,289	$ 56,533	$ 41,799
Total Assets	$438,139	$364,683	$351,112	$305,637
Total Long-term Debt	$ 400	$ 480	$ 560	$ 640
Total Debt	$ 400	$ 480	$ 560	$ 2,640
Deferred Income Taxes	$ 24,360	$ 25,158	$ 22,250	$ 18,835
Stockholders' Equity	$340,472	$279,920	$274,803	$239,436
Total Debt as a Percent of Total Capitalization (Total Debt, Deferred Income Taxes and Stockholders' Equity)	0.1%	0.2%	0.2%	1.0%
Net Earnings as a Percent of Beginning Stockholders' Equity	38.7%	28.1%	23.6%	19.3%
Per Common Share -				
Diluted Net Earnings(1)	$ 5.63	$ 3.71	$ 2.56	$ 1.89
Cash Dividends(2)	$ 0.20	$ 0.20	$ 0.20	$ 0.20
Book Value Based on Shares Outstanding at Year End(1)	$ 18.33	$ 14.18	$ 12.77	$ 10.89
Stock Prices(1) -				
High	$41 13/16	$ 45 1/8	$ 39	$ 20
Low	$22 5/8	$ 31 1/4	$ 18	$ 12 1/2

(1) Prior to April 1994, CXP was a wholly-owned subsidiary of Centex Corporation and accordingly did not report per share information.

(2) Declared initial quarterly cash dividend of five cents per share on March 12, 1996.

Centex Construction Products, Inc. and Subsidiaries

	For the Years Ended March 31,					
	1996	1995	1994	1993	1992	1991
Revenues	$222,594	$194,313	$166,826	$136,526	$129,832	$142,188
Net Earnings	$ 33,944	$ 21,820	$ 10,240	$ 3,112	$ 713	$ 1,118
Total Assets	$269,575	$250,103	$257,315	$258,994	$267,303	$267,654
Total Long-term Debt	$ 720	$ 24,500	$ 15,585	$ 34,519	$ 37,713	$ 47,094
Total Debt	$ 720	$ 24,500	$ 16,200	$ 38,943	$ 49,308	$ 52,322
Deferred Income Taxes	$ 14,344	$ 6,705	$ 37,925	$ 36,224	$ 35,881	$ 31,553
Stockholders' Equity	$216,462	$183,405	$170,839	$160,599	$157,487	$156,774
Total Debt as a Percent of Total Capitalization (Total Debt, Deferred Income Taxes and Stockholders' Equity)	0.3%	11.4%	7.2%	16.5%	20.3%	21.7%
Net Earnings as a Percent of Beginning Stockholders' Equity	18.5%	12.8%	6.4%	2.0%	0.5%	0.7%
Per Common Share -						
Diluted Net Earnings(1)	$ 1.47	$ 0.95	$ 0.45	$ 0.14	$ 0.03	$ 0.05
Cash Dividends(2)	$ 0.05	--	--	--	--	--
Book Value Based on Shares Outstanding at Year End(1)	$ 9.42	$ 7.99	$ 7.43	$ 6.98	$ 6.85	$ 6.82
Stock Prices(1) -						
High	$ 15 1/2	$ 14 3/8	--	--	--	--
Low	$ 11 3/8	$ 8 7/8	--	--	--	--

To facilitate comparisons between periods, per share data for 1994 has been presented using the 23,000,000 shares outstanding immediately after the Initial Public Offering.

Centex Construction Products, Inc. and Subsidiaries

Quarterly Results
(dollars in thousands, except per share data)
(unaudited)

	March 31, 2000	March 31, 1999
FIRST QUARTER		
Revenues	$ 97,180	$ 79,846
Earnings Before Income Taxes	$ 35,669	$ 26,961
Net Earnings	$ 22,757	$ 17,255
Diluted Earnings Per Share	$ 1.16	$ 0.80
SECOND QUARTER		
Revenues	$117,842	$ 91,776
Earnings Before Income Taxes	$ 52,288	$ 34,968
Net Earnings	$ 33,184	$ 22,378
Diluted Earnings Per Share	$ 1.71	$ 1.05
THIRD QUARTER		
Revenues	$108,370	$ 84,863
Earnings Before Income Taxes	$ 45,745	$ 32,037
Net Earnings	$ 29,094	$ 20,317
Diluted Earnings Per Share	$ 1.52	$ 0.99
FOURTH QUARTER		
Revenues	$ 95,303	$ 79,588
Earnings Before Income Taxes	$ 36,475	$ 27,161
Net Earnings	$ 23,197	$ 17,339
Diluted Earnings Per Share	$ 1.24	$ 0.87

BOARD OF
DIRECTORS

Robert L. Clarke(2,3)
Partner
Bracewell & Patterson, L.L.P.

Laurence E. Hirsch(1,2,4)
Chairman and
Chief Executive Officer,
Centex Corporation

Richard D. Jones, Jr.(1)
President and
Chief Executive Officer

David W. Quinn(1,4)
Vice Chairman,
Centex Corporation

Harold K. Work(2,3)
President,
Elk Corporation
Chairman, President, and CEO,
Elcor Corporation

(Numbers in parentheses
indicate Board Committees)

(1) Executive Committee

(2) Compensation Committee

(3) Audit Committee

(4) Stock Option Committee

CENTEX
CONSTRUCTION
PRODUCTS, INC.

Richard D. Jones, Jr.
President and
Chief Executive Officer

H.D. House
Executive Vice President-
Gypsum

Steven R. Rowley
Executive Vice President-
Cement

Robert A. Sells
Executive Vice President-
Concrete and Aggregates

Arthur R. Zunker, Jr.
Senior Vice President-
Finance, Treasurer and
Chief Financial Officer

David A. Greenblatt
Senior Vice President-
Mergers and Acquisitions

Rodney E. Cummickel
Vice President

Hubert L. Smith, Jr.
Vice President

Walter W. Rowe
Vice President

AMERICAN
GYPSUM
COMPANY

H.D. House
President

David P. Emanuel
Vice President

Kerry G. Gannaway
Vice President

Geoff W. Gray
Vice President

CENTEX
MATERIALS,
INC.

James E. Bailey
President

Mark J. Hamilton
Vice President

J. David Loftis
Vice President

ILLINOIS
CEMENT
COMPANY

Wayne W. Emmer
President

Thomas F. Clarke
Vice President

Frank P. Koeppel
Vice President

MATHEWS
READYMIX, INC.

Craig J. Callaway
President

James D. Elliott
Vice President

MOUNTAIN
CEMENT
COMPANY

Bruce E. Ballinger
President

George B. Coates
Vice President

NEVADA
CEMENT
COMPANY

John R. Bremner
Vice President

Gary J. Roma
Vice President

TEXAS-LEHIGH
CEMENT
COMPANY

Gerald J. Essl
President

R. Lee Hunter
Vice President

Larry E. Roberson
Vice President

WESTERN
AGGREGATES,
INC.

Craig J. Callaway
President

James D. Elliott
Vice President

[Photograph of three men standing and two men sitting]

Board of Directors, from left: standing - Robert L. Clarke, Harold K. Work, David W. Quinn; seated - Laurence E. Hirsch, Richard D. Jones, Jr.

Executive Officers, from left: standing - Steven R. Rowley, Robert A. Sells, H.D. House; seated - Arthur R. Zunker, Jr., Richard D. Jones, Jr.

[Photograph of three men standing and two men sitting]

Centex Construction Products, Inc. and Subsidiaries

CORPORATE HEADQUARTERS

3710 Rawlins Street
Suite 1600, LB 78
Dallas, Texas 75219
(214) 559-6514 (Telephone)
(214) 559-6554 (Fax)

CORPORATE HEADQUARTERS

(After September 1, 2000)
2728 N. Harwood, Suite 600
Dallas, Texas 75201-1516
(214) 981-5000 (Telephone)
Mailing Address:
P.O. Box 199000
Dallas, Texas 75219-9000

TRANSFER AGENT AND REGISTRAR

ChaseMellon Shareholder Services, L.L.C.
85 Challenger Road
Overpeck Center
Ridgefield Park, NJ 07660
1-800-635-9270 (Toll-Free)

STOCK LISTINGS

New York Stock Exchange
Ticker Symbol "CXP"

ANNUAL MEETING

The Annual Meeting of Stockholders of Centex Construction Products, Inc. will be held on Thursday, July 20, 2000 at 10:00 a.m. in the Red Oak Room at the Sheraton Suites Market Center, 2101 Stemmons Freeway, Dallas, Texas.

STOCKHOLDER INQUIRIES

Communications concerning transfer requirements, lost certificates, dividends or change of address should be sent to ChaseMellon Shareholder Services, L.L.C. at the address listed above.

FORM 10-K

A copy of the Annual Report on Form 10-K of Centex Construction Products, Inc. is available upon request to the Senior Vice President-Finance at corporate headquarters.

[CXP's corporate logo]

EXHIBIT 21

The following is a list of subsidiaries of Centex Construction Products, Inc., wholly-owned unless otherwise stated. This list of subsidiaries includes all of the significant subsidiaries of Centex Construction Products, Inc. as of May 31, 2000.

ENTITY NAME		JURISDICTION OF ORGANIZATION
American Gypsum Company		New Mexico
d/b/a American Gypsum Company, Inc.		
d/b/a Centex American Gypsum Company		
BP Sand & Gravel, Inc.		Delaware
CCP Cement Company		Nevada
CCP Concrete/Aggregates Company		Nevada
CCP Gypsum Company		Nevada
CCP Land Company		Nevada
CEGC Holding Company		Delaware
Centex Cement Corporation		Nevada
Centex Eagle Gypsum Company		Delaware
Centex Eagle Gypsum Company, L.L.C.		Delaware
d/b/a American Gypsum Company		
Centex Materials GP LTD, LLC		Delaware
Centex Materials, LP		Texas
Centex Materials LP LTD, LLC		Delaware
Illinois Cement Company	(50%)	Illinois
Illinois Cement Company, joint venture	(50%)	Texas
M & W Drywall Supply Company		Nevada
Mathews Readymix, Inc.		California
Mountain Cement Company		Nevada
Nevada Cement Company		Nevada
Texas Cement Company		Nevada
d/b/a C & C Properties, Inc.		
d/b/a C P Service Company		
d/b/a Texas-Lehigh Cement Company		
Texas-Lehigh Cement Company	(50%)	Texas
Texas Lehigh Cement Company, general partnership	(50%)	Texas
Western Cement Company of California		California
Wisconsin Cement Company	(50%)	Wisconsin

EXHIBIT 23

CONSENT OF INDEPENDENT PUBLIC ACCOUNTANTS

As independent public accountants, we hereby consent to the incorporation by reference in this Form 10-K of our report dated May 15, 2000, included in the Centex Construction Products, Inc. (the "Company") annual report to stockholders. We also hereby consent to the incorporation by reference of our report dated May 15, 2000, into the Company's previously filed registration statements on Form S-8 (No. 33-82820; No. 33-82928; No. 33-84394) and to all references to our firm included in these registration statements.

/s/ ARTHUR ANDERSEN LLP

Dallas, Texas
June 21, 2000

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THIS SCHEDULE CONTAINS SUMMARY FINANCIAL INFORMATION EXTRACTED FROM CENTEX
CONSTRUCTION PRODUCTS, INC.'S MARCH 31, 2000, FORM 10-K AND IS QUALIFIED IN ITS
ENTIRETY BY REFERENCE TO SUCH FINANCIAL STATEMENTS.

1,000

12-MOS
MAR-31-2000
APR-01-1999
MAR-31-2000
96,170
0
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0
38,582
189,211
413,933
178,033
438,139
72,987
320
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0
186
340,286
438,139
417,464
422,432
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247,572
4,683
0
0
170,177
61,945
108,232
0
0
0
108,232
0
5.63