**U.S. CONCRETE, INC.**

**Moderator: Matt Brown**
**March 6, 2014**
**10:00 a.m. ET**

Operator: Good day, ladies and gentlemen and thank you for standing by. Welcome to the U.S. Concrete 4th Quarter and Full Year 2013 Earnings Conference Call. At this time all participants are in a listen-only mode. Later, we'll conduct a Question and Answer session and instructions will be given at that time.

If anyone should require assistance while the conference is in progress, please press start then zero on your touchtone telephone to reach an Operator. As a reminder, this conference is being recorded. I will now hand the conference over to Mr. Matt Brown, Senior Vice President and Chief Financial Officer. Sir, please go ahead.

Matt Brown: Thank you, Karen. Good morning and welcome to U.S. Concrete's 4th quarter and Full Year 2013 Earnings Conference Call. We appreciate your interest in U.S. Concrete and we are pleased to share our results with you. Joining me on the call today is Bill Sandbrook, our President and Chief Executive Officer. Before I turn the call over to Bill, I would like to cover a few administrative items.

Information recorded on this call speaks only as of today and therefore you are advised that time-sensitive information may no longer be accurate as of the date of any replay. We will discuss certain topics that contain forward-looking information. These forward-looking statements are intended to qualify for the safe harbor from liability established by the Private Securities Litigation Reform Act of 1995.

Forward-looking statements include but are not limited to, statements related to projected revenues, volumes and pricing and other financial and operating results, capital expenditures, strategies, expectations, intentions, plans, future events, performance, underlying assumptions, and other statements that do not relate to historical or current facts. Although the company believes that the expectations reflected in such forward-looking statements are reasonable, it can provide no assurance that such expectations will prove to have been correct. Such statements are subject to certain risks, uncertainties and assumptions that are discussed in the Company's filings with the Securities and Exchange Commission.

If you would like to be on e-mail distribution list to receive future news releases, please sign up in the Investor Relations section of our Web site under "E-mail Alerts." If you would like to listen to a replay of today's call, it will be available in the Investor Relations section of our web site, under "Events and Presentations."

Please also note that you can find the reconciliation to non-GAAP financial measures that we will discuss on this call in the Form 8K filed earlier today and in the Investor Relations section of our web site.

Now, I would like to turn the call over to Bill Sandbrook, our President and CEO, to discuss the highlights for the 4th quarter and full year 2013.

Bill Sandbrook: Thank you, Matt. 2013 marked our first full year with our new management team and new headquarters in Euless, Texas. We started the year with some very aggressive goals for our team and I'm pleased to announce that we delivered both operationally and financially, capitalizing on many of the opportunities in our core markets. Although much of the 4th quarter was challenging from a weather perspective, we were able to grow volume, pricing, revenue and EBITDA in both of our reportable segments; ready-mixed concrete and aggregates. In addition to our improvements in operating performance during the 4th quarter, we successfully assessed the capital markets and issued $200 million of senior secured notes combined with a refinancing of our ABL facility which increased the commitments under the facility to $125 million. These transactions provided us with additional liquidity that will allow us to further grow our business by capitalizing on burgeoning demand in our core markets and take advantage of strategic opportunities that we identify.

We continue to be encouraged by the improvement in our construction markets. Our core markets are in key areas of states, including Texas, California and New York, that collectively represented over 1/3 of the national ready-mixed volume produced, total population and overall U.S. GDP in 2013. In addition, these states represented over 40 percent of the total growth in U.S. GDP over the past two years and according to the Portland Cement Association, represented over 55 percent of the total growth in ready-mixed concrete volume in 2013. The 4th quarter outlook from FMI, a provider of research to the engineering and construction industry, projects a 7 percent growth in construction in 2014 with similar growth rates through 2017. We anticipate our core markets will continue to capture a higher than average portion of that growth. The strength of the improved construction markets in our key states of Texas and California has been well documented and we are fortunate to be participating in this growth through a significant portion of our overall production capacity. It is no surprise why we are so excited about our business, our people, our prospects and our opportunities.

With that, I would like to turn the call back over to Matt to discuss our 4th quarter and full year results.

Matt Brown: Thanks, Bill.

First, I would like to summarize a few highlights of what was an extremely successful year for U.S. Concrete. Then I will discuss our 4th quarter results in a little more detail.

For the full year, total revenues from continuing operations were up $84 million or 15.8 percent over prior year. We saw improvement in both of our operating segments; ready-mixed concrete revenue increased by 15.1 percent over prior year and aggregate products revenue increased by 19.4 percent over prior year. Revenue growth was driven by both volume and pricing improvement. Ready-mixed concrete volume and pricing increased by 8 percent and 6.6 percent, respectively year-over-year. Aggregates volume and pricing increased by 5.6 percent and 12.0 percent, respectively, year-over-year. The combination of pricing and volume improvement drove operating leverage in all aspects of our business. Our ready-mixed concrete gross profit increased $18.7 million, or 28.2 percent, on a 15.1 percent improvement in revenue. This represents a 160 basis point expansion in our ready-mixed concrete gross profit margin for the year. Our aggregates gross profit increased $3.4 million, or 61.8 percent, on a 19.4 percent improvement in revenue. This represents a 610 basis point expansion in our aggregates gross profit margin for the year. This is particularly encouraging in light of the stress that the weather put on productivity and efficiency during the 4th quarter. This also shows that we were committed and able to effectively pass through increased costs of cement and aggregates in the form of increased pricing. Adjusted EBITDA for the year was $48.3 million and 92.1 percent improvement over prior year. Adjusted EBITDA margin was 7.9 percent for the year compared to 4.7 percent in the prior year.

Now, I'd like to discuss our 4th quarter results in a little more detail.

Total revenues from continuing operations were up 12.1 percent year-over-year for the quarter. Ready-mix revenue increased by $13.9 million, or 11.4 percent, year-over-year, due to a combination of higher volumes and higher average sales prices per cubic yard. Aggregate products revenue increased by $1.3 million or 15.1 percent, for the same period. This marks the 13th consecutive quarter where we have reported an increase in consolidated revenue on a year-over-year comparative basis.

Ready-mixed volume for the quarter increased by 2.6 percent compared to the 4th quarter of 2012. We are pleased to see that ready-mixed volumes have now increased year-over-year in the last 10 consecutive quarters. This is particularly encouraging given the challenging weather hurdle we overcame in Texas in the 4th quarter of 2013. We had abnormally wet and freezing conditions in Texas for several weeks during the 4th quarter of 2013 compared to the 4th quarter of 2012, during which we experienced some of the driest and warmest conditions on record in Texas.

On the price side, we realized an increase in our average ready-mixed sales price of 8.7 percent, from $98.81 per yard in the 4th quarter of 2012 to $107.36 per yard in the 4th quarter of 2013.

Our ready-mixed concrete raw material spread increased $2.95 per yard to $50.06 per yard in the 4th quarter of 2013 compared to 2012.

Our SG&A expenses decreased by $2 million during the 4th quarter of 2013 compared to the 4th quarter of 2012. As we have mentioned on previous calls, our SG&A expenses, during 2012 particularly in the 4th quarter, were abnormally high due to transactional and one-time expenses that did not recur during the 4th quarter of 2013. As a percentage of total revenue, SG&A expenses decreased to 9.7 percent in the 4th quarter of 2013 compared to 12.4 percent in the 4th quarter of 2012. For the full year our SG&A expenses as a percentage of total revenue decreased from 9.8 percent in 2013 compared to 11.1 percent in 2012. We continue to focus on and aggressively manage our SG&A costs but understand that we may incur transactional expenses in this area as we deploy capital in support of our acquisition strategy.

Consolidated adjusted EBITDA increased by 51.9 percent to $9.1 million in the 4th quarter of 2013, compared to $6 million in the 4th quarter of 2012. Adjusted EBITDA as a percentage of revenue was 6 percent for the 4th quarter of 2013, compared to 4.5 percent for the prior year quarter.
During the 4th quarter of 2013 we used cash from operations of $2.7 million, compared to $18.7 million generated from operations in the 4th quarter of 2012. The decrease in operating cash flow year-over-year for the quarter was related to changes in trade working capital. We implemented an aggressive

trade working capital management program in the 4th quarter of 2012. This program continued through 2013 and has become a standard, ongoing best practice. These efforts generated an initial increase in cash flow related to working capital changes in the 4th quarter of 2012. For the full year, we generated $24.2 million of cash from operations in 2013, an improvement of $13.5 million, or 125 percent, over 2012.

For the 4th quarter of 2013, we spent $6.6 million on capital expenditures, up approximately $2.7 million compared to the 4th quarter of 2012. The increase in capital expenditures was due principally to higher spending on plan equipment and improvements to allow the Company to meet the growing demand in our markets.

During the 4th quarter of 2013, we closed on two separate but related transactions that significantly improved our liquidity and overall capital structure. On our last call, we announced that in October we amended and restated our asset-based credit agreement which, among other things, gave us improved pricing and upon a qualified refinancing of our 9.5 percent senior secured notes due 2015, increased the total commitments under our credit facility to $125 million. On November 22nd, we announced that we closed on the offering of $200 million aggregate principle amount of 8.5 percent senior secured notes due 2018. The proceeds from the offering were used to repay all of the outstanding borrowings under the ABL facility and to redeem all of the 9.5 percent senior secured notes through 2015. This qualified as a refinancing under the amended credit agreement and resulted in an increase to the commitments under the credit agreement from $102.5 million to $125 million. These financing transactions were a tremendous success for the company and provided us with flexibility and liquidity that will enable us to execute our strategic plan for growth.

The book value on long-term debt (including current maturities) was $214.1 million on December 31, 2013. This included $200 million of senior secured notes due 2018, $11.9 million of equipment financing for new mixer trucks and $2.2 million of other notes payable. As of December 31, 2013, we had zero drawn on our credit facility, with $11.3 million of undrawn letters of credit outstanding. This left us $88.3 million of availability as of December 31, 2013, compared to $52.4 million available as of December 31, 2012. Our availability is net of a $14.6 million availability reserve for outstanding letters of credit and sales tax and other reserves. It is also limited by the eligible amount of our accounts receivable, inventory and rolling stock, which was $102.9 million as of December 31, 2013. We had $112.7 of cash and cash equivalence on our balance sheet, for total liquidity of $201 million, at the end of 2013.

Now, let me turn the call back over to Bill.

Bill Sandbrook: Thanks, Matt.

We are very encouraged by the improving construction activity in all of our markets, which, as I mentioned earlier, are a major part of the U.S. economy and a large driver of the economic growth we are all seeing. We have worked hard for the last two years to improve our balance sheet, build a strong team and put ourselves in the best position to capitalize on the opportunities we believe are only beginning in our markets. Our ready-mixed backlog at the end of the year was over 4 million cubic yards which is 31 percent higher than at the end of last year.

To wrap things up, we are very excited about the level of construction activity we are seeing across all building segments in all of our markets. We look forward to the disciplined deployment of the capital we raised last year in developing further accretive expansion opportunities. We are very proud of the teams we have built across the country and their hard work, dedicated efforts and commitment to operating excellence are delivering on our collective vision of making U.S. Concrete the preeminent supplier of ready-mixed concrete in the United States while simultaneously delivering superior returns for our shareholders. Thank you for your interest in U.S. Concrete. We look forward to reporting on our future successes.

We would now like to turn the call back over to Karen for the question and answer session.

Operator: Thank you. Ladies and gentlemen, if you have a question at this time, please press star followed by the number one key on your touchtone telephone. If your question has been answered or if you'd like to remove your line from the queue, you may press the pound key. Again, if you do have a question, please press star and then one at this time.

Our first question comes from the line of Seth Yeager from Jefferies.

Seth Yeager: Hey, good morning, congrats on the year.

Matt Brown: Thanks, Seth.

Seth Yeager: A couple of backlog questions. When we look at the backlog being up over 30 percent, how much of that roughly is contractual? And then based on your LTM pace, it is roughly three quarters, how should we think about any changes to the cadence of shipments and just a sense of the end market mix there?

Bill Sandbrook: I'll take that, Matt.

Seth on our backlog, you know, this is a forward backlog that does span multiple quarters and multiple periods. We have great visibility to that in the six-month period. I would estimate it's about 75 percent contractual and 25 percent would be the estimated backlog from current customers on their current projects, which wouldn't be signed up with contracts. But we would be supplying a housing development, for instance, and we understand the remaining amount on that project.

As far as the mix – our mix remains fairly stable for 2013 versus 2012. And I would estimate that our future backlog would be representative of where we ended up in 2013. We shifted a little bit more into commercial and as I have said in previous calls our strategy is to focus on commercial developments. That would be office buildings, big box developments, retail, that type of thing. And we've also focused a lot on residential. Residential remained fairly stable for the year at about 21 percent of our production. We did decline somewhat in streets and highways and other infrastructure and filled that in with additional work on commercial projects, which is our higher margin work.

Seth Yeager: OK, perfect. That's very helpful. You guys had some nice improvements throughout the year in gross margins. I would imagine you had some impact from days lost due to weather. Can you just help bridge the year-over-year decline and gross margins during the fourth quarter?

Bill Sandbrook: It would be totally related to weather, Seth. Our pricing is very good as you can see from our earnings results, on our earnings announcement. We lost approximately 30 days or a portion of 30 days in Texas during the quarter. California had very good weather. New York was about comparable to other years, and actually had a little pickup because 2012 was impacted by Hurricane Sandy.

Our biggest impact would have been weather in Texas in October, November, and a big ice storm in the beginning of December. The EBITDA margin impact for the full year was about 100 basis points we feel and totally weather related, not operationally related.

Seth Yeager: OK, perfect. That's very helpful. And then just moving on to pricing. You guys had a nice finish to the year. Can you talk about the announcements out there from the cement suppliers in your region and the type of price letters you're putting out.

What sort of material spread trends should we anticipate or do you guys have a specific target over the next couple of quarters?

Bill Sandbrook: We're not going to actually put a number out there for our target for material spread. Obviously it's our intention to pass on our increased costs. It's been well documented by the cement players in the public space that they have letters out effective April 1. We're still in the process of negotiating all of those. No doubt there's going to be an increase in cement pricing because of demand characteristics. I don't know if their entire announcements are going to hold. We do negotiate that fairly strongly. But we have been very successful in the past two years, as you can see in our results, and anticipate similar success in passing those on to our end users as well.

Seth Yeager: OK and then last one for me. On the acquisition front, can you disclose the price and multiple you paid for Young Ready-Mix possibly and any thoughts around what you have in the pipeline currently.

Thanks, good luck guys.

Bill Sandbrook: Thanks, Seth. We're not going to talk about the multiple. It's a fairly small operation, one ready-mixed plant operation in a rural market in Texas. That follows our strategy of continuing to focus on those rural Texas markets, which are very vibrant right now because of all the different oil plays and various regions of the state. The pipeline I would say is extremely healthy.

We have active prospects and negotiations in all four of our regions.

Seth Yeager: All right, thanks a lot, guys.

Operator: Thank you. And our next question comes from the line of Philip Volpicelli from Deutsche Bank.

Sean Wondrack: Good morning, guys. Good quarter. This is Sean Wondrack sitting in for Phil today.

Matt Brown: Good morning, Sean.

Bill Sandbrook: Good morning.

Sean Wondrack: First question builds on one of Seth's questions about how increases in cement and aggregates relate to ready-mix. You went over the cement side, can you talk about the ready-mix side? You know what you're seeing in the market and what you think you'll be able to pass along?

Bill Sandbrook: Well, you can see that we were up six percent year-on-year. As I have said in the past the way we price cement to a large degree, project by project and as older projects are completed, they are being replaced with forward price and forward book orders. And there's a steady increase of higher priced projects entering production phase and lower price projects falling off the production phase throughout the year. So it's not at one point in time, i.e. April 1st our prices are going up five percent or 10 percent. It just doesn't work like that. We've been successful in the past at least 24 quarters of dropping off the old projects and replacing them with the new projects that are covering increased material costs.

Sean Wondrack: OK, great. And how confident are you that your margins will be able to stay the same or expand overtime? It sounds like, you know with some of these older projects coming off you might not get the margin benefit until later on in the year. Is that the right way to think about it?

Bill Sandbrook: For project-to-project, correct. But remember this is a continuous process. There are projects coming in every day and there are projects falling off every day across our portfolio because we have such a large footprint. So it's more of a slow linear growth, the four percent, the five percent, the six percent increases that we have reported over the last couple of quarters. So you won't necessarily see spikes in that trend. At this point in the cycle, aggregates are going up, cement's going up, ad mixtures are going, labor is going up. But it's happening through the entire supply chain. Final price of construction is going up as a result of all of that.

Sean Wondrack: OK, great. And with that weather impact from Texas, the 100 bps that impacted gross margin, do you have any idea what that flow through to EBITDA would have been?

Bill Sandbrook: Matt, do you want to handle that?

Matt Brown: Sure. I would say that without the weather impact, we would have seen almost a percentage point increase in the EBITDA margin for the full year.

Sean Wondrack: OK, great. Thank you very much. And just as a follow up. Obviously there's been a lot of news around fly ash or coal ash in the way it's going to be regulated. I'm curious, are you guys able to sub fly ash into ready-mixed concrete? And if so do you think this will help margins overtime?

Bill Sandbrook: We do use fly ash wherever it is economically available. It's not available in all areas of the country due to transportation costs and limitations. We continually try to expand the use of fly ash in our ready-mixed concrete. Remember it's a cement substitution so the differential between the price of fly ash and cement is what you would drop into your material line. I wouldn't say that we're going to double the use of fly ash in the next two years but we have again, focused on increasing our use over time.

Sean Wondrack: What is that like a 20 percent to 30 percent contribution to the overall mix?

Bill Sandbrook: It depends on the market or region. It could be up to that at times. And it depends on the jobs that you're using it on. It's not one really good answer. It's kind of a blend of all the above.

Sean Wondrack: OK, that's fair. And then just one last question and I'll get back in the queue. Given the cash and the balance sheet, could you just prioritize the use of cash between acquisitions, greenfields investments in your fleet and others?

Bill Sandbrook: I would say all three are equally important. We're going to deploy that cash where it generates the greatest long-term return. We are replenishing our fleet after a couple of years. We bought approximately 80 new and used mixer trucks last year and plan to do the same this year. We just greenfielded a sand and gravel operation that we announced at the beginning of the week on the Red River on the Oklahoma-Texas border to supply the DFW market, which is currently experiencing a shortage in sand. The Young Ready-Mix one was a small bolt-on acquisition. So the answer is, they are all equally important to us. We're going to deploy that capital where we can make the best return.

Sean Wondrack: Right. And then do you expect, how much do you expect to spend to replenish your truck fleet over the next two to three years?

Bill Sandbrook: We're not averse to buying used, as long as it's in good condition, in order to conserve our capital. A good run rate on truck replenishment would be about 60 to 80 trucks a year, but on spend it depends on the mix of new versus used.

Sean Wondrack: OK. All right, thank you very much. I'll hop back in queue.

Bill Sandbrook: You're welcome, Sean.

Operator: Thank you and our next question comes from the line of Yilma Abebe from J.P. Morgan.

Yilma Abebe: Thank you. Good morning. A couple of quick questions. One, perhaps if you can, as you look out to the next 12 months, what parts of your business, residential commercial versus public works, highway businesses do you think presents the outside opportunity for you as you look out to the next 12 months?

Bill Sandbrook: I think residential will be more plentiful. Residential in Texas, for instance, increased significantly. It went actually from 20 percent of our mix to 32 percent of our mix in the Dallas/Fort Worth market and 27 to 30 in West Texas because of just the vibrancy of that economy. I would believe residential is going to have a little bit more play in Texas. In New York, New Jersey, D.C., and California, we were solidly in those downtown construction markets that are office buildings and retail. Some multi-type residential, condominiums are being built. But as you can see the gross macro trends, obviously, residential is coming back and it’s coming back strong. And while we don't necessarily focus on that, we will use the excess capacity on that wherever available.

Yilma Abebe: OK, thank you.

In related to that as you look at your primary markets, which markets, are you seeing the most upside, one? And then two, any markets that are becoming more competitive this quarter verses the prior year?

Bill Sandbrook: I'm not going to answer that for competitive reasons. I don't think I want to be public with our forecast for various markets on a competitive basis or on a growth basis. Let me just answer though that all four of our markets are very, very vibrant and are following the national trends that are well established. We are seeing similar activity that the previous announcements from other public companies are seeing.

Yilma Abebe: Thank you. That's all I have.

Bill Sandbrook: You're welcome.

Operator: Thank you. And our next question comes from the line of Matthew Dodson from JWest LLC.

Matthew Dodson: Thank you and congratulations on a great quarter. Can you kind of help me understand the pricing and the backlog compared to the $107 you just kind of reported in the fourth quarter? You've done a great job of pushing it. I assume it's continued into the first quarter. Is that fair?

Bill Sandbrook: It's fair to say that the trends remain intact.

Matthew Dodson: And is it fair to assume that if that remains intact that the spread and the backlog remains intact as well?

Bill Sandbrook: Correct but with the caveat that we have not completely locked in our material costs yet. This is the time of the year, February and March, that there are significant negotiations going on between ready-mix producers and their suppliers to see what the final outcome of the price increases would be.

Matthew Dodson: But you guys have done a fantastic job in getting in front of cost escalation. Why would this year be different?

Bill Sandbrook: It's not different. As I answered in the beginning, the trends remain intact. So we have assumptions in that backlog. But nonetheless, I just needed to caveat that we don't have inked contracts on that pricing, but I have no reason to believe that we're not going to be successful again in passing on whatever we have to accept.

Matthew Dodson: And then can you run over your spreads again? The dollar and the percent this fourth quarter?

Bill Sandbrook: OK, Matt.

Matt Brown: Sure. For the material spread, these are percentages. Ready-mixed material spread was 46.5 percent for Q4 2013. That compares to 47.5 percent for Q4 2012.

Matthew Dodson: And how about dollar?

Matt Brown: Ready-mixed material spread on a dollar basis in Q4 of 2013 was basically $50 even. In Q4 of 2012, it was $47.11.

Matthew Dodson: And can you kind of talk about you've always mentioned capex running around four percent of revenue. Is that going to be the same in 2014 or do you see that kind of bumping up?

Bill Sandbrook: It's going to bump up a little bit. Remember, our greenfields count in our capex so we did have some Red River Aggregates spend. We are buying additional mixture trucks; more than we had anticipated in order to meet demand. In the original plan we would buy new mixture trucks and retire the old ones. Right now we are buying mixer trucks for incremental volume. We do have some capacity improvements in our plants specifically in California where we have a very, very vibrant market that we're trying to keep up with. So I would say in the short term it could exceed four marginally. But our long-term trend goal is four percent.

Matthew Dodson: Thank you very much and congratulations on a great year.

Matt Brown: Thanks, Matt.

Bill Sandbrook: Thank you.

Operator: Thank you. And our next question comes from the line of John Messenger from Redburn Partners.

John Messenger: Hi, Bill and Matt. I hope you're both well.

Bill Sandbrook: Hi, John.

John Messenger: And I've got three apologies, guys.

First one was just and you've answered I think part of this already, Bill. But just to remind us the material spread number that you gave, is that 100 BPS kind of deterioration in 4Q? And I see it again you put that back to the weather to some extent. Is that – am I thinking that the right way around? And just on that particular input pressure point, appreciate you're going through negotiations right now. But on the key input of cement, do you expect more input cost pressure this year in terms of the increase compared with last year, given where the industry utilization has moved to or do you think you're going to get a broadly similar outcome?

Bill Sandbrook: I think because of our various markets, say, in Texas, and the demand on cement, there is pressure to have a larger increase this year than last year. I don't think that same dynamic is in play for the New York markets. We are basically done with California and I would say our increases there are similar. So our portfolio is so broad and we've negotiated with so many different vendors, it is hard to give one clear answer because as you know we are a regional-based business and each region has its own market characteristics and supply chain dynamics. So I don't like to jump around or avoid this question, but it is much more complex than just the simple yes, demand is up so prices are going up. I think we're going to be happy with where we're coming out. We anticipate a good outcome for us and a fair one for the cement producers where demand is up. But I'm fully confident in our ability to pass it on.

John Messenger: And just I was thinking about the right way around with that material yield point. Bill is that correct? And was that just because of actually weather sales occurred given the weather impacts that you had bit of a dip there or is there something else we should be thinking about?

Bill Sandbrook: No, you're absolutely correct. There's nothing else going on behind the changes.

John Messenger: Brilliant, and the other one was just on the aggregates line. Obviously that, again, down to the particular contracts? Because obviously you had a much better 4Q while we look year on year and obviously a pick up in the sales as well. Was that just actually a particular contract or is that again just avoidance of some of the weather pressures elsewhere?

Bill Sandbrook: No, I think we significantly focused on our aggregate operating segment over the last couple years since I've been here. And this is a culmination of that focus both in better and lower cost operations, in prospecting for new customers with the products that we don't self-consume, and a very vibrant market for sand in the Dallas/Fort Worth and Northern Texas markets. A combination of all the above allowed that outperformance. There's no one specific contract that bumps that up; no one big road project or anything of that nature. We're very happy with the performance of our aggregate business and are very optimistic to continue this improving trend in our segment.

John Messenger: Just finally on working capital. Just to understand it a little bit more in terms, obviously you made the point that this is very much a 4Q something that was started last year and therefore was seeing the impact in the fourth quarter of this year in terms of year on year. But among the majors we have seen the guys who’ve got relatively fixed capital employed the only thing they can play with is their working capital, Bill, as you are well aware. So at the end of the year, we've had companies coming back talking inventory builds or losses because of basically stopping production to try to drive down their inventories. For you guys is this more around the debtor and in the receivable line or just trying to understand a little bit more of what exactly is going on here because clearly you don't have a lot of stock. So I assume it is all in the receivable lines that we're thinking around here or what is the working capital shift that's been going on?

Bill Sandbrook: Matt, do you want to take that? It's not in the inventory, John, it's in the receivables and payables, but Matt, you can elaborate on that.

Matt Brown: Sure. Yes. It's not inventory at all and it's primarily payables. So cash provided by operations in Q4 went down by $21 million year-over-year. And actually there was a driver that accounted for about a $23 million decrease year-over-year, all due to payables. And there were two components to that. The first was that during the fourth quarter of 2012 we instituted a new working capital management program such that payables went up significantly over the quarter. Remember we're comparing a change over the fourth quarter of 2012 to a change over the fourth quarter of 2013 here. So the change in payables, the increase during 2012 fourth quarter was large as compared to kind of a normalized decrease in payables over the fourth quarter of 2013. So that phenomenon, just because of improvements in working capital, which will continue going forward, accounts for $17 million of the decrease in cash provided by operations. The remainder of that $23 million I mentioned, which is $6 million, was an accounting nuance such that at the end of 2012 we were borrowing because we had very little cash on our balance sheet and we were drawing on the revolver to make all our payments to suppliers. So because of that, any outstanding checks at the end of the year were classified as accounts payable. So that accounted for about $6 million in the delta whereas in 2013 at the end of the year since we had a large cash balance we were paying our suppliers from cash on hand.

John Messenger: Got you.

Matt Brown: And that's really what drove the difference.

John Messenger: Brilliant. Thanks very much guys and congratulations.

Bill Sandbrook: Thanks, John.

Operator: Thank you and again if you do have a question, please press star followed by the number one key on your touchtone telephone. One moment to see if we have any additional questions.

And I see no additional questions in the queue at this time. I would like to turn the conference back to William Sandbrook for any closing comments.

Bill Sandbrook: OK, thank you, Karen.

Thank you everyone for participating in the call this morning and for your support of U.S. Concrete. We look forward to discussing our first quarter 2014 results with you in May. Thank you.

Operator: Ladies and gentlemen, thank you for your participation in today's conference. This does concludes the program and you may now disconnect. Everyone have a good day.

Bill Sandbrook: Thank you.

**END**