

SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 10-Q

QUARTERLY REPORT

Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934
For the Quarter Ended

DECEMBER 31, 1996

Commission File Number 1-12984

[COMPANY LOGO]

CENTEX CONSTRUCTION PRODUCTS, INC.

A Delaware Corporation

IRS Employer Identification No. 75-2520779
3710 Rawlins, Suite 1600
Dallas, Texas 75219
(214) 559-6514

The registrant 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 and has been subject to such filing requirements for the past 90 days.

As of the close of business on February 10, 1997, 21,983,814 shares of Centex Construction Products, Inc. common stock were outstanding.

CENTEX CONSTRUCTION PRODUCTS, INC. AND SUBSIDIARIES

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CENTEX CONSTRUCTION PRODUCTS, INC. AND SUBSIDIARIES

PART I. FINANCIAL INFORMATION

CONSOLIDATED FINANCIAL STATEMENTS

ITEM 1.

The consolidated financial statements include the accounts of Centex Construction Products, Inc. and subsidiaries ("CXP" or the "Company"), and have been prepared by the Company, without audit, pursuant to the rules and regulations of the Securities and Exchange Commission. Certain information and footnote disclosures normally included in financial statements prepared in accordance with generally accepted accounting principles have been condensed or omitted pursuant to such rules and regulations. The Company believes that the disclosures are adequate to make the information presented not misleading. It is suggested that these unaudited consolidated financial statements be read in conjunction with the consolidated financial statements and the notes thereto included in the Registrant's latest Annual Report on Form 10-K. In the opinion of the Company, all adjustments necessary to present fairly the information in the following unaudited consolidated financial statements of the Company have been included. The results of operations for such interim periods are not necessarily indicative of the results for the full year.

CENTEX CONSTRUCTION PRODUCTS, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENT OF EARNINGS
(dollars in thousands, except per share data)
(unaudited)

FOR THE THREE MONTHS ENDED	December 31,	
	----- 1996 -----	----- 1995 -----
REVENUES		
Cement	\$ 32,228	\$ 31,740
Wallboard	18,103	14,231
Concrete/Aggregates	9,123	9,737
Other, net	843	817
Less Intersegment Sales	(1,180)	(1,096)
	----- 59,117	----- 55,429
COSTS AND EXPENSES		
Cement	21,762	21,037
Wallboard	12,636	11,332
Concrete/Aggregates	8,071	8,223
Less Intersegment Purchases	(1,180)	(1,096)
Corporate General & Administrative	1,073	614
Interest Income, net	(536)	(25)
	----- 41,826	----- 40,085
EARNINGS BEFORE INCOME TAXES	17,291	15,344
Income Taxes	6,069	5,386
	-----	-----
NET EARNINGS	\$ 11,222	\$ 9,958
	=====	=====
EARNINGS PER SHARE	\$ 0.51	\$ 0.43
	=====	=====
AVERAGE SHARES OUTSTANDING	21,996,836	22,972,504
	=====	=====
CASH DIVIDENDS PER SHARE	\$ 0.05	\$ -0-
	=====	=====

See notes to unaudited consolidated financial statements.

CENTEX CONSTRUCTION PRODUCTS, INC. AND SUBSIDIARIES
 CONSOLIDATED STATEMENT OF EARNINGS
 (dollars in thousands, except per share data)
 (unaudited)

FOR THE NINE MONTHS ENDED	December 31,	
	1996	1995
	-----	-----
REVENUES		
Cement	\$ 108,844	\$ 103,739
Wallboard	49,806	43,195
Concrete/Aggregates	29,289	31,032
Other, net	1,573	2,247
Less Intersegment Sales	(3,799)	(3,197)
	-----	-----
	185,713	177,016
	-----	-----
COSTS AND EXPENSES		
Cement	74,166	72,920
Wallboard	36,259	34,740
Concrete/Aggregates	25,068	26,345
Less Intersegment Purchases	(3,799)	(3,197)
Corporate General & Administrative	2,438	1,875
Interest (Income) Expense, net	(960)	746
	-----	-----
	133,172	133,429
	-----	-----
EARNINGS BEFORE INCOME TAXES	52,541	43,587
Income Taxes	18,442	15,299
	-----	-----
NET EARNINGS	\$ 34,099	\$ 28,288
	=====	=====
EARNINGS PER SHARE	\$ 1.54	\$ 1.23
	=====	=====
AVERAGE SHARES OUTSTANDING	22,202,130	22,996,805
	=====	=====
CASH DIVIDENDS PER SHARE	\$ 0.15	\$ -0-
	=====	=====

See notes to unaudited consolidated financial statements.

CENTEX CONSTRUCTION PRODUCTS, INC. AND SUBSIDIARIES
 CONSOLIDATED BALANCE SHEETS
 (dollars in thousands)

ASSETS	December 31, 1996	March 31, 1996
-----	-----	-----
	(Unaudited)	(*)
Current Assets		
Cash and Cash Equivalents	\$ 54,055	\$ 20,799
Accounts and Notes Receivable, net	32,639	33,532
Inventories	26,566	29,691
	-----	-----
Total Current Assets	113,260	84,022
	-----	-----
Property, Plant and Equipment	310,423	308,600
Less Accumulated Depreciation	(135,999)	(128,419)
	-----	-----
Property, Plant & Equipment, net	174,424	180,181
Notes Receivable, net	1,719	1,395
Other Assets	4,999	3,977
	-----	-----
	\$ 294,402	\$ 269,575
	=====	=====
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current Liabilities		
Accounts Payable	\$ 16,103	\$ 15,020
Accrued Liabilities	26,382	23,029
Current Portion of Long-term Debt	80	80
Income Taxes Payable	3,951	--
	-----	-----
Total Current Liabilities	46,516	38,129
	-----	-----
Long-term Debt	640	640
Deferred Income Taxes	14,424	14,344
Stockholders' Equity		
Common Stock, Par Value \$0.01; Authorized 50,000,000 Shares; Issued and Outstanding 21,982,814 and 22,978,504 Shares, respectively	220	230
Capital in Excess of Par Value	147,198	161,617
Retained Earnings	85,404	54,615
	-----	-----
Total Stockholders' Equity	232,822	216,462
	-----	-----
	\$ 294,402	\$ 269,575
	=====	=====

* Condensed from audited financial statements.

See notes to unaudited consolidated financial statements.

CENTEX CONSTRUCTION PRODUCTS, INC. AND SUBSIDIARIES
 CONSOLIDATED STATEMENT OF CASH FLOWS
 (dollars in thousands)
 (unaudited)

FOR THE NINE MONTHS ENDED

	December 31,	
	----- 1996 -----	----- 1995 -----
CASH FLOWS FROM OPERATING ACTIVITIES		
Net Earnings	\$ 34,099	\$ 28,288
Adjustments to Reconcile Net Earnings to Net Cash Provided by Operating Activities -		
Depreciation, Depletion and Amortization	10,099	10,550
Deferred Income Tax Provision	80	253
Decrease (Increase) in Accounts and Notes Receivable	570	(4,496)
Decrease in Inventories	3,124	5,157
Increase in Accounts Payable and Accrued Liabilities	4,392	1,609
(Increase)Decrease in Other, net	(1,014)	360
Increase in Income Taxes Payable	4,045	4,168
	----- 55,395	----- 45,889
CASH FLOWS FROM INVESTING ACTIVITIES		
Property, Plant and Equipment Additions, net	(4,350)	(10,913)
Proceeds From Sale of Assets	--	5,057
	----- (4,350)	----- (5,856)
CASH FLOWS FROM FINANCING ACTIVITIES		
Dividends Paid	(3,360)	--
Retirement of Common Stock	(14,976)	--
Proceeds from Stock Option Exercises ...	547	178
Decrease in Long-term Debt	--	(24,500)
	----- (17,789)	----- (24,322)
NET INCREASE IN CASH AND CASH EQUIVALENTS	33,256	15,711
CASH AT BEGINNING OF PERIOD	20,799	2,475
CASH AT END OF PERIOD	\$ 54,055	\$ 18,186
	=====	=====

See notes to unaudited consolidated financial statements.

CENTEX CONSTRUCTION PRODUCTS, INC. AND SUBSIDIARIES
 NOTES TO UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS
 DECEMBER 31, 1996

(A) A summary of changes in stockholders' equity is presented below.

	Common Stock -----	Capital in Excess of Par Value ----- (dollars in thousands)	Retained Earnings -----	Total -----
Balance, March 31, 1995 ..	\$ 230	\$ 161,355	\$ 21,820	\$ 183,405
Net Earnings	--	--	33,944	33,944
Stock Option Exercises ...	--	262	--	262
Cash Dividends	--	--	(1,149)	(1,149)
	-----	-----	-----	-----
Balance, March 31, 1996 ..	230	161,617	54,615	216,462
Net Earnings	--	--	34,099	34,099
Stock Option Exercises ...	--	547	--	547
Cash Dividends	--	--	(3,310)	(3,310)
Retirement of Common Stock	(10)	(14,966)	--	(14,976)
	-----	-----	-----	-----
BALANCE DECEMBER 31, 1996	\$ 220 =====	\$ 147,198 =====	\$ 85,404 =====	\$ 232,822 =====

(B) Impact of New Accounting Pronouncements.

During the June 30, 1996 quarter, the Company adopted Financial Accounting Standards Board (FASB) Statement No. 121, "Accounting for the Impairment of Long-Lived Assets and for Long-Lived Assets to be Disposed Of" (SFAS No. 121). SFAS No. 121 requires that certain long-lived assets and intangibles be reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. There was no material effect on the Company's financial statements from the Company's adoption of SFAS No. 121.

CENTEX CONSTRUCTION PRODUCTS, INC.

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF RESULTS OF OPERATIONS
AND FINANCIAL CONDITION

RESULTS OF OPERATIONS

Centex Construction Product's revenues for the third quarter of fiscal 1997 totaled \$59,117,000, compared to revenues of \$55,429,000 for the same quarter last year. CXP's net earnings for the quarter ended December 31, 1996 were a record \$11,222,000, a 13% increase from \$9,958,000 for the same quarter last year. Earnings per share for this year's quarter were \$0.51 versus \$0.43 per share for the same quarter in fiscal 1996. The quarter's record net earnings resulted primarily from Gypsum Wallboard price increases. For the nine months ended December 31, 1996 CXP's revenues were \$185,713,000, up 5% from \$177,016,000 for the same period last year. Net earnings for the current nine months were a record \$34,099,000, up 21% from the \$28,288,000 for the same period last year. Earnings per share for the nine months this year were \$1.54, an increase of 25% from \$1.23 per share for the same period last year. For both the quarter and the nine months, earnings per share increased a higher percentage than net earnings due to fewer average shares outstanding in the current periods. Strong fundamentals in the Cement and Gypsum Wallboard sectors continue to impact demand and pricing. CXP's regional markets are currently experiencing economic growth above the national average.

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

Quarter Ended Dec. 31,	Cement (Ton)		Wallboard (MSF)		Concrete (Cubic Yard)		Aggregates (Ton)	
	1996	1995	1996	1995	1996	1995	1996	1995
Sales Volume (M)	510	532	170	164	147	161	549	562
Average Net Sales Price	\$ 63.14	\$ 59.66	\$ 106.45	\$ 86.70	\$ 46.86	\$ 46.04	\$ 4.02	\$ 4.10
Operating Margin	\$ 20.51	\$ 20.12	\$ 32.14	\$ 17.66	\$ 5.72	\$ 7.52	\$ 0.38	\$ 0.53

Nine Months Ended Dec. 31,	Cement (Ton)		Wallboard (MSF)		Concrete (Cubic Yard)		Aggregates (Ton)	
	1996	1995	1996	1995	1996	1995	1996	1995
Sales Volume (M)	1,712	1,720	516	486	483	466	1,623	2,379
Average Net Sales Price	\$ 63.56	\$ 60.32	\$ 96.50	\$ 88.85	\$ 46.67	\$ 45.83	\$ 4.15	\$ 4.07
Operating Margin	\$ 20.25	\$ 17.92	\$ 26.25	\$ 17.39	\$ 6.90	\$ 7.70	\$ 0.55	\$ 0.46

Cement revenues for the current quarter were \$32,228,000, up 2% from \$31,740,000 for the same quarter in the prior year. Operating earnings were \$10,466,000, a 2% decrease from \$10,703,005 for the same quarter last year. Higher average sales prices offset by an 8% increase in cost of sales and a 4% decline in sales volume resulted in the net quarterly decline. Sales volume of 510,000 tons for the current quarter was down 22,000 tons from prior year's quarter due to a

normal winter shipping season during this year's third quarter. Cost of sales increased 8% over prior year's quarter due to higher purchased cement sales this year and a positive inventory correction last year. All facilities again operated at capacity and ended the quarter with lower than normal clinker and cement inventories. For the nine month period Cement revenues were \$108,844,000, a 5% increase over \$103,739,000 for the same period last year. Operating earnings from Cement were \$34,678,000 for the nine months, a 13% increase from \$30,819,000 for the same period in the prior year. Cement operating earnings increased due to higher sales prices in all of CXP's markets partially offset by a 2% increase in cost of sales.

Revenues from Gypsum Wallboard were \$18,103,000 for the quarter this year, a 27% increase over revenues of \$14,231,000 for the same quarter in the prior fiscal year. Operating earnings for the quarter were \$5,467,000, an 89% increase from \$2,899,000 for the same period last year. Increased sales volume and improved margins resulted in the net gain for the quarter. Average sales prices for the current quarter of \$106.45 per thousand square feet ("MSF") exceeded prior year's third quarter sales prices by 23%. A strong single-family housing construction market coupled with increased commercial and reconstruction demand resulted in record industry consumption for 1996. Production cost increased over prior year's cost due to increased fuel cost and major maintenance at the Albuquerque plant. Gypsum Wallboard had revenues of \$49,806,000 for the first nine months of this fiscal year, 15% higher than the \$43,195,000 for the same period in fiscal 1996. Gypsum Wallboard operating earnings for the nine months were \$13,547,000, an improvement of 60% from the \$8,455,000 earnings for the same period last year. The net earnings gain over prior year resulted from increased sales volume and improved operating margins. Operating margins for the nine months increased over prior year's comparable period due to 9% higher sales prices along with a 2% decrease in production costs.

Current quarter revenues from Concrete/Aggregates totaled \$9,123,000, a 6% decrease from \$9,737,000 for the prior year's quarter. Operating earnings from Concrete/Aggregates were \$1,052,000 for the quarter this year, a 31% decline from prior year's quarter due to reduced margins and lower sales volume. Concrete earnings for the quarter decreased 31% from last year's quarter due to reduced margins and 9% lower sales volume. Cost of sales increased 7% due primarily to higher cement and aggregates cost. Aggregates earnings for the quarter decreased 31% from prior year's quarter due to increased cost of sales and lower sales prices and volume. Aggregates sales volume declined due to the sale of the north Texas aggregates operation early in last year's third quarter. For the nine months, Concrete/Aggregates revenues were \$29,289,000 this year, compared to \$31,032,000 for the same period last year. Operating earnings were \$4,221,000 for the nine months this year versus \$4,687,000 for the same period last year. Concrete margins declined due to higher sales prices being offset by increased materials and production costs. Aggregates margins increased due to higher net sales prices and slightly lower production costs. Aggregates sales volume of 1,712,000 tons for the first nine months of this fiscal year was 32% below the prior year's nine month total of 2,379,000 tons due to the sale of the north Texas sand and gravel operation in last fiscal year's third quarter.

Other income includes clinker sales, non-inventoried aggregates sales, trucking income, asset sales, royalty and lease income, wallboard accessories and other miscellaneous items.

Corporate overhead for the quarter was \$459,000 higher than prior year's quarter due primarily to performance incentive compensation accruals.

Net interest income for this year's quarter and nine months increased over last year due to increased cash and cash equivalent balances.

STOCK REPURCHASE PROGRAM

The Company's Board of Directors has approved the repurchase of up to two million shares of the Company's common stock. The Company repurchased on the open market and from Centex Corporation a total of 40,196 shares in fiscal year 1995, but none in fiscal year 1996. During the nine months ending December 31, 1996, CXP repurchased 1,038,100 shares of its common shares at a cost of approximately \$15.0 million from the public. The share repurchases for the nine months ended December 31, 1996 increased Centex Corporation's ownership interest from 49% to approximately 51.2%.

FINANCIAL CONDITION

The Company has a \$35 million unsecured revolving credit facility expiring on March 31, 2001 to finance its working capital and capital expenditures requirements. Based on its financial condition and a virtually debt free balance sheet at December 31, 1996, CXP believes that its internally generated cash flow coupled with funds available under the credit facility will enable CXP to provide adequately for its current operations and future growth.

Working capital at December 31, 1996 was \$66.7 million, up \$20.9 million from March 31, 1996. Stock repurchases during the nine months ended December 31, 1996 amounted to \$15.0 million. Capital spending of \$4.4 million for the first nine months of fiscal 1997 was down from the prior year's first nine months due to last year's recommissioning of the second kiln at the Laramie plant.

OUTLOOK

The Company's record financial results during the first nine months of fiscal 1997 reflect continued strength in demand and pricing for its Cement and Gypsum Wallboard products. Assuming no significant change in overall economic climate during the remainder of fiscal 1997, the Company should post its third consecutive record financial performance. At December 31, 1996 the Company was virtually debt free and well positioned to take advantage of potential growth opportunities.

OTHER DEVELOPMENTS

On December 5, 1996, the Company signed a definitive agreement to purchase Eagle-Gypsum Products gypsum wallboard and cogeneration power facilities located in Gypsum, Eagle County, Colorado. The acquisition is subject to the satisfaction of customary conditions, including receipt of applicable governmental approvals.

The Eagle-Gypsum Products facility has annual production capacity of approximately 400 million square feet of wallboard. Upon completion the acquisition will increase the Company's gypsum wallboard production capacity by approximately 60% to 1.1 billion square feet annually.

FORWARD-LOOKING STATEMENTS

From time to time, the Company may publish forward-looking statements relating to such matters as anticipated financial performance, business prospects, technological developments, new products and similar matters. The Private Securities Litigation Reform Act of 1995 provides a safe harbor for forward-looking statements. In order to comply with the terms of the safe harbor, the Company notes that a variety of factors could cause the Company's actual results and experience to differ materially from the anticipated results or other expectations expressed in the Company's forward-looking statements. The risks and uncertainties that may affect the operations, performance, development and results of the Company's business include the following: general economic conditions, interest rates, decline in or growth of the home building and other construction industries, public infrastructure expenditures, competition, and the availability of raw materials. These and other factors are described in the Annual Report on Form 10-K for Centex Construction Products, Inc. for the fiscal year ended March 31, 1996. The report is filed with the Securities and Exchange Commission.

PART II. OTHER INFORMATION

ITEM 6. EXHIBITS AND REPORTS ON FORM 8-K

- (a) Exhibits
27 - Financial Data Schedule
- (b) Reports on Form 8-K

The Registrant filed no reports on Form 8-K during the quarter ended December 31, 1996.

All other items required under Part II are omitted because they are not applicable.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

CENTEX CONSTRUCTION PRODUCTS, INC.

Registrant

February 10, 1997

/s/ O.G. Dagnan

O. G. Dagnan
President and Chief Executive Officer
(principal executive officer)

February 10, 1997

/s/ Arthur R. Zunker, Jr.

Arthur R. Zunker, Jr.
Senior Vice President-Finance and Treasurer
(principal financial and
chief accounting officer)

INDEX TO EXHIBITS

EXHIBIT
NUMBER

DESCRIPTION

27

Financial Data Schedule

THIS SCHEDULE CONTAINS SUMMARY FINANCIAL INFORMATION EXTRACTED FROM CENTEX CONSTRUCTION PRODUCTS, INC.'S DECEMBER 31, 1996 FORM 10-Q AND IS QUALIFIED IN ITS ENTIRETY BY REFERENCE TO SUCH FINANCIAL STATEMENTS.

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9-MOS		
	MAR-31-1997	
	APR-01-1996	
	DEC-31-1996	
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		32,639
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		26,566
		113,260
		310,423
		135,999
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		0
		220
		232,602
294,402		
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		131,694
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