

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

JUNE 30, 1998

Commission File Number 1-12984

[LOGO]

CENTEX CONSTRUCTION PRODUCTS, INC.

A Delaware Corporation

IRS Employer Identification No. 75-2520779
3710 Rawlins, Suite 1600 LB 78
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 August 3, 1998, 21,229,882 shares of Centex Construction Products, Inc. common stock were outstanding.

CENTEX CONSTRUCTION PRODUCTS, INC. AND SUBSIDIARIES

FORM 10-Q TABLE OF CONTENTS

JUNE 30, 1998

	PAGE

PART I. FINANCIAL INFORMATION (UNAUDITED)	
ITEM 1. Consolidated Financial Statements	1
Consolidated Statements of Earnings for the Three Months Ended June 30, 1998 and 1997	2
Consolidated Balance Sheets as of June 30, 1998 and March 31, 1998	3
Consolidated Statements of Cash Flows for the Three Months Ended June 30, 1998 and 1997	4
Notes to Consolidated Financial Statements	5-6
ITEM 2. Management's Discussion and Analysis of Results of Operations and Financial Condition	6-9
PART II. OTHER INFORMATION	
ITEM 6. Exhibits and Reports on Form 8-K	9
SIGNATURES	10

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, although 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 Company'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 STATEMENTS OF EARNINGS
(dollars in thousands, except per share data)
(unaudited)

FOR THE THREE MONTHS ENDED

June 30,

	1998	1997
REVENUES		
Cement	\$ 37,530	\$ 38,411
Gypsum Wallboard	32,161	29,860
Concrete/Aggregates	11,365	10,242
Other, net	404	725
Less Intersegment Sales	(1,614)	(1,284)
	-----	-----
	79,846	77,954
	-----	-----
COSTS AND EXPENSES		
Cement	24,905	26,552
Gypsum Wallboard	20,000	19,439
Concrete/Aggregates	9,525	8,956
Less Intersegment Purchases	(1,614)	(1,284)
Corporate General & Administrative	871	937
Interest Income, net	(802)	(52)
	-----	-----
	52,885	54,548
	-----	-----
EARNINGS BEFORE INCOME TAXES	26,961	23,406
Income Taxes	9,706	8,309
	-----	-----
NET EARNINGS	\$ 17,255	\$ 15,097
	=====	=====
EARNINGS PER SHARE:		
BASIC	\$ 0.81	\$ 0.69
	=====	=====
DILUTED	\$ 0.80	\$ 0.68
	=====	=====
AVERAGE SHARES OUTSTANDING:		
BASIC	21,425,045	21,988,782
	=====	=====
DILUTED	21,583,986	22,156,424
	=====	=====
CASH DIVIDENDS PER SHARE	\$ 0.05	\$ 0.05
	=====	=====

See notes to unaudited consolidated financial statements.

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

ASSETS	June 30, 1998 ----- (Unaudited)	March 31, 1998 ----- (*)
Current Assets		
Cash and Cash Equivalents	\$ 62,054	\$ 62,090
Accounts and Notes Receivable, net	43,491	36,669
Inventories	30,898	32,537
	-----	-----
Total Current Assets	136,443	131,296
	-----	-----
Property, Plant and Equipment	374,230	366,353
Less Accumulated Depreciation	(157,176)	(153,444)
	-----	-----
Property, Plant & Equipment, net	217,054	212,909
Notes Receivable, net	869	935
Other Assets	5,598	5,972
	-----	-----
	\$ 359,964	\$ 351,112
	=====	=====
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current Liabilities		
Accounts Payable	\$ 19,557	\$ 18,404
Accrued Liabilities	32,011	35,095
Current Portion of Long-term Debt	80	80
Income Taxes Payable	8,839	--
	-----	-----
Total Current Liabilities	60,487	53,579
	-----	-----
Long-term Debt	480	480
Deferred Income Taxes	21,185	22,250
Stockholders' Equity		
Common Stock, Par Value \$0.01; Authorized 50,000,000 Shares; Issued and Outstanding 21,198,122 and 21,525,148 Shares, respectively	212	215
Capital in Excess of Par Value	117,231	130,413
Retained Earnings	160,369	144,175
	-----	-----
Total Stockholders' Equity	277,812	274,803
	-----	-----
	\$ 359,964	\$ 351,112
	=====	=====

* From audited financial statements.

See notes to unaudited consolidated financial statements.

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

FOR THE THREE MONTHS ENDED	June 30,	
	----- 1998 -----	----- 1997 -----
CASH FLOWS FROM OPERATING ACTIVITIES		
Net Earnings	\$ 17,255	\$ 15,097
Adjustments to Reconcile Net Earnings to Net Cash Provided by Operating Activities -		
Depreciation, Depletion and Amortization	3,966	4,051
Deferred Income Tax Benefit	(1,065)	(48)
Increase in Accounts and Notes Receivable	(6,756)	(8,665)
Decrease in Inventories	1,639	3,256
(Decrease) Increase in Accounts Payable and Accrued Liabilities	(1,916)	2,540
Decrease (Increase) in Other, net	27	(600)
Increase in Income Taxes Payable	8,839	7,343
	----- 21,989	----- 22,974
CASH FLOWS FROM INVESTING ACTIVITIES		
Property, Plant and Equipment Additions, net	(7,764)	(1,737)
	----- (7,764)	----- (1,737)
CASH FLOWS FROM FINANCING ACTIVITIES		
Dividends Paid To Shareholders	(1,076)	(1,100)
Retirement of Common Stock	(14,196)	(1,418)
Proceeds from Stock Option Exercises	1,011	955
Decrease in Notes Payable	--	(2,000)
	----- (14,261)	----- (3,563)
NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS	(36)	17,674
CASH AT BEGINNING OF PERIOD	62,090	4,812
	-----	-----
CASH AT END OF PERIOD	\$ 62,054	\$ 22,486
	=====	=====

See notes to unaudited consolidated financial statements.

CENTEX CONSTRUCTION PRODUCTS, INC. AND SUBSIDIARIES
 NOTES TO UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS
 JUNE 30, 1998

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

	Common Stock	Capital in Excess of Par Value	Retained Earnings	Total
	-----	-----	-----	-----
	(dollars in thousands)			
Balance, March 31, 1997	\$ 220	\$ 147,212	\$ 92,004	\$ 239,436
Net Earnings	--	--	56,533	56,533
Stock Option Exercises	--	6,727	--	6,727
Dividends Paid To Shareholders	--	--	(4,362)	(4,362)
Retirement of Common Stock	(5)	(23,526)	--	(23,531)
	-----	-----	-----	-----
Balance March 31, 1998	215	130,413	144,175	274,803
Net Earnings	--	--	17,255	17,255
Stock Option Exercises	--	1,011	--	1,011
Dividends Paid To Shareholders	--	--	(1,061)	(1,061)
Retirement of Common Stock	(3)	(14,193)	--	(14,196)
	-----	-----	-----	-----
BALANCE JUNE 30, 1998	\$ 212	\$ 117,231	\$ 160,369	\$ 277,812
	=====	=====	=====	=====

(B) 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:

	Unaudited June 30, 1998	Audited March 31, 1998
	-----	-----
Raw Materials and Materials-in-Progress	\$ 8,175	\$ 8,478
Finished Cement	5,136	5,169
Aggregates	1,875	1,830
Gypsum Wallboard	1,927	2,020
Repair Parts and Supplies	12,883	14,121
Fuel and Coal	902	919
	-----	-----
	\$30,898	\$32,537
	=====	=====

(C) Earnings Per Share:

In February 1997, the Financial Accounting Standards Board issued Statement No. 128, "Earnings Per Share" ("SFAS No. 128"). SFAS No. 128, which simplifies the standards for computing and presenting earnings per share, became effective for periods ending after December 15, 1997. Accordingly, earnings per share as previously reported have been restated to conform to the new standard. Basic earnings per share were computed using the average number of common shares outstanding in each of the three month periods ending June 30, 1998 and 1997. Diluted earnings per share for June 30, 1998 and 1997 assume the dilutive impact of stock options.

(D) New Accounting Standards:

Effective April 1, 1998, the Company adopted Statement of Financial Accounting Standards: Statement No. 130, "Reporting Comprehensive Income," ("SFAS No. 130"). SFAS No. 130 establishes standards for reporting and displaying comprehensive income and its components. There are no items that the Company is required to recognize as components of comprehensive income.

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

RESULTS OF OPERATIONS

Centex Construction Products reported the second highest quarterly earnings in the Company's history for the quarter ended June 30, 1998. Revenues for the first quarter of fiscal 1999 totaled \$79,846,000, a 2% increase over revenues of \$77,954,000 for the same quarter last year. CXP's net earnings for the quarter ended June 30, 1998 were \$17,255,000, a 14% increase over \$15,097,000 for the same quarter last year. Diluted earnings per share for this year's quarter of \$0.80 increased 17% over \$0.68 per share for the same quarter in fiscal 1998 and equaled the previous all time high of \$0.80 per share reported for last year's second quarter. Diluted earnings per share for the quarter increased more than net earnings due to fewer average shares outstanding in this year's quarter. The quarter's earnings gain resulted from increased earnings in each of the Company's business segments. A strong national economy has resulted in cement and gypsum wallboard consumption for the first six months of 1998 exceeding last year's same period record consumption rate.

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

Quarter Ended June 30,	Cement (Ton)		Gypsum Wallboard (MSF)		Concrete (Cubic Yard)		Aggregates (Ton)	
	1998	1997	1998	1997	1998	1997	1998	1997
Sales Volume (M)	551	595	282	275	184	156	636	739
Average Net Sales Price	\$ 68.06	\$ 64.57	\$113.90	\$108.52	\$ 47.79	\$ 47.29	\$ 4.02	\$ 3.87
Operating Margin (1)	\$ 22.90	\$ 19.93	\$ 43.07	\$ 37.87	\$ 7.47	\$ 6.01	\$ 0.73	\$ 0.47

(1) Segment operating margins represent revenues less direct operating expenses, segment depreciation, and segment selling, general and administrative expenses.

Cement revenues for the quarter totaled \$37,530,000, down 2% from the same quarter in the prior year. Operating earnings were \$12,625,000, a 6% increase over \$11,859,000 for the same quarter last year. A combination of 44,000 tons less sales volume and higher operating margins due to a 5% increase in average net sales prices accounted for the net quarterly operating earnings gain. Demand continues to be strong in all of the Company's cement markets and the Company expects fiscal 1999 to be another "sold out" year. Although wet weather delayed contract work in the Western Region and Illinois, causing sales volume in this year's quarter to be lower than the same quarter last year, the volume should be recouped over the next two quarters. Average cement sales prices improved \$3.49 per ton over prior year's quarter as a result of increasing prices in all of the Company's sales regions during the previous twelve months. Cement cost of sales increased over prior year's quarters due to higher maintenance and repair costs.

Gypsum Wallboard revenues of \$32,161,000 for the quarter increased 8% over revenues of \$29,860,000 for the same quarter in the prior fiscal year. Operating earnings for the quarter were \$12,161,000, up 17% over \$10,421,000 for the same period last year. Increased sales volume and higher operating margins resulted in the quarterly gain. Sales volume of 282 million square feet ("MMSF") for this year's quarter was 7 MMSF higher than the 275 MMSF sold during the prior year's quarter. National wallboard consumption for the first six months of calendar 1998 was at a record pace as single-family home construction remained strong. Supported by strong demand and a June price increase the Company's average net sales price for the quarter was \$113.90 per thousand board feet ("MSF"), 5% higher than \$108.52 per MSF for the same quarter last year.

Revenues from Concrete and Aggregates were \$11,365,000 for the quarter this year, up 11% from \$10,242,000 for the same quarter a year ago. Concrete and Aggregates reported operating earnings for the quarter of \$1,840,000, up 43% from \$1,286,000 for the same quarter last year. Concrete earnings increased 47% from last year's comparable quarter mainly due to a 18% gain in sales volume. Concrete sales volume for the quarter this year was 184,000 cubic yards, compared to 156,000 cubic yards for the same quarter last year. The gain was attributable to strong residential and commercial sales at the Texas concrete operation. The Company's average Concrete net sales price of \$47.79 per cubic yard for the current quarter was slightly higher than \$47.29 for the same quarter a year ago. Aggregates earnings increased 33% from prior year's quarter due to higher operating margins partially offset by lower sales volume. The Company's Aggregates operation reported sales volume of 636,000 tons for the quarter this year, 14% below sales volume of 739,000 tons for the same quarter last year. Sales volume decreased as a result of lower crushed products sales volume at the California operation.

Other Income of \$404,000 for the quarter decreased \$321,000 from prior year's quarter mainly due to less trucking income this year. Other income includes clinker sales income, non-inventoried aggregates income, trucking income, asset sales and other miscellaneous income and cost items.

Net interest income for this year's quarter was \$750,000 above last year's quarter net interest income of \$52,000 due to higher cash balances during this year's quarter.

STOCK REPURCHASE PROGRAM

The Company's Board of Directors previously approved the repurchase of up to three million shares of the Company's common stock. As a result of 373,500 shares repurchased since March 31, 1998 from the public, Centex Corporation now owns approximately 56.3% of the outstanding shares of CXP common stock. There are approximately 711,000 shares remaining under the Company's current authorization.

FINANCIAL CONDITION

The Company has a four year \$35 million unsecured revolving credit facility that expires 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 June 30, 1998, CXP believes that its internally generated cash flow coupled with funds available under the credit facilities will enable CXP to provide adequately for its current operations and future growth.

Working capital at June 30, 1998 was \$76.0 million, down from \$77.7 million at March 31, 1998. The decrease resulted mainly from a \$6.8 million increase in accounts and notes receivable offset by \$9.2 million increase in income taxes payable. Stock repurchases during the quarter amounted to \$14.2 million. Capital spending of \$7.8 million for this year's quarter was up over prior year's quarter as a result of expenditures relating to the three previously announced expansion projects currently under way. Cash payments for income taxes totaled \$702,000 and \$1.1 million in the first quarters of fiscal 1999 and 1998, respectively.

YEAR 2000

The Company has conducted an assessment of the potential impact of the Year 2000 problem on its computer applications, operating software and hardware. Based upon the results of this assessment, management believes the Company does not have a Year 2000 problem with its financial and management information processing systems. The Company is continuing on an ongoing basis to examine other equipment that could be affected by the Year 2000 problem to determine any noncompliance and to effect changes to such equipment to make it compliant. Costs of these efforts are not significant and will be expensed. The Company does not anticipate any material disruption in its operations as a result of any failure by the Company to be in compliance. However, the Company does not currently have any information concerning the Year 2000 compliance status of its suppliers and customers. In the event that any of the Company's significant suppliers or customers does not successfully and timely achieve Year 2000 compliance, the Company's business or operations could be adversely affected.

Key drivers of demand for the Company's products, such as consumer confidence, employment rates and interest rates, all remain at favorable levels. Assuming no significant change in overall economic climate, and given the current and anticipated levels of pricing, the Company should post its fifth consecutive year of record financial performance.

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, 1998. The report is filed with the Securities and Exchange Commission. The Company undertakes no obligation to update publicly any forward-looking statement as a result of new information, future events or other factors.

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

None

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

August 3, 1998

/s/ O.G. DAGNAN

O. G. Dagnan
Chairman and Chief Executive Officer

August 3, 1998

/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 NO. -----	DESCRIPTION -----
27	Financial Data Schedule

THIS SCHEDULE CONTAINS SUMMARY FINANCIAL INFORMATION EXTRACTED FROM CENTEX CONSTRUCTION PRODUCTS, INC.'S JUNE 30, 1998, FORM 10-Q AND IS QUALIFIED IN ITS ENTIRETY BY REFERENCE TO SUCH FINANCIAL STATEMENTS.

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 CENTEX CONSTRUCTION PRODUCTS, INC.
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	MAR-31-1999		
	APR-01-1998		
	JUN-30-1998		
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		43,491	
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		30,898	
	136,443		374,230
		157,176	
		359,964	
	60,487		480
	0		0
			212
		277,600	
359,964			79,442
	80,648		0
		52,816	
		871	
		0	
		0	
		26,961	
		9,706	
	17,255		
		0	
		0	
			0
		17,255	
		0	
		0.80	