

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 10-Q

(MARK ONE)

Quarterly report pursuant to section 13 or 15(d) of the Securities Exchange Act of 1934 for the quarterly period ended September 30, 1999 or

Transition report pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

for the transition period from _____ to _____

Commission file number 1-12977

U.S. CONCRETE, INC.
(exact name of registrant as specified in its charter)

Delaware
(State or other jurisdiction of
incorporation or organization)

76-0586680
(I.R.S. Employer
Identification No.)

1300 Post Oak Blvd., Suite 1220, Houston, Texas
(Address of principal executive offices)

77056
(Zip code)

Registrant's telephone number, including area code: (713) 499-6200

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to the filing requirements for at least the past 90 days.

Yes X No
----- -----

U.S. Concrete, Inc. had 18,495,181 shares of its Common Stock, par value \$.001 per share, outstanding at November 12, 1999.

PART I

Item 1. Financial Statements

PRO FORMA COMBINED FINANCIAL INFORMATION

ORGANIZATION AND BASIS OF PRESENTATION

U.S. Concrete, Inc., a Delaware corporation, was founded in July 1997 to create a leading provider of ready-mixed concrete and related products and services to the construction industry in major markets in the United States. It did not conduct any operations prior to May 1999. On May 28, 1999, it completed an initial public offering of its common stock and concurrently acquired six operating businesses. From the date of its IPO through September 30, 1999, U.S. Concrete acquired four additional operating businesses for approximately \$13.2 million in cash and 1.7 million shares of common stock. U.S. Concrete intends to acquire additional companies to expand its operations.

For financial statement presentation purposes, (1) Central Concrete Supply Co., Inc., one of the acquired businesses, is presented as the acquirer of the other acquired businesses and U.S. Concrete, (2) these acquisitions are accounted for in accordance with the purchase method of accounting and (3) the effective date of the initial acquisitions is May 31, 1999. As used in this report, the term "Company" means (1) Central prior to June 1, 1999 and (2) U.S. Concrete and its consolidated subsidiaries on that date and thereafter.

The accompanying unaudited pro forma combined statements of operations for the three and nine months ended September 30, 1999 and 1998, respectively, assume that U.S. Concrete completed the following transactions on January 1 in each period presented:

- . its issuance and sale in the IPO of 4.4 million shares of its common stock (including shares it sold on the exercise of its underwriters' over-allotment option) at \$8.00 per share;
- . its application of its net proceeds from the IPO;
- . its acquisition of the 10 operating businesses and its payment of the purchase prices for those businesses; and
- . its refinancing with borrowings under its credit facility of the indebtedness it assumed as a result of the acquisitions.

These statements also reflect pro forma adjustments for:

- . certain contractual reductions in salaries, bonuses and benefits to former owners of the operating businesses;
- . elimination of legal, accounting and other professional fees incurred in connection with the acquisitions of businesses;
- . amortization of goodwill resulting from the acquisitions of businesses;
- . reduction in interest expense, net of interest expense on borrowings to fund S corporation distributions by certain businesses; and
- . adjustments to the federal and state income tax provision based on pro forma operating results.

These statements do not reflect the operations of the two businesses acquired by the Company subsequent to September 30, 1999.

You should read the accompanying unaudited pro forma combined statements of operations together with the Company's historical unaudited financial statements and notes thereto this report includes. The pro forma adjustments are based on estimates, available information and certain assumptions which may be revised as additional information becomes available. The pro forma financial information does not purport to represent what the Company's combined financial position or results of operations would actually have been if such transactions had in fact occurred when assumed and are not necessarily representative of the Company's financial position or results of operations for any future period. Since U.S. Concrete and its acquired businesses were not under common control or management for all or a portion of the periods presented, historical combined results may not be comparable to, or indicative of, future performance.

U.S. CONCRETE, INC. AND SUBSIDIARIES
 PRO FORMA COMBINED STATEMENTS OF OPERATIONS
 (in thousands, except per share amounts; unaudited)

	Three Months		Nine Months	
	Ended September 30,		Ended September 30,	
	1999	1998	1999	1998
Sales	\$ 69,531	\$ 71,085	\$ 175,897	\$ 170,639
Cost of goods sold	55,016	56,489	139,442	137,149

Gross profit	14,515	14,596	36,455	33,490
Selling, general and administrative expenses	3,444	4,972	13,536	13,571
Stock compensation charge	--	--	2,880	--
Depreciation and amortization	1,483	1,461	4,384	4,384
Income from operations	9,588	8,163	15,655	15,535
Interest expense, net	(670)	(1,088)	(2,271)	(3,263)
Other income, net	339	199	1,256	455
Income before income tax provision	9,257	7,274	14,640	12,727
Income tax provision	3,675	2,888	6,910	5,053
Net income	\$ 5,582	\$ 4,386	\$ 7,730	\$ 7,674
Net income per share:				
Basic	\$ 0.31	\$ 0.24	\$ 0.43	\$ 0.43
Diluted	\$ 0.31	\$ 0.24	\$ 0.43	\$ 0.43
Number of shares used in calculating net income per share:				
Basic	17,945	17,945	17,945	17,945
Diluted	18,036	17,945	18,018	17,945

The accompanying notes are an integral part of these pro forma combined financial statements.

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U.S. CONCRETE, INC. AND SUBSIDIARIES
NOTES TO PRO FORMA COMBINED STATEMENTS OF OPERATIONS
(UNAUDITED)

1. SHARES USED IN COMPUTING PRO FORMA NET INCOME PER SHARE

The following table summarizes the number of shares (in thousands) of common stock used in calculating pro forma net income per share:

	Three Months Ended September 30,		Nine Months Ended September 30,	
	1999	1998	1999	1998
Shares issued to Central's owners	3,120	3,120	3,120	3,120
Shares issued to owners of acquired businesses other than Central	7,602	7,602	7,602	7,602
Shares issued to the initial stockholders and certain management personnel of U.S. Concrete	2,853	2,853	2,853	2,853
Shares issued in the IPO	4,370	4,370	4,370	4,370
Number of shares used in calculating basic net income per share	17,945	17,945	17,945	17,945
Effect of shares issuable under stock options and warrants based on the treasury stock method	91	--	73	--
Number of shares used in calculating diluted net income per share	18,036	17,945	18,018	17,945

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U.S. CONCRETE, INC. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
(IN THOUSANDS)

	September 30, 1999	December 31, 1998
	-----	-----
	(unaudited)	
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 5,994	\$ 4,213

Trade accounts receivable, net	40,192	7,641
Receivables from related parties	1,658	2,712
Inventories	3,408	792
Prepaid expenses	2,333	833
Deferred tax asset	157	--
Other current assets	833	156
	-----	-----
Total current assets	54,575	16,347
	-----	-----
Property, plant and equipment, net	49,079	9,138
Goodwill, net	75,723	--
Cash surrender value of life insurance	--	1,155
Other assets	1,007	--
	-----	-----
Total assets	\$180,384	\$26,640
	=====	=====

LIABILITIES AND
STOCKHOLDERS' EQUITY

Current liabilities:		
Current maturities of long-term debt	\$ 136	\$ 1,006
Accounts payable and accrued liabilities	33,669	7,910
	-----	-----
Total current liabilities	33,805	8,916
	-----	-----
Long-term debt, net of current maturities	32,222	2,524
Deferred income taxes	6,704	46
	-----	-----
Total liabilities	72,731	11,486
	-----	-----
Stockholders' equity		
Common stock	18	70
Additional paid-in capital	101,082	554
Retained earnings	6,553	14,530
	-----	-----
Total stockholders' equity	107,653	15,154
	-----	-----
Total liabilities and stockholders' equity	\$180,384	\$26,640
	=====	=====

The accompanying notes are an integral part of these condensed consolidated financial statements.

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U.S. CONCRETE, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF OPERATIONS
(in thousands, except per share amounts; unaudited)

	Three Months		Nine Months	
	Ended September 30,		Ended September 30,	
	1999	1998	1999	1998
	-----	-----	-----	-----
Sales	\$59,803	\$21,482	\$100,407	\$47,175
Cost of goods sold	48,078	17,161	80,853	38,491
	-----	-----	-----	-----
Gross profit	11,725	4,321	19,554	8,684
Selling, general and administrative expenses	2,281	1,712	5,738	3,368
Stock compensation charge	--	--	2,880	--
Depreciation and amortization	1,148	219	2,106	679
	-----	-----	-----	-----
Income from operations	8,296	2,390	8,830	4,637
Interest expense, net	(463)	(35)	(742)	(12)
Other income, net	292	22	626	50
	-----	-----	-----	-----
Income before income tax provision	8,125	2,377	8,714	4,675
Income tax provision	3,212	37	4,854	68
	-----	-----	-----	-----
Net income	\$ 4,913	\$ 2,340	\$ 3,860	\$ 4,607
	=====	=====	=====	=====
Net income per share:				
Basic	\$ 0.30	\$ 0.75	\$ 0.40	\$ 1.48

Diluted	=====	=====	=====	=====
	\$ 0.30	\$ 0.75	\$ 0.40	\$ 1.48
	=====	=====	=====	=====
Number of shares used in calculating net income per share:				
Basic	16,498	3,120	9,562	3,120
	=====	=====	=====	=====
Diluted	16,589	3,120	9,636	3,120
	=====	=====	=====	=====

The accompanying notes are an integral part of these condensed consolidated financial statements.

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U.S. CONCRETE, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
(in thousands; unaudited)

	Nine Months	
	Ended September 30,	
	1999	1998
	-----	-----
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net income	\$ 3,860	\$ 4,607
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	2,106	679
Net gain on sale of property, plant and equipment	(217)	13
Deferred income tax provision	924	--
Change in allowance for doubtful accounts	242	16
Stock compensation charge	2,880	--
Changes in assets and liabilities, excluding effects of acquisitions:		
Trade accounts receivable	(9,322)	(1,853)
Prepaid expenses and other current assets	(1,608)	154
Accounts payable and accrued liabilities	5,536	2,961
	-----	-----
Net cash provided by operating activities	4,401	6,577
	-----	-----
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchases of property, plant and equipment	(2,847)	(2,860)
Payments for acquisitions accounted for as purchases, net of cash received of \$10,078	(52,089)	--
Proceeds from disposals of property, plant and equipment	2,330	14
Increase in cash surrender value of life insurance	--	(106)
	-----	-----
Net cash used in investing activities	(52,606)	(2,952)
	-----	-----
CASH FLOWS FROM FINANCING ACTIVITIES:		
Proceeds from borrowings	32,148	1,857
Repayments of borrowings	(3,501)	(706)
Proceeds from issuances of common stock	32,512	--
Cash paid related to common stock issuance costs	(3,459)	--
Distributions to stockholders	(7,714)	(1,801)
	-----	-----
Net cash provided by (used in) financing activities	49,986	(650)
	-----	-----
NET INCREASE IN CASH AND CASH EQUIVALENTS	1,781	2,975
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	4,213	1,945
	-----	-----
CASH AND CASH EQUIVALENTS AT END OF PERIOD	\$ 5,994	\$ 4,920
	-----	-----
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION:		
Cash paid during the period for interest	\$ 705	\$ 262
Cash paid during the period for income taxes	\$ 370	\$ --
NONCASH FINANCING ACTIVITY:		
Distribution of cash surrender value of life insurance to stockholder	\$ 1,155	\$ --

The accompanying notes are an integral part of these condensed consolidated financial statements.

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U.S. CONCRETE, INC. AND SUBSIDIARIES
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(UNAUDITED)

1. ORGANIZATION AND BASIS OF PRESENTATION

U.S. Concrete, Inc., a Delaware corporation, was founded in July 1997 to create a leading provider of ready-mixed concrete and related products and services to the construction industry in major markets in the United States. It did not conduct any operations prior to May 1999. On May 28, 1999, it completed an initial public offering of its common stock and concurrently acquired six operating businesses. From the date of its IPO through September 30, 1999, U.S. Concrete acquired four additional operating businesses for approximately \$13.2 million in cash and 1.7 million shares of common stock. U.S. Concrete intends to acquire additional companies to expand its operations.

For financial statement presentation purposes, (1) Central Concrete Supply Co., Inc., one of the acquired businesses, is presented as the acquirer of the other acquired businesses and U.S. Concrete, (2) these acquisitions are accounted for in accordance with the purchase method of accounting and (3) the effective date of the initial acquisitions is May 31, 1999. As used in this report, the term "Company" means (1) Central prior to June 1, 1999 and (2) U.S. Concrete and its consolidated subsidiaries on that date and thereafter.

Under applicable regulations of the SEC, the historical financial statements in this report are unaudited and omit information and footnote disclosures that financial statements prepared in accordance with generally accepted accounting principles normally would include. In the opinion of management, (1) the disclosures herein are adequate to make the information presented not misleading and (2) the financial statements reflect all elimination entries and normal adjustments that are necessary for a fair presentation of the results for the interim periods presented.

Operating results for interim periods are not necessarily indicative of the results for full years. You should read these condensed consolidated financial statements together with the audited financial statements and related notes, which U.S. Concrete's registration statement for its IPO includes.

2. SIGNIFICANT ACCOUNTING POLICIES

The Company has not added to or changed its accounting policies significantly since December 31, 1998. For a description of these policies, see Note 2 of Notes to Financial Statements of Central in U.S. Concrete's IPO registration statement.

3. SUBSEQUENT BUSINESS COMBINATIONS

From October 1, 1999 through November 12, 1999, U.S. Concrete has acquired two additional operating businesses for approximately \$15.3 million in cash and 550,000 shares of common stock.

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4. SHARES USED IN COMPUTING NET INCOME (LOSS) PER SHARE

The following table summarizes the number of shares (in thousands) of common stock we have used on a weighted average basis in calculating net income or loss per share:

	Three Months Ended September 30,		Nine Months Ended September 30,	
	1999	1998	1999	1998
Shares issued to Central's owners	3,120	3,120	3,120	3,120
Shares issued to owners of acquired businesses other than Central	6,155	--	2,782	--
Shares issued to the initial stockholders and certain management personnel of U.S. Concrete	2,853	--	1,688	--
Shares issued in the IPO	4,370	--	1,972	--
	-----	-----	-----	-----
Number of shares used in calculating basic net income per share	16,498	3,120	9,562	3,120
Effect of shares issuable under stock options and warrants based on the treasury stock method	91	--	74	--
	-----	-----	-----	-----
Number of shares used in calculating diluted net income per share	16,589	3,120	9,636	3,120
	=====	=====	=====	=====

5. LONG-TERM DEBT

A summary of long-term debt is as follows (dollars in thousands):

	September 30, 1999 -----	December 31, 1998 -----
Secured revolving credit facility	\$ 32,050	\$ --
Notes payable to various financial institutions, secured by mixer trucks, maturing in varying amounts through May 2003, with interest ranging from 7.0% to 9.7%	--	2,860
Notes payable to various financial institutions, secured by various equipment and guaranteed by stockholders, maturing in varying amounts through September 2003, with interest ranging from 4.7% to 8.8%	--	670
Other	308	--
	-----	-----
	32,358	3,530
Less: current maturities	(136)	(1,006)
	-----	-----
Long-term debt, net of current maturities	\$ 32,222	\$ 2,524
	=====	=====

On May 28, 1999, U.S. Concrete entered into a three-year \$75 million revolving credit facility with a group of banks. The Company may use this facility for working capital, to finance acquisitions and for other general corporate purposes. Availability under the facility is tied to the Company's cash flow and liquidity. Advances bear interest, at the Company's option, at a prime rate or LIBOR, in each case plus a margin keyed to the ratio of the Company's indebtedness to cash flow. Commitment fees are due on any unused borrowing capacity. The facility requires the Company to maintain financial covenants regarding net worth, coverage ratios and additional indebtedness and prohibits dividends by U.S. Concrete. Subsidiary guarantees and pledges of substantially all the Company's fixed assets secure the payment of all obligations owing under the facility.

6. INCOME TAXES

Prior to their respective acquisitions, Central and certain other acquired businesses were S corporations and were not subject to federal income taxes. Effective with their acquisition they became C corporations subject to those taxes, and we have recorded an estimated deferred tax liability to provide for the Company's estimated future income tax liability as a result of the difference between the book and tax bases of the net assets of these corporations. For purposes of these consolidated financial statements, federal and previously inapplicable state income taxes have been provided for the post-acquisition periods.

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7. SEGMENT REPORTING

SFAS No. 131 "Disclosures about Segments of an Enterprise and Related Information" requires that companies report separately information about each significant operating segment reviewed by the chief operating decision maker. All segments that meet a threshold of 10% of revenues, reported profit or loss, or combined assets are defined as significant segments. The Company currently operates under one segment and all operations and long-lived assets are in the United States.

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

You should read the following discussion together with (1) the pro forma and historical financial statements and related notes this report contains and (2) the pro forma and historical financial statements and related notes and managements' discussion and analysis U.S. Concrete's IPO registration statement contains. This discussion contains "forward-looking statements" within the meaning of Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934. These statements are based on our current plans and expectations and involve risks and uncertainties that could cause actual future activities and results of operations to be materially different from those set forth in the forward-looking statements. Important factors that

could cause actual results to differ include, among others, (1) the extent to which we are able to grow through acquisitions, reduce costs and achieve revenue enhancements in our operations, (2) the rate at which we will write off the significant goodwill on our balance sheet, (3) changes in government regulations, (4) competition, (5) Year 2000 issues and (6) other risk factors discussed in U.S. Concrete's IPO registration statement.

We expect to derive substantially all our revenues from the sale of ready-mixed concrete, other concrete products and related construction materials to the construction industry in the United States. We will serve all segments of the construction industry, and our customers will include contractors for commercial, industrial, residential and public works and infrastructure construction. We typically will sell ready-mixed concrete pursuant to daily purchase orders that require us to formulate, prepare and deliver ready-mixed concrete to the job sites of our customers. We generally will recognize our sales from these orders when we deliver the ordered products.

Our cost of goods sold consist principally of the costs we incur in obtaining the cement, aggregates and admixtures we combine to produce ready-mixed concrete and other concrete products in various formulations. We obtain all these materials from third parties and generally have only one day's supply at each of our concrete plants. Our cost of goods sold also includes labor costs and the operating, maintenance and rental expenses we incur in operating our concrete plants and mixer trucks and other vehicles.

Our selling expenses include the salary and incentive compensation we pay our sales force, the salaries and incentive compensation of our sales managers and travel, entertainment and other promotional expenses. Our general and administrative expenses include the salaries and benefits we pay to our executive officers, the senior managers of our local and regional operations, plant managers and administrative staff, as well as office rent and utilities, communications expenses and professional fees.

Our pro forma combined statements of operations include pro forma adjustments to our selling, general and administrative expenses to reflect the reductions in salaries, bonuses and benefits to which owners of the businesses we have acquired agreed would take effect when we acquired them and the elimination of nonrecurring legal, accounting and other professional fees attributable to the acquisitions. Our pro forma combined statements of operations also reflect the substantial increase in income tax expense that will result from the conversion of certain businesses from S corporations into C corporations.

We expect that our integration of the businesses we have acquired will present opportunities to realize cost savings through the elimination of duplicative functions and the development of economies of scale. We believe that we should be able to:

- . obtain greater discounts from suppliers;
- . borrow at lower interest rates;
- . consolidate insurance programs; and
- . generate savings in other general and administrative areas.

We cannot currently quantify these savings and expect that various incremental costs will partially offset them. These incremental costs include those associated with:

- . our corporate management;
- . our being a public company; and
- . our systems integration, upgrading and replacement.

Our pro forma combined statements of operations reflect neither the cost savings nor the incremental costs we expect, but cannot quantify.

The pro forma combined financial information this report contains covers periods during which the businesses we have acquired had different tax structures and operated independently of each other as private, owner-operated companies. This information reflects the purchase method of accounting to account for these acquisitions and presents Central as the "accounting acquirer."

RESULTS OF OPERATIONS - PRO FORMA COMBINED

The following table sets forth for us on a pro forma combined basis selected

statement of operations information and that information as a percentage of sales for the periods indicated.

	Three Months Ended September 30,				Nine Months Ended September 30,			
	1999		1998		1999		1998	
	(dollars in thousands)							
Sales	\$69,531	100.0%	\$71,085	100.0%	\$175,897	100.0%	\$170,639	100.0%
Cost of goods sold	55,016	79.1	56,489	79.5	139,442	79.3	137,149	80.4
Gross profit	14,515	20.9	14,596	20.5	36,455	20.7	33,490	19.6
Selling, general and administrative expenses	3,444	5.0	4,972	7.0	13,536	7.7	13,571	8.0
Stock compensation charge	--	--	--	--	2,880	1.6	--	--
Depreciation and amortization	1,483	2.1	1,461	2.0	4,384	2.5	4,384	2.5
Income from operations	\$ 9,588	13.8%	\$ 8,163	11.5%	\$ 15,655	8.9%	\$ 15,535	9.1%

Sales

Sales decreased \$1.6 million, or 2.2%, and increased \$5.3 million, or 3.1%, for the three- and nine-month periods ended September 30, 1999, as compared with the same periods in 1998. The decrease in the three-month period was due to lower sales volumes, partially offset by higher average sales prices for ready-mixed concrete in the San Francisco Bay area. The increase in the nine-month period was due to higher average sales prices and increased sales of pre-cast products and building materials, partially offset by lower sales volumes in the San Francisco Bay area.

Gross Profit

Gross profit decreased \$81,000, or 0.6%, and increased \$3.0 million, or 8.9%, for the three- and nine-month periods ended September 30, 1999, as compared with the same periods in 1998. Gross margins increased from 20.5% in the three months ended September 30, 1998 to 20.9% in the three months ended September 30, 1999 and increased from 19.6% in the nine months ended September 30, 1998 to 20.7% in the nine months ended September 30, 1999, in each case primarily because of higher average sales prices and the strong marginal contribution from those increased prices attributable to the portion of our business that is of a fixed-cost nature.

Selling, General and Administrative Expenses

Selling, general and administrative expenses decreased \$1.5 million, or 30.7%, and \$35,000, or 0.3%, for the three- and nine-month periods ended September 30, 1999, as compared with the same periods in 1998, primarily due to expenses incurred during the 1998 periods by acquired businesses that have been discontinued subsequent to their acquisition by U.S. Concrete.

Stock Compensation Charge

The 1999 stock compensation charge represents a noncash charge related to 400,000 shares of common stock U.S. Concrete issued in December 1998 and March 1999 to management and nonemployee directors at a nominal cost. The amount of this charge reflected a fair value of \$7.20 per share, which represented a 10% discount from the initial offering price to the public of \$8.00 per share in the IPO.

RESULTS OF OPERATIONS - HISTORICAL

The following table sets forth for us selected historical statement of operations information and that information as a percentage of sales for the periods indicated. For periods prior to June 1, 1999, the information relates to Central on a stand-alone basis. For the period beginning June 1, 1999, the information relates to U.S. Concrete and its subsidiaries on a consolidated basis and presents Central as the accounting acquirer. Except as we note below, the consolidation of operating results beginning on June 1, 1999 principally accounts for the changes in the 1999 periods from the 1998 periods.

	Three Months Ended September 30,				Nine Months Ended September 30,			
	1999		1998		1999		1998	
	(dollars in thousands)							
Sales	\$59,803	100.0%	\$21,482	100.0%	\$100,407	100.0%	\$47,175	100.0%
Cost of goods sold	48,078	80.4	17,161	79.9	80,853	80.5	38,491	81.6
Gross profit	11,725	19.6	4,321	20.1	19,554	19.5	8,684	18.4
Selling, general and administrative expenses	2,281	3.8	1,712	8.0	5,738	5.7	3,368	7.1
Stock compensation charge	--	--	--	--	2,880	2.9	--	--
Depreciation and amortization	1,148	1.9	219	1.0	2,106	2.1	679	1.5
Income from operations	\$ 8,296	13.9%	\$ 2,390	11.1%	\$ 8,830	8.8%	\$ 4,637	9.8%

Sales

Sales increased \$38.3 million, or 178.4%, and \$53.2 million, or 112.8%, for the three- and nine-month periods ended September 30, 1999, as compared with the same periods in 1998.

Gross Profit

Gross profit increased \$7.4 million, or 171.4%, and \$10.9 million, or 125.2%, for the three- and nine-month periods ended September 30, 1999, as compared with the same periods in 1998. Gross margins decreased from 20.1% in the three months ended September 30, 1998 to 19.6% in the three months ended September 30, 1999 and increased from 18.4% in the nine months ended September 30, 1998 to 19.5% in the nine months ended September 30, 1999.

Selling, General and Administrative Expenses

Selling, general and administrative expenses increased \$569,000, or 33.3%, and \$2.4 million, or 70.4%, for the three- and nine-month periods ended September 30, 1999, as compared with the same periods in 1998.

Stock Compensation Charge

The 1999 stock compensation charge represents a noncash charge related to 400,000 shares of common stock U.S. Concrete issued in December 1998 and March 1999 to management and nonemployee directors at a nominal cost. The amount of this charge reflected a fair value of \$7.20 per share, which represented a 10% discount from the initial offering price to the public of \$8.00 per share in the IPO.

LIQUIDITY AND CAPITAL RESOURCES

On May 28, 1999, U.S. Concrete completed its initial public offering, in which it issued and sold 3.8 million shares of its common stock. Its net proceeds from the IPO (after underwriting discounts, commissions and offering expenses) were approximately \$24.0 million. Concurrently, U.S. Concrete acquired six operating businesses in separate transactions for consideration of \$22.3 million in cash and 9.0 million shares of common stock. On June 11, 1999, its underwriters exercised their over-allotment option to acquire an additional 570,000 shares of common stock at the offering price of \$8.00 per share, providing U.S. Concrete with \$4.3 million (net of underwriting discounts and commissions) of additional proceeds from the IPO.

On May 28, 1999, U.S. Concrete entered into a \$75 million secured revolving credit facility with a group of banks and borrowed approximately \$22.7 million, principally to refinance outstanding indebtedness of its acquired businesses. At September 30, 1999, \$32.1 million was outstanding under the facility.

The credit facility is a three-year revolving credit facility of up to \$75.0 million, with a \$5.0 million sublimit for letters of credit issued on our behalf, we may use for the following purposes:

- . finance acquisitions;
- . working capital; and
- . for general corporate purposes.

Our subsidiaries have guaranteed the repayment of all amounts due under the

facility, and we secured the facility with the capital stock and assets of our subsidiaries. The facility will:

- . require the consent of the lenders for acquisitions;
- . prohibit the payment of cash dividends by U.S. Concrete;
- . restrict our ability to incur additional indebtedness; and
- . require us to comply with stringent financial covenants.

The failure to comply with these covenants and restrictions would constitute an event of default under the facility. Our borrowing capacity under the facility will vary from time to time depending on our satisfaction of several financial tests.

We anticipate that our consolidated cash flow from our operations will exceed our normal working capital needs, debt service requirements and the amount of our planned capital expenditures, excluding acquisitions, for at least the next 12 months.

Our growth strategy will require substantial capital. We currently intend to finance future acquisitions through issuances of our common stock or debt securities, including convertible debt securities, and borrowings under our credit facility. Using debt to complete acquisitions could substantially limit our operational and financial flexibility. The extent to which we will be able or willing to use our common stock to make acquisitions will depend on its market value from time to time and the willingness of potential sellers to accept it as full or partial payment. Using our common stock for this purpose may result in significant dilution to our then existing stockholders. To the extent we are unable to use our common stock to make future acquisitions, our ability to grow will be limited by the extent to which we are able to raise capital for this purpose, as well as to expand existing operations, through debt or additional equity financings. If we are unable to obtain additional capital on acceptable terms, we may be required to reduce the scope of our presently anticipated expansion, which could materially adversely affect our business and the value of our common stock.

We cannot accurately predict the timing, size and success of our acquisition efforts or our associated potential capital commitments.

Changes in working capital accounts and property, plant and equipment between December 31, 1998 and September 30, 1999 are driven primarily by the acquisitions of operating businesses.

YEAR 2000 COMPLIANCE

Many software applications, computer hardware and related equipment and systems that use embedded technology, such as microprocessors, rely on two digits rather than four to represent years in performing computations and decision-making functions. These programs, hardware items and systems may fail on January 1, 2000 or earlier because they misinterpret ``00'' as the year 1900 rather than 2000. These failures could have an adverse effect on us because of our direct dependence on our own applications, equipment and systems and our indirect dependence on those of third parties.

Our year 2000 program consists of the following phases:

- . identifying all items that may be affected by the year 2000;
- . investigating those items for year 2000 compliance;
- . assessing the potential impact of year 2000 noncompliance;
- . designing solutions for noncompliant items;
- . repairing and replacing any noncompliant items and testing those improvements; and
- . contingency planning.

Each business we have acquired has assigned one or more individuals in its organization year 2000 responsibility. We

have also assigned an individual overall year 2000 responsibility to track and coordinate the efforts of the individual companies. Although we are following the general steps we outlined above, we do not consider preparation and maintenance of formal inventories and risk rankings, detailed test plans and documentation of results necessary because of the small number of information technology systems each business uses.

Each business we have acquired has completed identification of its mission-critical information technology hardware and software, including business applications, operations software, service providers and product suppliers that may be affected by the year 2000. We have completed the process of identifying the potential impact of embedded technologies on the businesses.

We have contacted various third parties to obtain representations and assurances that their hardware, embedded technology systems and software which we use or will impact us are, or will be modified on a timely basis to be, year 2000 compliant. We identified approximately 50 third parties to be contacted, based on our identification of those persons as being either significant service providers or materials suppliers to our business. These third parties include banks, cement and aggregates suppliers, gas, electricity and water suppliers and telephone companies. All the third parties that have responded have stated that they are or expect to be year 2000 compliant by the end of 1999. We have completed this part of our program. To date, our costs associated with assessing and monitoring the progress of third parties in resolving their year 2000 issues have not been significant, and we do not expect to incur any material costs in the future relating to this aspect of our year 2000 program.

Most of the businesses we have acquired have completed the solution design phase of their efforts to determine whether noncompliant information hardware and software systems can be repaired or replaced.

As part of our consolidation of our businesses, we are replacing some of their financial and other systems in order to obtain internal consistency. Some systems we are replacing happen not to be year 2000 compliant, but we would replace them in all events this year and are not including the cost of their replacements as a part of our year 2000 program.

We have decided not to develop formal budgets or perform detailed analysis of the costs associated with this effort. We based this decision on the low number of systems that comprise our technical environment and the fact that our year 2000 efforts are being addressed during the normal course of business. We estimate our external costs of our year 2000 program total approximately \$50,000 to date and expect that any additional costs of this program will be nominal. We expect to pay these costs with the cash flow from our consolidated operations. We have incurred substantially all these costs in investigating systems for year 2000 compliance and have not incurred any material costs to replace or repair noncompliant systems. We have not deferred other information technology projects because of our year 2000 efforts.

We have not yet begun a formal analysis of various failure scenarios or their potential impact or possible contingency plans. If we identify significant risks related to year 2000 compliance or our progress deviates from our anticipated program, we will develop contingency plans as necessary. We expect that we will develop any necessary contingency plans in the fourth quarter of 1999 and that these will primarily consist of replacing noncompliant third-party suppliers or making arrangements with compliant third-party suppliers to back up any delivery failures and developing backup procedures to handle the failure of any of our internal systems.

We do not anticipate any material adverse effect from year 2000 failures, but you have no guarantee that we will achieve total compliance. Factors that give rise to this uncertainty include our possible failure to identify all susceptible systems, noncompliance by third parties whose systems and operations impact us and a possible loss of technical resources to perform the work.

While we do not expect our worst-case year 2000 noncompliance scenarios to occur, possible effects of such scenarios include:

- . loss of gas, electricity, water or phone service;
- . failures or delays in the daily delivery of raw materials;
- . equipment failures;
- . an interruption in our ability to collect amounts due from customers;
- and
- . loss of accurate accounting records.

Depending on the length of any noncompliance or system failure, any of these situations could have a material adverse impact on our ability to serve our customers in a timely manner and result in lost business and revenues or increased costs.

This disclosure is subject to protection under the Year 2000 Information and

"Year 2000 Statement" and "Year 2000 Readiness Disclosure" as that Act defines those terms.

SEASONALITY; FLUCTUATIONS OF QUARTERLY RESULTS

Reflecting the levels of construction activity, the demand for ready-mixed concrete is highly seasonal. We believe that this demand may be as much as three times greater in a prime summer month than in a slow winter month and that the six-month period of May through October is the peak demand period. Consequently, we expect that our sales generally will be lower in the first and fourth calendar quarters. Because we incur fixed costs, such as wages, rent and other expenses throughout the year, we expect our gross profit margins will be disproportionately lower than our sales in these quarters. Even during traditional peak periods, sustained periods of inclement weather and other extreme weather conditions can slow or delay construction and thus slow or delay our sales. Quarterly results may also be materially affected by the timing of acquisitions, variations in sales prices, the timing and magnitude of acquisition assimilation costs and regional economic conditions. Additionally, the industry can be highly cyclical, and the general condition of the economy and a variety of other factors beyond our control can affect its level of activity. Our volume of business may be adversely affected by declines in construction activity.

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURE ABOUT MARKET RISK

We have not purchased any futures contracts nor have we purchased or held any derivative financial instruments for trading purposes during the nine months ended September 30, 1999.

Our borrowings under our credit facility are subject to the risk that interest rates may increase. For example, a 10 percent increase in LIBOR (a benchmark on to which interest rates applicable to borrowings under the credit facility may be set) would have increased our pro forma consolidated interest by \$67,000 for the quarter ended September 30, 1999 and \$227,100 for the nine months ended September 30, 1999. We have not entered into any interest rate swaps or other hedging arrangements with respect to the interest obligations under the credit facility.

PART II

ITEM 1. LEGAL PROCEEDINGS

We have been from time to time, and currently are, subject to claims and litigation brought by employees, customers and third parties for personal injuries, property damages, product defects and delay damages, that have, or allegedly have, resulted from the conduct of our operations. Currently, we do not have pending any litigation that, separately or in the aggregate, if adversely determined, we believe would have a material adverse effect on our business, financial condition or results of operations. We expect that in the future we will from time to time be a party to litigation or administrative proceedings which arise in the normal course of our business.

ITEM 2. CHANGE IN SECURITIES AND USE OF PROCEEDS

(c) Unregistered Sales of Securities.

During the quarter ended September 30, 1999, we issued 1,726,782 shares of our common stock as part of the consideration we paid to the former owners of four businesses we acquired in September 1999. We issued these shares without registration under the Securities Act in reliance on the exemption provided by Section 4(2) of the Securities Act as transactions not involving any public offering. Each acquisition involved a limited number of owners."

ITEM 6. EXHIBITS AND REPORTS ON FORM 8-K

(a) Exhibits.

Exhibit Number	Description
2.1*	-- Agreement and Plan of Reorganization dated as of March 22, 1999 by and among U.S. Concrete, OCC Acquisition Inc., Opportunity Concrete Corporation and the stockholders named therein (Form S-1 (Reg. No. 333-74855), Exhibit 2.1).
2.2*	-- Agreement and Plan of Reorganization dated as of March 22, 1999 by and among U.S. Concrete, Walker's Acquisition Inc., Walker's Concrete, Inc. and the stockholders named therein (Form S-1 (Reg. No. 333-74855), Exhibit 2.2).
2.3*	-- Agreement and Plan of Reorganization dated as of March 22, 1999 by and among U.S. Concrete, Central Concrete Acquisition Inc., Central Concrete Supply Co., Inc. and the stockholders named therein (Form S-1 (Reg. No. 333-74855), Exhibit 2.3).
2.4*	-- Agreement and Plan of Reorganization dated as of March 22, 1999 by and among U.S. Concrete, Bay Cities Acquisition Inc., Bay Cities Building Materials Co., Inc. and the stockholders named therein (Form S-1 (Reg. No. 333-74855), Exhibit 2.4).
2.5*	-- Agreement and Plan of Reorganization dated as of March 22, 1999 by and among U.S. Concrete, Baer Acquisition Inc., Baer Concrete, Incorporated and the stockholders named therein (Form S-1 (Reg. No. 333-74855), Exhibit 2.5).
2.6*	-- Agreement and Plan of Reorganization dated as of March 22, 1999 by and among U.S. Concrete, Santa Rosa Acquisition, Inc., R.G. Evans/Associates (d/b/a Santa Rosa Cast Products Co.) and the stockholders named therein (Form S-1 (Reg. No. 333-74855), Exhibit 2.6).
2.7*	-- Uniform Provisions for the Acquisitions (incorporated into the agreements filed as Exhibits 2.1 through 2.6 hereto) (Form S-1 (Reg. No. 333-74855), Exhibit 2.7).
3.1*	-- Restated Certificate of Incorporation of U.S. Concrete (Form S-1 (Reg. No. 333-74855), Exhibit 3.1).
3.2*	-- Bylaws of U.S. Concrete (Form S-1 (Reg. No. 333-74855), Exhibit 3.2).
4.1*	-- Form of Certificate representing common stock (Form S-1 (Reg. No. 333-74855), Exhibit 4.1).

4.2*	-- Form of Registration Rights Agreement by and among U.S. Concrete and the stockholders listed on the signature pages thereto (Form S-1 (Reg. No. 333-74855), Exhibit 4.2).
4.3*	-- Funding Agreement dated as of September 10, 1999 by and between U.S. Concrete and Main Street Merchant Partners II, L.P. (Form S-1 (Reg. No. 333-74855), Exhibit 4.3).
4.4*	-- Rights Agreement by and between U.S. Concrete and American Stock Transfer & Trust Company, including form of Rights Certificate attached as Exhibit B thereto (Form S-1 (Reg. No. 333-74855), Exhibit 4.4).
4.5*	-- Form of Warrant Agreement among U.S. Concrete, Scott & Stringfellow, Inc. and Sanders Morris Mundy, Inc. (Form S-1 (Reg. No. 333-74855), Exhibit 1.2).
4.6*	-- Credit Agreement, dated as of May 28, 1999, among U.S. Concrete, Inc., as Borrower, the Guarantors named therein and Chase Bank of Texas, National Association, NationsBank, N.A. (D/B/A Bank of America, N.A.), Bank One, Texas, NA, Credit Lyonaiss New York Branch and the other Lenders named therein (Form 10-Q for the quarter ended June 30, 1999, Exhibit 4.6).
4.7*	-- First Amendment to Credit Agreement, dated as of June 30, 1999, among U.S. Concrete, Inc., as Borrower, the Guarantors named therein and Chase Bank of Texas, National Association, NationsBank, N.A. (D/B/A Bank of

America, N.A.), Bank One, Texas, NA, Credit Lyonaiss New York Branch and the other Lenders named therein (Form 10-Q for the quarter ended June 30, 1999, Exhibit 4.7).

4.8 -- Second Amendment to Credit Agreement, dated as of July 31, 1999, among U.S. Concrete, Inc., as Borrower, the Guarantors named therein and Chase Bank of Texas, National Association, NationsBank, N.A. (D/B/A Bank of America, N.A.), Bank One, Texas, NA, Credit Lyonaiss New York Branch and the other Lenders named therein.

4.9 -- Third Amendment to Credit Agreement, dated as of August 31, 1999, among U.S. Concrete, Inc., as Borrower, the Guarantors named therein and Chase Bank of Texas, National Association, NationsBank, N.A. (D/B/A Bank of America, N.A.), Bank One, Texas, NA, Credit Lyonaiss New York Branch and the other Lenders named therein.

U.S. Concrete and some of its subsidiaries are parties to debt instruments under which the total amount of securities authorized does not exceed 10% of the total assets of U.S. Concrete and its subsidiaries on a consolidated basis. Pursuant to paragraph 4(iii)(A) of Item 601(b) of Regulation S-K, U.S. Concrete agrees to furnish a copy of those instruments to the SEC on request.

27.1 -- Financial Data Schedule.

* Incorporated by reference to the filing indicated.

(b) Reports on Form 8-K.

None.

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SIGNATURE

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.

U.S. CONCRETE, INC.

Dated: November 12, 1999

/s/ MICHAEL W. HARLAN

By: Michael W. Harlan
Senior Vice President --
Chief Financial Officer

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SECOND AMENDMENT TO
CREDIT AGREEMENT

This SECOND AMENDMENT TO CREDIT AGREEMENT (the "Second Amendment" or this "Amendment"), effective as of this 31st day of July, 1999, is entered into by and among U.S. CONCRETE, INC., a Delaware corporation, (the "Company"), the Guarantors party hereto, the Lenders signatory hereto under the caption "Lenders" (together with each other Person who becomes a Lender, collectively, the "Lenders") and CHASE BANK OF TEXAS, NATIONAL ASSOCIATION, a national banking association, individually as a Lender, and as administrative agent for the other Lenders (in such capacity, together with any other Person who becomes the administrative agent, the "Administrative Agent"), BANK OF AMERICA, N.A. f/k/a NationsBank, N.A., as Syndication Agent, and BANK ONE, TEXAS, NA and CREDIT LYONNAIS NEW YORK BRANCH, as Co-Agents for the Lenders.

PRELIMINARY STATEMENT

WHEREAS, the Company, the Guarantors, the Lenders, the Administrative Agent, the syndication agent and the co-agents have entered into that certain Credit Agreement dated as of May 28, 1999, as amended by that certain First Amendment to Credit Agreement dated June 30, 1999 among such parties (said Credit Agreement, as amended and as it may be further amended, extended, supplemented or amended and restated from time to time, the "Credit Agreement"); and

WHEREAS, the Company has requested the Lenders and the Administrative Agent to make a swingline facility available to the Company and to amend and modify certain other terms of the Credit Agreement; and

WHEREAS, the Lenders and the Administrative Agent have agreed to do so to the extent reflected in this Amendment, provided that each of the Company and the Guarantors ratifies and confirms all of its respective obligations under the Credit Agreement and the Loan Documents and agrees to make certain other amendments as set forth here.

NOW, THEREFORE, in consideration of the premises and for other good and valuable consideration and the mutual benefits, covenants and agreements herein expresses, the receipt and sufficiency of which are hereby acknowledged, the parties hereto hereby agree as follows:

1. Defined Terms and Overall Changes. All capitalized terms used in this Amendment and not otherwise defined herein shall have the meanings ascribed to such terms in the Credit Agreement.

2. Amendment to Section 1.01. The hereinafter listed definitions are hereby deleted from the Credit Agreement and restated or are added to the Credit Agreement in the appropriate alphabetical order to read as follows:

"'Autoborrow Agreement' means the Autoborrow Service Agreement dated as of _____, 1999, between the Borrower and the Swingline Lender."

"'Borrowing' means (a) Revolving Loans of the same Type, made, converted or continued on the same date and, in the case of Eurodollar Loans, as to which a single Interest Period is in effect, and (b) a Swingline Loan."

"'Class', when used in reference to any Loan or Borrowing, refers to whether such Loan, or the Loans comprising such Borrowing, are Revolving Loans or Swingline Loans."

"'Commitment' means (a) with respect to each Lender, the commitment of such Lender to make Revolving Loans and to acquire participations in Letters of Credit and Swingline Loans hereunder, expressed as an amount representing the maximum aggregate amount of such Lender's Revolving Credit Exposure hereunder, as such commitment may be (i) reduced from time to time pursuant to Section 2.07 and (ii) reduced or increased from time to time pursuant to assignments by or to such Lender pursuant to Section 9.04 and (b) with respect to the Swingline Lender, its commitment to make Swingline Loans. The initial amount of each Lender's Commitment is set forth on Schedule 2.01, or in the Assignment and Acceptance pursuant to which such Lender shall have assumed its Commitment, as applicable. The initial aggregate amount of the Lenders' Commitments is

\$75,000,000.00."

"'Interest Payment Date' means (a) with respect to any ABR Loan (other than a Swingline Loan), the last day of each March, June, September and December, (b) with respect to any Eurodollar Loan, the last day of the Interest Period applicable to the Borrowing of which such Loan is a part and, in the case of a Eurodollar Borrowing with an Interest Period of more than three months' duration, each day prior to the last day of such Interest Period that occurs at intervals of three months' duration after the first day of such Interest Period and (c) with respect to any Swingline Loan, the day that such Loan is required to be repaid pursuant to Section 2.08(a), Section 2.19(c), Section 7.02, or otherwise."

"'Lenders' means the Persons listed on Schedule 2.01 and any other Person that shall have become a party hereto pursuant to an Assignment and Acceptance, other than any such Person that ceases to be a party hereto pursuant to an Assignment and Acceptance. Unless the context otherwise requires, the term "Lenders" includes the Swingline Lender."

"'Revolving Credit Exposure' means, with respect to any Lender at any time, the sum of the outstanding principal amount of such Lender's Revolving Loans and its LC Exposure and Swingline Exposure at such time."

"'Swingline Exposure' means, at any time, the aggregate principal amount of all Swingline Loans outstanding at such time. The Swingline Exposure of any Lender at any time shall be its Applicable Percentage of the total Swingline Exposure at such time."

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"'Swingline Lender' means Bank of America, N.A., in its capacity as lender of Swingline Loans hereunder."

"'Swingline Loan' means a Loan made pursuant to Section 2.19."

3. Amendment to Section 2.02. Sections 2.02(b) and (c) of the Credit Agreement are hereby restated in their entirety to read as follows:

"(b) Subject to Section 2.12, each Revolving Borrowing shall be comprised entirely of ABR Loans or Eurodollar Loans as the Borrower may request in accordance herewith; provided each Swingline Loan shall be an ABR Loan. Each Lender at its option may make any Eurodollar Loan by causing any domestic or foreign branch or Affiliate of such Lender to make such Loan; provided that any exercise of such option shall not affect the obligation of the Borrower to repay such Loan in accordance with the terms of this Agreement.

(c) At the commencement of each Interest Period for any Eurodollar Revolving Borrowing, such Borrowing shall be in an aggregate amount that is an integral multiple of \$500,000 and not less than \$1,000,000, unless such Borrowing represents a Borrowing of all of the unused Commitment. At the time that each ABR Revolving Borrowing is made (other than Borrowings under the Swingline Loans), such Borrowing shall be in an aggregate amount that is an integral multiple of \$500,000 and not less than \$1,000,000; provided that an ABR Revolving Borrowing may be in an aggregate amount that is equal to the entire unused balance of the total Commitments or that is required to finance the reimbursement of an LC Disbursement as contemplated by Section 2.04(e). At any time when the Autoborrow Agreement is in effect, the provisions thereof shall govern the advancing of a Swingline Loan. At any time when the Autoborrow Agreement is not in effect, each Swingline Loan shall be in an amount not less than \$50,000 and integral multiples of \$10,000 in excess thereof. Borrowings of more than one Type and Class may be outstanding at the same time; provided that there shall not at any time be more than a total of seven (7) Eurodollar Revolving Borrowings outstanding."

4. Amendment to Section 2.03. Section 2.03 is hereby amended by adding a subparagraph (vi) thereto to read as follows:

"(vi) any amounts then outstanding as Swingline Loans."

5. Amendment to Section 2.05. Section 2.05(a) of the Credit Agreement is hereby restated in its entirety to read as follows:

"(a) Each Lender shall make each Loan to be made by it hereunder on the proposed date thereof by wire transfer of immediately available funds by 1:30 p.m., Houston, Texas time, to the account of the Administrative Agent most recently designated by it for such purpose by notice to the Lenders; provided that Swingline Loans shall be made as provided in Section 2.19. The Administrative Agent will make such Loans available to the Borrower by promptly crediting the amounts so received, in like funds, to an account of the Borrower maintained with the Administrative Agent in Houston, Texas or other location as designated by the Borrower in the applicable Borrowing Request."

6. Amendment to Section 2.08. Section 2.08(a) of the Credit Agreement is hereby restated in its entirety to read as follows:

"(a) The Borrower hereby unconditionally promises to pay (i) to the Administrative Agent for the account of each Lender the then unpaid principal amount of each Revolving Loan on the Maturity Date and (ii) to the Swingline Lender the then unpaid principal amount of each Swingline Loan on the Maturity Date."

7. Amendment to Section 2.09. Section 2.09(b) of the Credit Agreement is hereby restated in its entirety to read as follows:

"(b) The Borrower shall notify the Administrative Agent (and, in the case of prepayment of a Swingline Loan at any time when the Autoborrow Agreement is not in effect, the Swingline Lender) by telephone (confirmed by telecopy) of any prepayment hereunder (i) in the case of prepayment of a Eurodollar Revolving Borrowing, not later than 11:00 a.m., Houston, Texas time, three Business Days before the date of prepayment, (ii) in the case of prepayment of an ABR Revolving Borrowing, not later than 11:00 a.m., Houston, Texas time, one Business Day before the date of prepayment or (iii) in the case of prepayment of a Swingline Loan at any time when the Autoborrow Agreement is not in effect, not later than 12:00 noon, Houston, Texas time, on the date of prepayment. At any time when the Autoborrow Agreement is in effect, the provisions thereof shall govern the prepayment of a Swingline Loan. Each such notice shall be irrevocable and shall specify the prepayment date and the principal amount of each Borrowing or portion thereof to be prepaid; provided that, if a notice of prepayment is given in connection with a conditional notice of termination of the Commitments as contemplated by Section 2.07, then such notice of prepayment may be revoked if such notice of termination is revoked in accordance with Section 2.07. Promptly following receipt of any such notice relating to a Revolving Borrowing, the Administrative Agent shall advise the Lenders of the contents thereof. Each partial prepayment of any Revolving Borrowing shall be in an amount that would be permitted in the case of an advance of a Revolving Borrowing of the same Type as provided in Section 2.02.

Each prepayment of a Revolving Borrowing shall be applied ratably to the Loans included in the prepaid Borrowing. Prepayments shall be accompanied by accrued interest to the extent required by Section 2.11."

8. Amendment to Section 2.10. Section 2.10(a) of the Credit Agreement is hereby restated in its entirety to read as follows:

"(a) The Borrower agrees to pay to the Administrative Agent for the account of each Lender a commitment fee, which shall accrue as shown in the column for Commitment Fee Rate in the definitions of Applicable Margin on the daily average Commitment of each Lender less the Revolving Credit Exposure for such Lender during the period from and including the date of this Agreement to but excluding the date on which such Commitment terminates, provided, for purposes of this Section 2.10(a) only, but for no other purpose, Revolving Credit Exposure shall not include any Lender's Swingline Exposure. Accrued and unpaid commitment fees shall be payable in arrears on the last day of March, June, September and

December of each year and on the date on which the Commitments terminate, commencing on the first such date to occur after the date hereof; provided that any unpaid commitment fees accruing after the date on which the Commitments terminate shall be payable on demand. All facility fees shall be computed on the basis of a year of 360 days and shall be payable for the actual number of days elapsed (including the first day but excluding the last day).

9. Amendment to Section 2.11. Sections 2.11(a) of the Credit Agreement is hereby restated in its entirety to read as follows:

"(a) (i) The Loans comprising each ABR Borrowing (excluding each Swingline Loan) shall bear interest at a rate per annum equal to the lesser of: (y) the Alternate Base Rate plus the Applicable Margin and (z) the Highest Lawful Rate.

(ii) Each Swingline Loan shall bear interest at a rate per annum equal to the lesser of (y) the Alternate Base Rate plus the Applicable Margin for ABR Loans less the applicable Commitment Fee Rate and (z) the Highest Lawful Rate."

10. Amendment to Section 2.16. Sections 2.16(a) and (c) of the Credit Agreement are hereby restated in their entirety to read as follows (the remainder of Section 2.16 is unchanged):

"(a) The Borrower shall make each payment required to be made by it hereunder (whether of principal, interest, fees or reimbursement of LC Disbursements, or of amounts payable under Section 2.13, 2.14 or 2.15, or otherwise) prior to 12:00 noon, Houston, Texas time, on the date when due, in immediately available funds, without set-off or counterclaim. Any amounts received after such time on any date may, in the discretion of the recipient, be deemed to have been

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received on the next succeeding Business Day for purposes of calculating interest thereon. All other such payments shall be made to the Administrative Agent at its offices at 712 Main St., Houston, Texas 77002, except payment to be made directly to the Issuing Bank or Swingline Lenders as expressly provided herein or in any other Loan Document, and except that payments pursuant to Sections 2.13, 2.14, 2.15 and 9.03 shall be made directly to the Persons entitled thereto. The Administrative Agent shall distribute any such payments received by it for the account of any other Person to the appropriate recipient promptly following receipt thereof. If any payment hereunder shall be due on a day that is not a Business Day, the date for payment shall be extended to the next succeeding Business Day, and, in the case of any payment accruing interest, interest thereon shall be payable for the period of such extension. All payments hereunder shall be made in dollars.

"(c) If any Lender shall, by exercising any right of set-off or counterclaim or otherwise, obtain payment in respect of any principal or interest on any of its Revolving Loans or participations in LC Disbursements or Swingline Loans resulting in such Lender receiving payment of a greater proportion of the aggregate amount of its Revolving Loans and participations in LC Disbursements and Swingline Loans and accrued interest thereon than the proportion received by any other Lender, then the Lender receiving such greater proportion shall purchase (for cash at face value) participations in the Revolving Loans and participations in LC Disbursements and Swingline Loans of other Lenders to the extent necessary so that the benefit of all such payments shall be shared by the Lenders ratably in accordance with the aggregate amount of principal of and accrued interest on their respective Revolving Loans and participations in LC Disbursements and Swingline Loans; provided that (i) if any such participations are purchased and all or any portion of the payment giving rise thereto is recovered, such participations shall be rescinded and the purchase price restored to the extent of such recovery, without interest, and (ii) the provisions of this paragraph shall not be construed to apply to any payment made by the Borrower pursuant to and in accordance with the express terms of this Agreement or any payment obtained by a Lender as consideration for the assignment of or sale of a participation in any of its Loans or participations in LC

Disbursements to any assignee or participant, other than to the Borrower or any Subsidiary or Affiliate thereof (as to which the provisions of this paragraph shall apply). The Borrower consents to the foregoing and agrees, to the extent it may effectively do so under applicable law, that any Lender acquiring a participation pursuant to the foregoing arrangements may exercise, after the occurrence and during the continuance of an Event of Default, against the Borrower rights of set-off and counterclaim with respect to such participation as fully as if such Lender were a direct creditor of the Borrower in the amount of such participation."

11. Amendment to Section 2.17. Sections 2.17(b)(i) and (ii) of the Credit Agreement are hereby restated in their entirety to read as follows:

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"(i) the Borrower shall have received the prior written consent of the Administrative Agent (and, if a Commitment is being assigned, the Issuing Bank and Swingline Lender), which consent shall not unreasonably be withheld, (ii) such Lender shall have received payment of an amount equal to the outstanding principal of its Loans and participations in LC Disbursements, accrued interest thereon, accrued fees and all other amounts payable to it hereunder, from the assignee (to the extent of such outstanding principal and accrued interest and fees) or the Borrower (in the case of all other amounts)"

12. Addition of Section 2.19. A new Section 2.19 is hereby added to the Credit Agreement and will read as follows:

"SECTION 2.19. Swingline Loans. (a) Subject to the terms and conditions set forth herein, the Swingline Lender agrees to make Swingline Loans to the Borrower from time to time during the Availability Period, in an aggregate principal amount at any time outstanding that will not result in (i) the aggregate principal amount of outstanding Swingline Loans exceeding \$5,000,000.00 or (ii) the sum of the total Revolving Credit Exposures exceeding the total Commitments. Within the foregoing limits and subject to the terms and conditions set forth herein, the Borrower may borrow, prepay and reborrow Swingline Loans.

(b) At any time when the Autoborrow Agreement is in effect, the provisions thereof shall govern the advancing of a Swingline Loan. At any time when the Autoborrow Agreement is not in effect, the provisions of this Section 2.19(b) shall govern the advancing of a Swingline Loan. To request a Swingline Loan, the Borrower shall notify the Swingline Lender of such request not later than 12:00 noon, Houston, Texas time, on the day of a proposed Swingline Loan. Each such notice shall be irrevocable and shall specify the requested date (which shall be a Business Day) and amount of the requested Swingline Loan. The Swingline Lender shall make each Swingline Loan available to the Borrower by means of a credit to the general deposit account of the Borrower with the Swingline Lender (or, in the case of a Swingline Loan made to finance the reimbursement of an LC Disbursement as provided in Section 2.04(e), by remittance to the Issuing Bank) by 3:00 p.m., Houston, Texas time, on the requested date of such Swingline Loan.

(c) The Swingline Lender may by written notice given to the Administrative Agent not later than 10:00 a.m., Houston, Texas time, on any Business Day following an Event of Default including the failure of Borrower to pay any principal, interest, fees or other amounts with respect to a Swingline Loan at the time required by this Agreement, require the Lenders to acquire participations on such Business Day in all or a portion of the Swingline Loans outstanding. Such notice shall specify the aggregate amount of Swingline Loans in which Lenders will

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participate. Promptly upon receipt of such notice, the Administrative Agent will give notice thereof to each Lender, specifying in such notice such Lender's Applicable Percentage of such Swingline Loan or Loans. Each Lender hereby absolutely and unconditionally agrees, upon

receipt of notice as provided above, to promptly pay to the Administrative Agent, for the account of the Swingline Lender, such Lender's Applicable Percentage of such Swingline Loan or Loans. Each Lender acknowledges and agrees that its obligation to acquire participations in Swingline Loans pursuant to this paragraph is absolute and unconditional and shall not be affected by any circumstance whatsoever, including the occurrence and continuance of a Default or reduction or termination of the Commitments, and that each such payment shall be made without any offset, abatement, withholding or reduction whatsoever. Each Lender shall comply with its obligation under this paragraph by wire transfer of immediately available funds, in the same manner as provided in Section 2.05 with respect to Loans made by such Lender (and Section 2.05 shall apply, mutatis mutandis, to the payment obligations of the Lenders), and the Administrative Agent shall promptly pay to the Swingline Lender the amounts so received by it from the Lenders. The Administrative Agent shall notify the Borrower of any participations in any Swingline Loan acquired pursuant to this paragraph, and thereafter payments in respect of such Swingline Loan shall be made to the Administrative Agent and not to the Swingline Lender. Any amounts received by the Swingline Lender from the Borrower (or other party on behalf of the Borrower) in respect of a Swingline Loan after receipt by the Swingline Lender of the proceeds of a sale of participations therein shall be promptly remitted to the Administrative Agent; any such amounts received by the Administrative Agent shall be promptly remitted by the Administrative Agent to the Lenders that shall have made their payments pursuant to this paragraph and to the Swingline Lender, as their interests may appear. The purchase of participations in a Swingline Loan pursuant to this paragraph shall not relieve the Borrower of any default in the payment thereof."

13. Amendment to Section 6.02. Section 6.02(d) of the Credit Agreement is hereby restated in its entirety to read as follows:

"(d) Liens securing potential prepayment obligations of Walker's Concrete, Inc. to Union Bank of California encumbering assets of Walker's Concrete, Inc.; provided (i) no further Indebtedness is owing by the Borrower or any Subsidiary to said bank and (ii) said Liens are fully extinguished and released prior to August 31, 1999; and"

14. Amendment to Section 7.02. Section 7.02(i) of the Credit Agreement is hereby restated in its entirety to read as follows:

"On the occurrence of any event described in Section 7.01 (other than an event with respect to the Borrower described in clause (h) or (i) thereof), and at any

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time thereafter during the continuance of such event, the Administrative Agent may, and at the request of the Required Lenders shall, by notice to the Borrower, take either or both of the following actions, at the same time or different times: (i) terminate the Commitments (including the Commitment of the Swingline Lender with respect to its obligation to advance Swingline Loans), and thereupon the Commitments shall terminate immediately; provided that in the case of the Commitment of the Swingline Lender with respect to its obligation to advance Swingline Loans, the Swingline Lender may, by notice to the Borrower (with a copy to the Administrative Agent) and regardless of whether the Required Lenders elect to terminate the Commitments hereunder, terminate such Commitment, and thereupon such Commitment shall terminate immediately,"

15. Amendment to Section 9.01. Section 9.01(d) of the Credit Agreement is hereby redesignated as Section 9.01(e) and a new (d) is added to read as follows:

"(d) if to the Swingline Lender, to it at Bank of America, N.A., 700 Louisiana, 7th Floor, Houston, Texas 77002, telecopy: 713-247-7748 and telephone: 713-247-7756.

(e) if to any other Lender, to it at its address (or telecopy number) set forth in its Administrative Questionnaire."

16. Amendment to Section 9.02. Section 9.02(b)(vii) of the Credit Agreement is hereby restated in its entirety to read as follows:

"(vii) change any of the provisions of this Section or the definition of "Required Lenders" or any other provision hereof specifying the number or percentage of Lenders required to waive, amend or modify any rights hereunder or make any determination or grant any consent hereunder, without the written consent of each Lender; provided further that no such agreement shall amend, modify or otherwise affect the rights or duties of the Administrative Agent, the Issuing Bank or the Swingline Lender hereunder without the prior written consent of the Administrative Agent, the Issuing Bank or the Swingline Lender, as the case may be."

17. Amendment to Section 9.03. Section 9.03 of the Credit Agreement is hereby amended as follows to contain a reference to the Swingline Lender with the result that the Swingline Lender shall be entitled to the reimbursement provisions of paragraph (a) (ii), the indemnity provisions of paragraph (b) and the reimbursement provisions of paragraph (c).

18. Amendment to Section 9.04. Sections 9.04(b)(i) and (e) of the Credit Agreement are hereby restated in their entirety to read as follows:

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"(i) except in the case of an assignment to a Lender or an Affiliate of a Lender, each of the Borrower and the Administrative Agent (and, in the case of an assignment of all or a portion of a Commitment or any Lender's obligations in respect of its LC Exposure or Swingline Exposure, the Issuing Bank and the Swingline Lender) must give their prior written consent to such assignment (which consent shall not be unreasonably withheld),"

"(e) Any Lender may, without the consent of the Borrower, the Administrative Agent, the Issuing Bank, or the Swingline Lender sell participations to one or more banks or other entities (a "Participant") in all or a portion of such Lender's rights and obligations under this Agreement (including all or a portion of its Commitment and the Loans owing to it); provided that (i) such Lender's obligations under this Agreement shall remain unchanged, (ii) such Lender shall remain solely responsible to the other parties hereto for the performance of such obligations and (iii) the Borrower, the Administrative Agent, the Issuing Bank and the other Lenders shall continue to deal solely and directly with such Lender in connection with such Lender's rights and obligations under this Agreement. Any agreement or instrument pursuant to which a Lender sells such a participation shall provide that such Lender shall retain the sole right to enforce this Agreement and to approve any amendment, modification or waiver of any provision of this Agreement; provided that such agreement or instrument may provide that such Lender will not, without the consent of the Participant, agree to any amendment, modification or waiver described in the first proviso to Section 9.02(b) that affects such Participant. Subject to paragraph (f) of this Section, the Borrower agrees that each Participant shall be entitled to the benefits of Sections 2.13, 2.14 and 2.15 to the same extent as if it were a Lender and had acquired its interest by assignment pursuant to paragraph (b) of this Section. To the extent permitted by law, each Participant also shall be entitled to the benefits of Section 9.08 as though it were a Lender, provided such Participant agrees to be subject to Section 2.16(c) as though it were a Lender."

19. Ratification. Each of the Company and each Guarantor hereby ratifies all of its obligations under the Credit Agreement and each of the Loan Documents to which it is a party, and agrees and acknowledges that the Credit Agreement and each of the Loan Documents to which it is a party shall continue in full force and effect as amended and modified by this Amendment. Nothing in this Amendment extinguishes, novates or releases any right, claim, lien, security interest or entitlement of any of the Lenders or the Administrative Agent created by or contained in any of such documents nor is the Company or any Guarantor released from any covenant, warranty or obligation created by or contained herein.

20. Representations and Warranties. Each of the Company and each

Guarantor hereby represents and warrants to the Administrative Agent and the Lenders that (a) this Amendment has been duly executed and delivered on behalf of the Company and such Guarantor, as the case may be, subject to applicable bankruptcy, insolvency, fraudulent transfer, reorganization, moratorium or other laws

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affecting creditors' rights generally and subject to general principles of equity, regardless of whether considered in a proceeding in equity or at law, (b) this Amendment constitutes a valid and legally binding agreement enforceable against the Company or such Guarantor, as the case may be, in accordance with its terms, (c) the representations and warranties contained in the Credit Agreement and the Loan Documents are true and correct on and as of the date hereof in all material respects as though made as of the date hereof, except as heretofore otherwise disclosed in writing to the Administrative Agent unless such representations and warranties relate to an earlier date, or are untrue as a result of transactions permitted by the Loan Documents, (d) no Default exists under the Credit Agreement or under any of Loan Document and (e) the execution, delivery and performance of this Amendment has been duly authorized by the Company and each Guarantor.

21. Conditions to Effectiveness. This Amendment shall be effective upon the execution and delivery hereof by all parties to the Administrative Agent and receipt by the Administrative Agent of (a) this Amendment and (b) a certificate of an officer of the Company certifying that all conditions in Section 4.02 of the Credit Agreement shall be satisfied.

22. Counterparts. This Amendment may be signed in any number of counterparts, which may be delivered in original or facsimile form each of which shall be construed as an original, but all of which together shall constitute one and the same instrument.

23. Governing Law. THIS AMENDMENT, ALL NOTES, THE OTHER LOAN DOCUMENTS AND ALL OTHER DOCUMENTS EXECUTED IN CONNECTION HERewith SHALL BE DEEMED TO BE CONTRACTS AND AGREEMENTS UNDER THE LAWS OF THE STATE OF TEXAS AND OF THE UNITED STATES OF AMERICA AND FOR ALL PURPOSES SHALL BE CONSTRUED IN ACCORDANCE WITH, AND GOVERNED BY, THE LAWS OF TEXAS AND OF THE UNITED STATES.

24. Final Agreement of the Parties. THIS AMENDMENT AND THE CREDIT AGREEMENT AND THE OTHER LOAN DOCUMENTS REPRESENT THE FINAL AGREEMENT BETWEEN THE PARTIES AND MAY NOT BE CONTRADICTED BY EVIDENCE OF PRIOR, CONTEMPORANEOUS OR SUBSEQUENT ORAL AGREEMENTS OF THE PARTIES. THERE ARE NO UNWRITTEN ORAL AGREEMENTS BETWEEN THE PARTIES.

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IN WITNESS WHEREOF, the parties hereto have caused this Amendment to be executed by their respective officers thereunto duly authorized as of the date first above written.

COMPANY:

U.S. CONCRETE, INC.

By: /s/ Michael W. Harlan

Michael W. Harlan
Senior Vice President

GUARANTORS:

Baer Concrete, Incorporated, a New Jersey corporation
Bay Cities Building Materials Co., Inc., a California corporation
B.C.B.M. Transport, Inc., a California corporation
Central Concrete Supply Co., Inc. a California corporation

Opportunity Concrete Corporation, a District of
Columbia corporation
R.G. Evans/Associates, d/b/a/ Santa Rosa Cast Products
Co., a California corporation
Walker's Concrete, Inc., a California corporation

By: /s/ Michael W. Harlan

Michael W. Harlan
Vice President

ADMINISTRATIVE AGENT/LENDER:

CHASE BANK OF TEXAS,
NATIONAL ASSOCIATION

By: /s/ Michael Ondruch

Michael Ondruch
Vice President

SYNDICATION AGENT/LENDER/SWINGLINE LENDER:

BANK OF AMERICA, N.A.,
f/k/a NationsBank, N.A.

By: /s/ William B. Borus

Name: William B. Borus
Title: Vice President

LENDER:

THE BANK OF NOVA SCOTIA

By: /s/ F.C.H. Ashby

Name: F.C.H. Ashby
Title: Senior Manager Loan Operations

CO-AGENT/LENDER:

BANK ONE, TEXAS, N.A.

By: /s/ David A. Batson

Name: David A. Batson
Title: Assistant Vice President

LENDER:

BRANCH BANKING & TRUST COMPANY

By: /s/ Cory Boyte

Name: Cory Boyte
Title: Vice President

LENDER:

COMERICA BANK

By: /s/ Mark B. Grover

Name: Mark B. Grover
Title: Vice President

CO-AGENT/LENDER:

CREDIT LYONNAIS
NEW YORK BRANCH

By: /s/ Robert Ivosevich

Name: Robert Ivosevich
Title: Senior Vice President

THIRD AMENDMENT TO
CREDIT AGREEMENT

This THIRD AMENDMENT TO CREDIT AGREEMENT (this "Amendment"), effective as of August 31, 1999, is entered into by and among U.S. CONCRETE, INC., a Delaware corporation, (the "Company"), the Guarantors party thereto, the Lenders signatory hereto under the caption "Lenders" (together with each other Person who becomes a Lender, collectively, the "Lenders") and CHASE BANK OF TEXAS, NATIONAL ASSOCIATION, a national banking association, individually as a Lender, and as administrative agent for the other Lenders (in such capacity, together with any other Person who becomes the administrative agent, the "Administrative Agent"), Bank of America, N.A., f/k/a NationsBank, N.A., as Syndication Agent, and Bank One, Texas, NA and Credit Lyonnais New York Branch, as Co-Agents for the Lenders.

PRELIMINARY STATEMENT

WHEREAS, the Company, the Guarantors, the Lenders, the Administrative Agent, the syndication agent and the co-agents have entered into that certain Credit Agreement dated as of May 28, 1999, as amended by that certain First Amendment to Credit Agreement dated June 30, 1999 among such parties and that certain Second Amendment to Credit Agreement dated July 31, 1999 (said Credit Agreement, as amended and as may be further amended, extended, supplemented or amended and restated from time to time, the "Credit Agreement"); and

WHEREAS, the Company has requested the Lenders and the Administrative Agent to amend and modify certain additional terms of the Credit Agreement; and

WHEREAS, the Lenders and the Administrative Agent have agreed to do so to the extent reflected in this Amendment, provided that each of the Company and the Guarantors ratifies and confirms all of its respective obligations under the Credit Agreement and the Loan Documents and agrees to make certain other amendments as set forth here.

NOW, THEREFORE, in consideration of the premises and for other good and valuable consideration and the mutual benefits, covenants and agreements herein expresses, the receipt and sufficiency of which are hereby acknowledged, the parties hereto hereby agree as follows:

1. Defined Terms and Overall Changes. All capitalized terms used in this Amendment and not otherwise defined herein shall have the meanings ascribed to such terms in the Credit Agreement.

2. Amendment to Section 6.01. Section 6.01 of the Credit Agreement is amended to add a new subsection (g) to read as follows (the remainder of Section 6.01 is unchanged):

"(g) Indebtedness not to exceed \$50,000.00 incurred as an advance by Walkers' Concrete, Inc. under its facility with Union Bank of

California, N.A.; provided such advance (i) shall be a one-time advance and (ii) shall be fully repaid on or before the earlier of December 31, 1999 or the release by such bank of the liens securing such facility."

3. Amendment to Section 6.02. Section 6.02(d) of the Credit Agreement is restated in its entirety to read as follows:

"(d) Liens securing potential prepayment obligations of Walker's Concrete, Inc. to Union Bank of California, N.A. encumbering assets of Walker's Concrete, Inc.; provided (i) no further Indebtedness is owing by the Borrower or any Subsidiary to said bank in excess of that provided in Section 6.01(g) and (ii) said Liens are fully extinguished and released prior to December 31, 1999; and"

4. Ratification. Each of the Company and each Guarantor hereby ratifies all of its obligations under the Credit Agreement and each of the Loan Documents to which it is a party, and agrees and acknowledges that the Credit Agreement and each of the Loan Documents to which it is a party shall continue in full force and effect as amended and modified by this Amendment.

Nothing in this Amendment extinguishes, novates or releases any right, claim, lien, security interest or entitlement of any of the Lenders or the Administrative Agent created by or contained in any of such documents nor is the Company or any Guarantor released from any covenant, warranty or obligation created by or contained herein.

5. Representations and Warranties. Each of the Company and each Guarantor hereby represents and warrants to the Administrative Agent and the Lenders that (a) this Amendment has been duly executed and delivered on behalf of the Company and such Guarantor, as the case may be, subject to applicable bankruptcy, insolvency, fraudulent transfer, reorganization, moratorium or other laws affecting creditors' rights generally and subject to general principles of equity, regardless of whether considered in a proceeding in equity or at law, (b) this Amendment constitutes a valid and legally binding agreement enforceable against the Company or such Guarantor, as the case may be, in accordance with its terms, (c) the representations and warranties contained in the Credit Agreement and the Loan Documents are true and correct on and as of the date hereof in all material respects as though made as of the date hereof, except as heretofore otherwise disclosed in writing to the Administrative Agent, (d) no Default exists under the Credit Agreement or under any of Loan Document and (e) the execution, delivery and performance of this Amendment has been duly authorized by the Company and each Guarantor.

6. Conditions to Effectiveness. This Amendment shall be effective upon the execution and delivery hereof by all parties to the Administrative Agent and receipt by the Administrative Agent of (a) this Amendment and (b) a certificate of an officer of the Company certifying that all conditions in Section 4.02 of the Credit Agreement shall be satisfied.

7. Counterparts. This Amendment may be signed in any number of counterparts, which may be delivered in original or facsimile form each of which shall be construed as an original, but all of which together shall constitute one and the same instrument.

8. Governing Law. THIS AGREEMENT, ALL NOTES, THE OTHER LOAN DOCUMENTS AND ALL OTHER DOCUMENTS EXECUTED IN CONNECTION HERewith SHALL BE DEEMED TO BE CONTRACTS AND AGREEMENTS UNDER THE LAWS OF THE STATE OF TEXAS AND OF THE UNITED STATES OF AMERICA AND FOR ALL PURPOSES SHALL BE CONSTRUED IN ACCORDANCE WITH, AND GOVERNED BY, THE LAWS OF TEXAS AND OF THE UNITED STATES.

9. Final Agreement of the Parties. THIS AMENDMENT AND THE CREDIT AGREEMENT AND THE OTHER LOAN DOCUMENTS REPRESENT THE FINAL AGREEMENT BETWEEN THE PARTIES AND MAY NOT BE CONTRADICTED BY EVIDENCE OF PRIOR, CONTEMPORANEOUS OR SUBSEQUENT ORAL AGREEMENTS OF THE PARTIES. THERE ARE NO UNWRITTEN ORAL AGREEMENTS BETWEEN THE PARTIES.

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IN WITNESS WHEREOF, the parties hereto have caused this Amendment to be executed by their respective officers thereunto duly authorized as of the date first above written.

COMPANY:

U.S. CONCRETE

By: /s/ Michael W. Harlan

Michael W. Harlan
Senior Vice President

GUARANTORS:

Baer Concrete, Incorporated, a New Jersey corporation
Bay Cities Building Materials Co., Inc., a California corporation
B.C.B.M. Transport, Inc., a California corporation
Central Concrete Supply Co., Inc. a California corporation

Opportunity Concrete Corporation, a District of
Columbia corporation
R.G. Evans/Associates, d/b/a/ Santa Rosa Cast
Products Co., a California corporation
Walker's Concrete, Inc., a California corporation

By: /s Michael W. Harlan

Michael W. Harlan
Vice President

ADMINISTRATIVE AGENT/LENDER:

CHASE BANK OF TEXAS,
NATIONAL ASSOCIATION

By: /s/ Michael E. Ondruch

Michael E. Ondruch
Vice President

SYNDICATION AGENT/LENDER:

BANK OF AMERICA, N.A.,
f/k/a Nationsbank, N.A.

By: /s/ William B. Borus

Name: William B. Borus
Title: Vice President

LENDER:

THE BANK OF NOVA SCOTIA

By: F.C.H. Ashby

Name: F.C.H. Ashby
Title: Senior Manager Loan Operations

CO-AGENT/LENDER:

BANK ONE, TEXAS, N.A.

By: /s/ William S. Rogers

Name: William S. Rogers
Title: Vice President

LENDER:

BRANCH BANKING & TRUST COMPANY

By: /s/ Cory Boyte

Name: Cory Boyte
Title: Vice President

LENDER:

COMERICA BANK

By: /s/ Mark B. Grover

Name: Mark B. Grover
Title: Vice President

CO-AGENT/LENDER:

CREDIT LYONNAIS
NEW YORK BRANCH

By: Robert Ivosevich

Name: Robert Ivosevich
Title: Senior Vice President

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