

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, 1997

Commission File Number 1-12984

[COMPANY 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 6, 1997, 21,976,821 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, 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 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

June 30,

	----- 1997 -----	1996 -----
REVENUES		
Cement	\$ 38,411	\$ 36,677
Gypsum Wallboard	29,860	15,089
Concrete/Aggregates	10,242	10,139
Other, net	725	501
Less Intersegment Sales	(1,284)	(1,348)
	-----	-----
	77,954	61,058
	-----	-----
COSTS AND EXPENSES		
Cement	26,552	26,624
Gypsum Wallboard	19,439	11,660
Concrete/Aggregates	8,956	8,389
Less Intersegment Purchases	(1,284)	(1,348)
Corporate General & Administrative	937	698
Interest (Income) Expense, net	(52)	(163)
	-----	-----
	54,548	45,860
	-----	-----
EARNINGS BEFORE INCOME TAXES	23,406	15,198
Income Taxes	8,309	5,335
	-----	-----
NET EARNINGS	\$ 15,097	\$ 9,863
	=====	=====
EARNINGS PER SHARE	\$ 0.68	\$ 0.44
	=====	=====
AVERAGE SHARES OUTSTANDING	22,156,424	22,525,567
	=====	=====
CASH DIVIDENDS PER SHARE	\$ 0.05	\$ 0.05
	=====	=====

See notes to unaudited consolidated financial statements.

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

ASSETS	June 30, 1997	March 31, 1997
-----	-----	-----
	(Unaudited)	(*)
Current Assets		
Cash and Cash Equivalents	\$ 22,486	\$ 4,812
Accounts and Notes Receivable, net	47,224	38,700
Inventories	28,226	31,482
	-----	-----
Total Current Assets	97,936	74,994
	-----	-----
Property, Plant and Equipment	364,763	363,409
Less Accumulated Depreciation	(142,873)	(139,033)
	-----	-----
Property, Plant & Equipment, net	221,890	224,376
Notes Receivable, net	1,548	1,407
Other Assets	5,632	4,860
	-----	-----
	\$327,006	\$305,637
	=====	=====
LIABILITIES AND STOCKHOLDERS' EQUITY		

Current Liabilities		
Accounts Payable	\$ 17,242	\$ 16,472
Accrued Liabilities	30,024	28,254
Notes Payable	-	2,000
Current Portion of Long-Term Debt	80	80
Income Taxes Payable	7,343	-
	-----	-----
Total Current Liabilities	54,689	46,806
	-----	-----
Long-term Debt	560	560
Deferred Income Taxes	18,787	18,835
Stockholders' Equity		
Common Stock, Par Value \$0.01; Authorized 50,000,000 Shares; Issued and Outstanding 21,991,514 and 22,217,864 Shares, respectively	220	220
Capital in Excess of Par Value	146,749	147,212
Retained Earnings	106,001	92,004
	-----	-----
Total Stockholders' Equity	252,970	239,436
	-----	-----
	\$327,006	\$305,637
	=====	=====

* Condensed from audited financial statements.

See notes to unaudited consolidated financial statements.

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

FOR THE THREE MONTHS ENDED	June 30,	
	----- 1997 -----	----- 1996 -----
CASH FLOWS FROM OPERATING ACTIVITIES		
Net Earnings	\$ 15,097	\$ 9,863
Adjustments to Reconcile Net Earnings to Net Cash Provided by Operating Activities -		
Depreciation, Depletion and Amortization	4,051	3,344
Deferred Income Tax Provision	(48)	(441)
Increase in Accounts and Notes Receivable	(8,665)	(6,320)
Decrease in Inventories	3,256	2,793
Increase in Accounts Payable and Accrued Liabilities	2,540	721
(Increase) Decrease in Other, net	(600)	51
Increase in Income Taxes Payable	7,343	5,189
	----- 22,974 -----	----- 15,200 -----
CASH FLOWS FROM INVESTING ACTIVITIES		
Property, Plant and Equipment Additions, net	(1,737)	(1,241)
	----- (1,737) -----	----- (1,241) -----
CASH FLOWS FROM FINANCING ACTIVITIES		
Dividends Paid To Shareholders	(1,100)	(1,149)
Retirement of Common Stock	(1,418)	(11,258)
Proceeds from Stock Option Exercises	955	212
Decrease in Notes Payable	(2,000)	-
	----- (3,563) -----	----- (12,195) -----
NET INCREASE IN CASH AND CASH EQUIVALENTS		
	17,674	1,764
CASH AT BEGINNING OF PERIOD	4,812	20,799
	----- \$ 22,486 =====	----- \$ 22,563 =====

See notes to unaudited consolidated financial statements.

CENTEX CONSTRUCTION PRODUCTS, INC. AND SUBSIDIARIES
 NOTES TO UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS
 JUNE 30, 1997

(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, 1996	\$ 230	\$161,617	\$ 54,615	\$216,462
Net Earnings	-	-	41,799	41,799
Stock Option Exercises	-	561	-	561
Dividends Paid To Shareholders	-	-	(4,410)	(4,410)
Retirement of Common Stock	(10)	(14,966)	-	(14,976)
	-----	-----	-----	-----
Balance March 31, 1997	220	147,212	92,004	239,436
Net Earnings	-	-	15,097	15,097
Stock Option Exercises	-	955	-	955
Dividends Paid To Shareholders	-	-	(1,100)	(1,100)
Retirement of Common Stock	-	(1,418)	-	(1,418)
	-----	-----	-----	-----
BALANCE JUNE 30, 1997	\$ 220 =====	\$146,749 =====	\$106,001 =====	\$252,970 =====

(B) Impact of New Accounting Pronouncements.

In March 1997, the Financial Accounting Standards Board issued Statement of Financial Accounting Standards No. 128, "Earnings Per Share" (SFAS No. 128). This statement establishes new standards for computing and presenting earnings per share (EPS). SFAS No. 128 replaces 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. Proforma basic and diluted EPS for the three months ended June 30, 1997 and 1996, assuming that SFAS No. 128 was effective as of the beginning of the year are presented below.

	Three Months Ended June 30	
	----- 1997 -----	----- 1996 -----
Earnings per common share:		
Basic	\$ 0.69	\$ 0.44
Diluted	0.68	0.44

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

RESULTS OF OPERATIONS

Centex Construction Products reported the highest quarterly results in the Company's history for the quarter ended June 30, 1997. Revenues for the first quarter of fiscal 1998 totaled \$77,954,000, a 28% increase over revenues of \$61,058,000 for the same quarter last year. CXP's net earnings for the quarter ended June 30, 1997 were \$15,097,000, a 56% increase over \$9,863,000 for the same quarter last year. Earnings per share for this year's quarter were \$0.68 compared to \$0.44 for the same quarter in fiscal 1997. Earnings per share increased more than net earnings due to fewer average shares outstanding in this year's quarter. The quarter's earnings gain resulted from increased gypsum wallboard sales volume related to the Eagle Gypsum acquisition and significantly higher gypsum wallboard pricing along with improved cement earnings. A strong national economy has generated cement and gypsum wallboard consumption for the first six months of 1997 above last year's record 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)	
	1997	1996	1997	1996	1997	1996	1997	1996
Sales Volume (M)	595	583	275	173	156	177	739	467
Average Net Sales Price	\$64.57	\$62.94	\$108.52	\$87.36	\$47.29	\$46.01	\$ 3.87	\$ 4.26
Operating Margin	\$19.93	\$17.25	\$37.87	\$19.86	\$ 6.01	\$ 7.67	\$ 0.47	\$ 0.84

Cement revenues for the quarter totaled \$38,411,000, up 5% above the same quarter in the prior year. Operating earnings were \$11,859,000, a 18% increase over \$10,053,000 for the same quarter last year. A combination of an additional 12,000 tons of sales volume and higher operating margins due to a 3% increase in average net sales prices and a 2% decrease in cost of sales accounted for the net quarterly operating earnings gain. Price increases ranging from \$2 per ton in the Texas, Illinois, and portions of the Rocky Mountains market to \$5 per ton in northern California were implemented during the quarter. This year's sales volume was favorably impacted by the Texas market recovery from the unfavorable weather conditions experienced during the March 1997 quarter. Cost of sales declined due to the volume impact from a 34,000 ton increase in clinker production at the Laramie plant.

Gypsum Wallboard revenues of \$29,860,000 for the quarter increased 98% over revenues of \$15,089,000 for the same quarter in the prior fiscal year. Operating earnings for the quarter were \$10,421,000, up 204% over \$3,429,000 for the same period last year. Increased sales volume and higher net sales prices partially offset by a 3% increase in production cost resulted in the net quarterly gain. Sales volume of 275 million square feet ("MMSF") for this year's quarter was 59%

higher than the 173 MMSF sold during the prior year's quarter mainly due to the Eagle Gypsum acquisition. National wallboard consumption for the first six months of calendar 1997 was at a record pace as single-family home construction remained strong. CXP's average net sales price for the quarter was \$108.52 per thousand board feet ("MSF"), 24% higher than \$87.36 per MSF for the same quarter last year. However, prices softened during the June 30, 1997 quarter, and this, along with the multiple sales price increases implemented last year beginning in last year's second quarter, will narrow the substantial spread in this year's future quarter average net sales prices over the comparable period in the prior year. Demand and pricing is expected to further soften during the second half of fiscal 1998 due to a projected decline in the housing market. Cost of sales increased 5% mainly due to the impact of higher Eagle production cost. Both the Albuquerque and Bernalillo plants operated above their normal plant utilization rates during the quarter.

Revenues from Concrete and Aggregates were \$10,242,000 for the quarter this year, up slightly from \$10,139,000 for the same quarter a year ago. Concrete and Aggregates reported an operating profit for the quarter of \$1,286,000, down 27% from \$1,750,000 for the same quarter last year. Concrete earnings declined 31% from last year's comparable quarter mainly due to a 15% drop in sales volume at the Austin, Texas concrete operation. Total Concrete sales volume for the quarter this year was 156,000 cubic yards, down 12% from 177,000 cubic yards for the same quarter last year. CXP's average Concrete net sales price of \$47.29 per cubic yard for the current quarter was 3% higher than \$46.01 for the same quarter a year ago. Cost of sales for the current quarter was up 8% over prior year's quarter. The increase in both the net sales price and cost of sales resulted from a larger percentage this year of higher priced and costing California concrete sales volume. Aggregates earnings decreased 11% from prior year's quarter due to lower operating margins. CXP's Aggregates operation reported sales volume of 739,000 tons for the quarter this year, 58% above sales volume of 467,000 tons for the same quarter last year. Sales volume increased primarily as a result of a 215,000 ton increase in road base aggregates sales from both the Texas and California operations. The higher percentage this year of lower priced road base resulted in an average net sales price of \$3.87 per ton for the current quarter, down 9% from last year.

Other Income of \$725,000 for the quarter increased \$224,000 from prior year's quarter mainly due to higher clinker sales income this year. Other income includes clinker sales income, non-inventoried aggregates income, trucking income, asset sales and other miscellaneous income and cost items.

Corporate overhead was \$239,000 higher than the prior year's quarter due to additional performance incentive and certain investor relations accruals.

Net interest income for this year's quarter was \$111,000 below last year's quarter net interest income of \$163,000 due to smaller beginning cash balances this year along with the accumulation of investment cash during the latter part of this year's quarter.

STOCK REPURCHASE PROGRAM

The Company's Board of Directors previously approved the repurchase of up to two million shares of the Company's common stock. On July 17, 1997, CXP's Board of Directors increased the share repurchase authorization by 1,000,000 shares from 2,000,000 to 3,000,000 shares bringing the total number of shares currently available for repurchases (after taking into account prior

repurchases) to approximately 1,763,000. As a result of 159,034 shares repurchased since April 1, 1997 from the public and recent purchases from the public of CXP common stock by Centex Corporation, Centex Corporation now owns approximately 54.6% of the outstanding shares of CXP common stock.

FINANCIAL CONDITION

The Company has a four year \$35 million unsecured revolving credit facility and a short-term \$10 million uncommitted unsecured line of credit to finance its working capital and capital expenditures requirements. Based on its financial condition and a virtually debt free balance sheet at June 30, 1997, 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, 1997 was \$43.4 million, up from \$28.2 million at March 31, 1997. The increase resulted mainly from \$17.7 million in additional cash, a \$8.7 million increase in accounts receivable, and \$7.3 million of income taxes payable. Stock repurchases during the quarter amounted to \$1.4 million. Capital spending of \$1.7 million for this quarter was up slightly from prior year's quarter.

OUTLOOK

The Company's positive financial results during the first three months of fiscal 1998 reflect continued strength in demand and pricing for its Cement and Gypsum Wallboard products. However, the substantial spread in gypsum wallboard prices between the first quarter of fiscal 1998 and fiscal 1997's first quarter will narrow as the year progresses due to multiple sales price increases last year beginning in the second quarter. Assuming no significant change in overall economic climate, Cement and Gypsum Wallboard demand should remain robust over the remainder of fiscal 1998. As a result, the Company should post its fourth 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, 1997. 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.

CENTEX CONSTRUCTION PRODUCTS, INC.

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

On May 12, 1997, the Company filed with the Securities and Exchange Commission an amended Current Report on Form 8-K/A to amend its prior Form 8-K filing to include the audited financial statements of the businesses acquired and the pro forma financial information of the Company required by Form 8-K.

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 8, 1997

/s/ O. G. DAGNAN

O. G. Dagnan
President and Chief Executive Officer

August 8, 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 -----	EXHIBIT -----
27	Financial Data Schedule

THIS SCHEDULE CONTAINS SUMMARY FINANCIAL INFORMATION EXTRACTED FROM CENTEX CONSTRUCTION PRODUCTS, INC.'S JUNE 30, 1997, FORM 10-Q AND IS QUALIFIED IN ITS ENTIRETY BY REFERENCE TO SUCH FINANCIAL STATEMENTS.

3-MOS		
	MAR-31-1998	
	APR-01-1997	
	JUN-30-1997	
		22,486
		0
		47,224
		0
		28,226
		97,936
		364,763
		142,873
		327,006
	54,609	
		640
	0	
		0
		220
		252,750
327,006		
		77,229
	78,006	
		0
		53,663
		937
		0
		0
		23,406
		8,309
	15,097	
		0
		0
		0
		15,097
		0.68
		0