

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 June 30, 2000 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 such filing requirements for the past 90 days.

Yes  No

U.S. Concrete, Inc. had 21,981,827 shares of its Common Stock, par value \$.001 per share, outstanding at August 14, 2000.

U.S. CONCRETE, INC. AND SUBSIDIARIES

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PART I -- FINANCIAL INFORMATION

Item 1. Financial Statements

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

	JUNE 30, 2000	DECEMBER 31, 1999
	-----	-----
	(UNAUDITED)	
<b>ASSETS</b>		
Current assets:		
Cash and cash equivalents	\$ 3,355	\$ 627
Trade accounts receivable, net	65,846	44,085
Receivables from related parties	1,481	1,496
Inventories	7,080	4,351
Prepaid expenses and other current assets	1,486	1,758
	-----	-----
Total current assets	79,248	52,317
	-----	-----
Property, plant and equipment, net	84,887	53,949
Goodwill, net	183,327	105,492
Other assets	2,353	976
	-----	-----
Total assets	\$349,815	\$212,734
	=====	=====
<b>LIABILITIES AND STOCKHOLDERS' EQUITY</b>		
Current liabilities:		
Current maturities of long-term debt	\$ 143	\$ 140
Accounts payable and accrued liabilities	48,410	37,599
	-----	-----
Total current liabilities	48,553	37,739
	-----	-----
Long-term debt, net of current maturities	153,142	57,235
Deferred income taxes	9,125	6,967
	-----	-----
Total liabilities	210,820	101,941
	-----	-----
Stockholders' equity		
Common stock	22	19
Additional paid-in capital	124,297	104,271
Retained earnings	14,676	6,503
	-----	-----
Total stockholders' equity	138,995	110,793

Total liabilities and stockholders' equity	----- \$349,815 =====	----- \$212,734 =====
--	-----------------------------	-----------------------------

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

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

	THREE MONTHS ENDED JUNE 30		SIX MONTHS ENDED JUNE 30	
	2000	1999	2000	1999
Sales	\$106,463	\$27,648	\$174,396	\$40,604
Cost of goods sold	83,474	22,150	139,222	32,775
Gross profit	22,989	5,498	35,174	7,829
Selling, general and administrative expenses	5,946	2,134	11,223	3,457
Stock compensation charge	--	2,880	--	2,880
Depreciation and amortization	3,064	666	5,418	959
Income (loss) from operations	13,979	(182)	18,533	533
Interest expense, net	3,399	317	5,650	279
Other income, net	661	145	895	334
Income (loss) before income tax provision	11,241	(354)	13,778	588
Income tax provision	4,585	1,642	5,605	1,642
Net income (loss)	\$ 6,656	\$ (1,996)	\$ 8,173	\$ (1,054)
Net income (loss) per share:				
Basic	\$0.31	\$ (0.23)	\$0.39	\$ (0.17)
Diluted	\$0.31	\$ (0.23)	\$0.39	\$ (0.17)
Number of shares used in calculating net income (loss) per share:				
Basic	21,696	8,576	20,951	6,037
Diluted	21,756	8,576	20,982	6,037

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

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

	SIX MONTHS ENDED JUNE 30	
	2000	1999
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net income (loss)	\$ 8,173	\$ (1,054)
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	5,418	959
Net gain on sale of property, plant and equipment	(336)	(215)
Deferred income tax provision	1,300	924
Provision for doubtful accounts	103	217
Stock compensation charge	--	2,880
Changes in assets and liabilities, excluding effects of acquisitions:		
Receivables	(8,794)	(4,361)
Prepaid expenses and other current assets	77	(60)
Accounts payable and accrued liabilities	(3,898)	3,482
Net cash provided by operating activities	2,043	2,772

CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchases of property, plant and equipment	(4,657)	(2,240)
Payments for acquisitions accounted for as purchases, net of cash received of \$3,848 and \$9,154	(91,819)	(37,051)
Proceeds from disposals of property, plant and equipment	1,251	959
Other	--	691
Net cash used in investing activities	(95,225)	(37,641)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Proceeds from borrowings	95,982	18,700
Repayments of borrowings	(72)	(3,480)
Proceeds from issuances of common stock	--	32,512
Cash paid related to common stock issuance costs	--	(3,002)
Distributions to stockholders	--	(4,952)
Net cash provided by financing activities	95,910	39,778
NET INCREASE IN CASH AND CASH EQUIVALENTS	2,728	4,909
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	627	4,213
CASH AND CASH EQUIVALENTS AT END OF PERIOD	\$ 3,355	\$ 9,122
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION:		
Cash paid for interest	\$ 4,900	\$ 262
Cash paid for income taxes	\$ 3,481	\$ 137
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 the initial public offering of its common stock and concurrently acquired six operating businesses. From the date of its IPO through June 30, 2000, U.S. Concrete acquired 13 additional operating businesses and intends to acquire additional companies to expand its operations.

For financial statement presentation purposes, (1) we present Central Concrete Supply Co., Inc., one of the businesses we initially acquired, as the acquirer of the other acquired businesses and U.S. Concrete, (2) we account for these acquisitions in accordance with the purchase method of accounting and (3) the effective date of the initial acquisitions is May 31, 1999. Our financial statements are those of Central prior to June 1, 1999 and of U.S. Concrete and its consolidated subsidiaries after that date. Our financial statements reflect the operations of the businesses we acquired after May 31, 1999 from their respective dates of acquisition.

U.S. Concrete's future success depends on a number of factors, which include integrating operations successfully, identifying and integrating satisfactory acquisition candidates, obtaining acquisition financing, managing growth, attracting and retaining qualified management and employees, complying with government regulations and other regulatory requirements or contract specifications, and addressing risks associated with competition, seasonality and quarterly fluctuations.

Under applicable regulations of the SEC, the historical consolidated 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 consolidated 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 in U.S. Concrete's annual report on Form 10-K for the year ended December 31, 1999.

## 2. SIGNIFICANT ACCOUNTING POLICIES

U.S. Concrete has not added to or changed its accounting policies significantly since December 31, 1999. For a description of these policies, refer to Note 2 of the Consolidated Financial Statements in U.S. Concrete's annual report on Form 10-K for the year ended December 31, 1999.

## 3. BUSINESS COMBINATIONS

During the first half of 2000, U.S. Concrete acquired five businesses. The aggregate consideration it paid in these transactions, all of which are accounted for as purchases, consisted of \$86.0 million in cash and 3.3 million shares of common stock. The accompanying balance sheet as of June 30, 2000 includes preliminary allocations of the purchase prices and is subject to final adjustment. The initial purchase price allocations of the five acquired businesses resulted in the addition of \$73.4 million to goodwill. The following summarized pro forma financial information adjusts the historical financial information by assuming that all the businesses acquired through June 30, 2000 by U.S. Concrete had been acquired on January 1, 1999:

	THREE MONTHS ENDED JUNE 30		SIX MONTHS ENDED JUNE 30	
	2000	1999	2000	1999
	(dollars in thousands, except per share amounts; unaudited)			
Revenues	\$108,969	\$102,699	\$184,452	\$175,611
Net income	\$ 6,864	\$ 3,539	\$ 7,898	\$ 4,710
Basic earnings per share	\$ 0.31	\$ 0.16	\$ 0.36	\$ 0.21
Diluted earnings per share	\$ 0.31	\$ 0.16	\$ 0.36	\$ 0.21

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The pro forma adjustments these amounts include primarily relate to:

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

The pro forma financial information does not purport to represent what the combined financial results of operations of U.S. Concrete actually would have been if these transactions had in fact occurred when assumed and are not necessarily representative of its financial results of operations for any future period.

## 4. SHARES USED IN COMPUTING EARNINGS 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 earnings per share:

	THREE MONTHS ENDED JUNE 30		SIX MONTHS ENDED JUNE 30	
	2000	1999	2000	1999
	(unaudited)			
Shares issued to Central's owners	3,120	3,120	3,120	3,120
Shares issued to owners of acquired businesses other than Central	11,353	2,127	10,608	1,069
Shares issued to initial stockholders and management personnel of U.S. Concrete	2,853	1,832	2,853	1,095
Shares issued in the IPO	4,370	1,497	4,370	753
Number of shares used in calculating basic earnings per share	21,696	8,576	20,951	6,037
Effect of shares issuable under stock options and warrants based on the treasury stock method	60	--	31	--
Number of shares used in calculating diluted earnings per share	21,756	8,576	20,982	6,037

## 5. LONG-TERM DEBT

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

	JUNE 30, 2000	DECEMBER 31, 1999
	(unaudited)	
Secured revolving credit facility	\$153,079	\$57,100
Other	206	275
	153,285	57,375
Less: current maturities	(143)	(140)
Long-term debt, net of current maturities	\$153,142	\$57,235

On May 28, 1999, U.S. Concrete entered into a three-year \$75 million revolving credit facility with a group of banks. It may use this facility for working capital, to finance acquisitions, to internally expand operations and for other general corporate purposes. Availability under the facility is tied to consolidated cash flow and liquidity. Advances bear interest, at U.S. Concrete's option, at a prime rate or LIBOR, in each case plus a margin keyed to the ratio of consolidated indebtedness to cash flow. Commitment fees are due on any unused borrowing capacity. The facility requires U.S. Concrete to maintain financial covenants regarding net worth, coverage ratios and additional indebtedness and prohibits dividends on its common stock. Subsidiary guarantees and pledges of substantially all U.S. Concrete's fixed assets secure the payment of all obligations owing under the facility. The size of the facility increased to \$100 million in December 1999 and to \$200 million in February 2000.

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## 6. INCOME TAXES

Prior to their respective acquisitions, Central and several other acquired businesses were S corporations and were not subject to federal income taxes. Effective with their acquisitions they became subject to those taxes, and U.S. Concrete has recorded an estimated deferred tax liability to provide for its estimated future income tax liability as a result of the difference between the book and tax bases of the net assets of these corporations as of the dates of their acquisitions. These consolidated financial statements reflect the federal and state income taxes of these corporations since their dates of acquisition.

## 7. LEGAL PROCEEDINGS

You should read Item 1 of Part II for a discussion of our legal proceedings.

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Statements we make in the following discussion which express a belief, expectation or intention, as well as those that are not historical fact, are forward-looking statements that are subject to risks, uncertainties and assumptions. Our actual results, performance or achievements, or industry results, could differ materially from those we express in the following discussion as a result of a variety of factors, including the risks and uncertainties we have referred to under the heading "Cautionary Statement Concerning Forward-looking Statements" following Items 1 and 2 of Part I of our annual report on Form 10-K for the year ended December 31, 1999 and under the heading "Management's Discussion and Analysis of Financial Condition and Results of Operations -- Factors That May Affect Our Future Operating Results" in Item 7 of Part II of that annual report on Form 10-K.

## RESULTS OF OPERATIONS

The following table sets forth for us selected historical statements of operations information and that information as a percentage of sales for the periods indicated. These financial statements are those of Central prior to June 1, 1999 and of U.S. Concrete and its consolidated subsidiaries after that date. Except as we note below, the consolidation of operating results beginning on June 1, 1999 and our subsequent acquisitions in 1999 and the first two quarters of 2000 principally account for the changes in 2000 from 1999.

	THREE MONTHS ENDED JUNE 30				SIX MONTHS ENDED JUNE 30			
	2000		1999		2000		1999	
	(dollars in thousands; unaudited)							
Sales	\$106,463	100.0%	\$27,648	100.0%	\$174,396	100.0%	\$40,604	100.0%
Cost of goods sold	83,474	78.4	22,150	80.1	139,222	79.8	32,775	80.7
Gross profit	22,989	21.6	5,498	19.9	35,174	20.2	7,829	19.3
Selling, general and administrative expenses	5,946	5.6	2,134	7.7	11,223	6.4	3,457	8.5
Stock compensation charge	--	--	2,880	10.4	--	--	2,880	7.1
Depreciation and amortization	3,064	2.9	666	2.4	5,418	3.1	959	2.4
Income (loss) from operations	13,979	13.1	(182)	(0.6)	18,533	10.7	533	1.3
Interest expense, net	3,399	3.2	317	1.1	5,650	3.2	279	0.7
Other income, net	661	0.6	145	0.5	895	0.5	334	0.8
Income (loss) before income tax provision	11,241	10.5	(354)	(1.2)	13,778	8.0	588	1.4
Income tax provision	4,585	4.3	1,642	5.9	5,605	3.2	1,642	4.0
Net income (loss)	\$ 6,656	6.2%	\$ (1,996)	(7.1)%	\$ 8,173	4.8%	\$ (1,054)	(2.6)%

**SALES.** Sales increased \$78.8 million, or 285.1%, and \$133.8 million, or 329.5%, for the three- and six-month periods ended June 30, 2000, respectively, as compared with the corresponding periods in 1999.

**GROSS PROFIT.** Gross profit increased \$17.5 million, or 318.1%, and \$27.3 million, or 349.3%, for the three- and six-month periods ended June 30, 2000, respectively, as compared with the corresponding periods in 1999. Gross margins increased from 19.9% in the three months ended June 30, 1999 to 21.6% in the three months ended June 30, 2000 and increased from 19.3% in the six months ended June 30, 1999 to 20.2% in the six months ended June 30, 2000.

**SELLING, GENERAL AND ADMINISTRATIVE EXPENSES.** Selling, general and administrative expenses increased \$3.8 million, or 178.7%, and \$7.8 million, or 224.7%, for the three- and six-month periods ended June 30, 2000, respectively, as compared with the corresponding periods in 1999.

**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.

**DEPRECIATION AND AMORTIZATION.** Depreciation and amortization expense increased \$2.4 million, or 360.0%, and \$4.5 million, or 465.0%, for the three- and six-month periods ended June 30, 2000, respectively, as compared with the corresponding periods in 1999. This increase includes amortization of the goodwill attributable to our acquisition activity. We are amortizing this goodwill over 40 years for each acquisition. At June 30, 2000, the annualized amount of this noncash expense was \$4.7 million.

INTEREST EXPENSE, NET. Interest expense, net, increased \$3.1 million, or 972.2%, and \$5.4 million, or 1,925.0%, for the three- and six-month periods ended June 30, 2000, respectively, as compared with the corresponding periods in 1999. This increase was attributable principally to borrowings we made to pay the cash portion of the purchase prices for our acquisitions. At June 30, 2000, we had borrowings totaling \$153.1 million outstanding under our credit facility at a weighted average interest cost of 8.5% per annum.

OTHER INCOME, NET. Other income, net increased \$516,000, or 355.9%, and \$561,000, or 168.0%, for the three- and six-month periods ended June 30, 2000, respectively, as compared with the corresponding periods in 1999. These increases were attributable to the sale of a customer contract, a gain from the involuntary conversion of property and numerous other items of income and expense.

INCOME TAX PROVISION. We provided for income taxes of \$4.6 million and \$5.6 million for the three- and six-month periods ended June 30, 2000, respectively, as compared with a provision of \$1,642 during the corresponding periods in 1999. These increases were attributable to the fact that Central was an S corporation during 1999 and thus made no provision for federal income taxes in that period.

#### LIQUIDITY AND CAPITAL RESOURCES

Our acquisitions since December 31, 1999 principally account for the changes in our working capital accounts and our property, plant and equipment account from December 31, 1999 to June 30, 2000.

During the first two quarters of 2000, we purchased five operating businesses that we have accounted for in accordance with the purchase method of accounting. The aggregate consideration we paid in these transactions consisted of \$86.0 million in cash and 3.3 million shares of common stock.

In February 2000, we increased the size of our secured revolving credit facility to \$200 million. We had \$153.1 million of outstanding borrowings under the facility at June 30, 2000. The facility has a term expiring in May 2002 and a \$5.0 million sublimit for letters of credit issued on our behalf. Our borrowing capacity under the facility will vary from time to time depending on our satisfaction of several financial tests. We may use the facility for the following purposes:

- . financing acquisitions;
- . funding the internal expansion of our operations;
- . working capital; and
- . general corporate purposes.

Our subsidiaries have guaranteed the repayment of all amounts owing under the facility, and we secured the facility with the capital stock and assets of our subsidiaries. The facility:

- . requires the consent of the lenders for certain acquisitions;
- . prohibits the payment of cash dividends on our common stock;
- . limits our ability to incur additional indebtedness; and
- . requires us to comply with financial covenants.

The failure to comply with these covenants and restrictions would constitute an event of default under the facility.

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.

The continuation of 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 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.

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

### ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

Borrowings under our revolving credit facility expose us to market risks. Outstanding borrowings under our credit facility were \$153.1 million at June 30, 2000. A change of one percent in the interest rate would cause a change in interest expense on these outstanding borrowings of approximately \$1.5 million, or \$0.04 per share, on an annual basis. We did not enter into our credit facility for trading purposes, and the facility carries interest at a pre-agreed percentage point spread from either a prime interest rate or a LIBOR interest rate.

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## PART II - OTHER INFORMATION

### ITEM 1. LEGAL PROCEEDINGS

Bay-Crete Transportation & Materials, LLC alleges in a lawsuit it filed on July 11, 2000 in California Superior Court in San Mateo County, against U.S. Concrete, Inc. and its subsidiary Central Concrete Supply Co., Inc., that it possesses beneficiary rights under a 1983 contract to purchase annually up to 200,000 cubic yards of ready-mixed concrete from Central until March 30, 2082. Under that contract, the purchase price would consist of Central's direct materials costs and an overhead fee. Bay-Crete alleges that U.S. Concrete, Inc. breached that contract by refusing to acknowledge Bay-Crete's rights as a beneficiary of that contract. It is seeking damages of \$500 million of lost profits spread over the next 82 years. A predecessor to Central previously prevailed in a similar action brought by the general manager of Bay-Crete under a related agreement, and U.S. Concrete and Central believe they have meritorious defenses to Bay-Crete's claim and intend to vigorously defend this suit. Based on our evaluation of the above matter, we believe it is unlikely that the final outcome of this claim will have a material adverse effect on our business, financial condition or results of operations; however, due to the inherent uncertainty of litigation, there can be no assurance that the resolution of this claim will not have a material adverse effect on our results of operations for the fiscal period in which such resolution occurs.

From time to time, and currently, we are subject to various other claims and litigation brought by employees, customers and third parties for, among other matters, personal injuries, property damages, product defects and delay damages that have, or allegedly have, resulted from the conduct of our operations. We believe it is unlikely that the final outcome of any of such claims or litigation will have a material adverse effect on our business, financial condition or results of operations; however, due to the inherent uncertainty of litigation, there can be no assurance that the resolution of any particular claim or proceeding to which we are a party will not have a material adverse effect on our results of operations for the fiscal period in which such resolution occurs. We expect 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. CHANGES IN SECURITIES AND USE OF PROCEEDS

#### (c) Unregistered Sales of Securities.

Between April 1, 2000 and June 30, 2000, U.S. Concrete issued 711,337 shares of common stock as part of the consideration we paid to the former owners of the two businesses we acquired in that period. We issued these shares without registration under the Securities Act in reliance on the exemption Section 4(2) of the Securities Act provides for transactions not involving any public offering. Each acquisition involved a small number of owners who received

shares of U.S. Concrete common stock.

ITEM 4. SUBMISSION OF MATTERS TO A VOTE OF SECURITY HOLDERS

1. Our stockholders voted upon the following matters at their annual meeting held on May 16, 2000:

(a) The following were elected to serve new terms as directors and received the number of votes set opposite their respective names:

	For	Against
	-----	-----
Eugene P. Martineau	15,915,507	3,815
Michael W. Harlan	15,915,507	3,815
Peter T. Dameris	15,915,507	3,815

(b) The following are directors whose terms of office as director continued after the meeting:

Vincent D. Foster	William T. Albanese	Murray S. Simpson
Michael D. Mitschele	Robert S. Walker	
John R. Colson	Neil J. Vanucci	

2. A proposal to ratify the adoption of the U.S. Concrete, Inc. 2000 Employee Stock Purchase Plan received 15,844,857 votes FOR and 72,165 votes AGAINST, with 2,300 abstentions.

3. A proposal to ratify the appointment of Arthur Andersen LLP as our independent public accountants received 15,914,102 votes FOR and 3,200 votes AGAINST, with 2,020 abstentions.

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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).
2.8*	-- Acquisition Agreement and Plan of Reorganization dated as of September 14, 1999 by and among U.S. Concrete, Inc., Concrete XI Acquisition, Inc., Carrier Excavation and Foundation Company, John F. Carrier, William Henry Carrier, Michael K. Carrier, Mary G. Carrier, Trustee for Anne Carrier (TN UGMA), William Henry Carrier, Trustee for William Henry Carrier, Jr. (TN UGMA), and Mary G. Carrier (Form 10-K for the year ended December 31, 1999 (File No. 1-12977), Exhibit 2.8).
2.9*	-- Stock Purchase Agreement dated as of November 5, 1999 by and among U.S. Concrete, Inc., B. Thomas Stover, as Trustee under Trust Agreement dated February 20, 1986 for B. Thomas Stover, Sarah M. Stover, as Trustee under Trust Agreement dated February 27, 1990 for Sarah M. Stover, B. Andrew Stover, B. Thomas Stover, Custodian under Michigan Uniform Gifts to Minors Act for the benefit of Carolyn A. Stover, Jeffery D. Spahr, Jeffrey T. Stover, and Bradley C. Stover (Form 10-K for the year ended December 31, 1999 (File No. 1- 12977), Exhibit 2.9).
2.10*	-- Stock Purchase Agreement dated as of January 20, 2000 by and among Robert S. Beall, Chase Bank of Texas, National Association, in its capacity as Trustee for Allison Beall 1999 Trust, Logan Beall 1999 Trust, Allison Beall Descendents' Trust and Logan Beall Descendents' Trust and U.S. Concrete, Inc. (Form 8-K dated February 23, 2000 (File No. 1-12977), Exhibit 2.1).
2.11*	-- Amendment No. 1 to Stock Purchase Agreement dated as of January 28, 2000 by and among Robert S. Beall, Chase Bank of Texas, National Association, in its capacity as trustee for Allison Beall 1999 Trust, Logan Beall 1999 Trust, Allison Beall Descendents' Trust and Logan Beall Descendents' Trust and U.S. Concrete, Inc. (Form 8-K dated February 23, 2000 (File No. 1-12977), Exhibit 2.2).
2.12*	-- Stock Purchase Agreement dated as of January 24, 2000 by and among Fallis Arch Beall, Nola Sue Beall, Robert S.

Beall, Leigh Ann Gathright, Doris W. Stokes and Fallis Arch Beall, in his capacity as Trustee for the R. E. Stokes Trust and U.S. Concrete, Inc. (Form 8-K dated February 23, 2000 (File No. 1-12977), Exhibit 2.3).

- 2.13\* -- Acquisition Agreement and Plan of Reorganization dated as of February 8, 2000 by and among U.S. Concrete, Inc., Concrete XIX Acquisition, Inc., Cornillie Fuel & Supply, Inc., Richard A. Deneweth and Joseph C. Cornillie, Trustee URTA of Joseph C. Cornillie (Form 10-K for the year ended December 31, 1999 (File No. 1-12977), Exhibit 2.13).
- 2.14\* -- Stock Purchase Agreement dated as of February 8, 2000 by and among U.S. Concrete, Inc., Cornillie Fuel & Supply, Inc., Dencor, Inc., Richard A. Deneweth and Joseph C. Cornillie, Trustee URTA of Joseph C. Cornillie (Form 10-K for the year ended December 31, 1999 (File No. 1-12977), Exhibit 2.14).

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EXHIBIT NUMBER	DESCRIPTION
2.15*	-- Acquisition Agreement and Plan of Reorganization dated as of February 8, 2000 by and among U.S. Concrete, Inc., Concrete XVIII Acquisition, Inc., Cornillie Leasing, Inc., Richard A. Deneweth and Joseph C. Cornillie, Trustee URTA of Joseph C. Cornillie (Form 10-K for the year ended December 31, 1999 (File No. 1-12977), Exhibit 2.15).
2.16*	-- Acquisition Agreement and Plan of Reorganization dated as of March 2, 2000 by and among U.S. Concrete, Inc., Concrete XXIV Acquisition, Inc., Stancon Inc. and Donald S. Butler and John Grace (Form 10-K for the year ended December 31, 1999 (File No. 1-12977), Exhibit 2.16).
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).
3.3	-- Certificate of Designations of Series A Junior Participating Preferred Stock of U.S. Concrete, Inc.
4.1*	-- Amended and Restated Credit Agreement dated as of February 9, 2000 among U.S. Concrete, the Guarantors named therein, the Lenders named therein, Bankers Trust Company, as syndication agent, First Union Nation Bank, as documentation agent, Bank One, Texas, NA, Branch Banking & Trust Company, Credit Lyonnais New York Branch and The Bank of Nova Scotia, as co-managing agents and Chase Bank of Texas, N.A., as the Administrative Agent, and Chase Securities, Inc. as sole book manager and lead arranger (Form 10-K for the year ended December 31, 1999 (File No. 1-12977), Exhibit 4.6).
27.1	-- Financial Data Schedule.

\* Incorporated by reference to the filing indicated.

(b) Reports on Form 8-K.

On February 24, 2000, we filed with the SEC a Current Report on Form 8-K to report our February 10, 2000 acquisition of Beall Industries, Inc., Atlas Concrete, Inc., Atlas-Tuck Concrete, Inc., Stokes Transit-Mix, Inc. and Beall Trucking, Inc. (collectively, the "Beall Companies"), which we accounted for as a purchase transaction. On April 20, 2000, we amended that Form 8-K to include (1) the combined balance sheets of the Beall Companies as of December 31, 1999 and 1998 and the combined statements of operations and comprehensive income, stockholders' equity and cash flows of the Beall Companies for the years ended December 31, 1999 and 1998 and (2) the pro forma condensed consolidated balance sheet of U.S. Concrete and subsidiaries as of December 31, 1999 and the pro forma condensed consolidated statement of operations of U.S. Concrete and subsidiaries for the year ended December 31, 1999.

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#### SIGNATURES

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

U.S. CONCRETE, INC.

Date: August 14, 2000

By: /s/ Michael W. Harlan

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

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CERTIFICATE OF DESIGNATIONS

of

Series A Junior Participating Preferred Stock

of

U.S. CONCRETE, INC.

Pursuant to Section 151 of the General Corporation Law  
of the State of Delaware

U.S. CONCRETE, INC., a corporation organized and existing under the General Corporation Law of the State of Delaware, in accordance with the provisions of Section 103 thereof, DOES HEREBY CERTIFY:

That pursuant to the authority vested in the Board of Directors in accordance with the provisions of the Restated Certificate of Incorporation of the said Corporation, the said Board of Directors on May 10, 1999 adopted the following resolution creating a series of 400,000 shares of Preferred Stock designated as "Series A Junior Participating Preferred Stock":

RESOLVED, that pursuant to the authority vested in the Board of Directors of this Corporation in accordance with the provisions of the Restated Certificate of Incorporation, a series of Preferred Stock, par value \$.001 per share, of the Corporation be and hereby is created, and that the designation and number of shares thereof and the voting and other powers, preferences and relative, participating, optional or other rights of the shares of such series and the qualifications, limitations and restrictions thereof are as follows:

SERIES A JUNIOR PARTICIPATING PREFERRED STOCK

1. Designation and Amount. There shall be a series of Preferred Stock that shall be designated as "Series A Junior Participating Preferred Stock," and the number of shares constituting such series shall be 400,000. Such number of shares may be increased or decreased by resolution of the Board of Directors; provided, however, that no decrease shall reduce the number of shares of Series A Junior Participating Preferred Stock to less than the number of shares then issued and outstanding plus the number of shares issuable upon exercise of outstanding rights, options or warrants or upon conversion of outstanding securities issued by the Corporation.

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2. Dividends and Distributions.

(A) Subject to the prior and superior rights of the holders of any shares of any series of Preferred Stock ranking prior and superior to the shares of Series A Junior Participating Preferred Stock with respect to dividends, the holders of shares of Series A Junior Participating Preferred Stock, in preference to the holders of shares of any class or series of stock of the Corporation ranking junior to the Series A Junior Participating Preferred Stock, shall be entitled to receive, when, as and if declared by the Board of Directors out of funds legally available for the purpose, quarterly dividends payable in cash on March 31, June 30, September 30 and December 31 in each year (each such date being referred to herein as a "Quarterly Dividend Payment Date"), commencing on the first Quarterly Dividend Payment Date after the first issuance of a share or fraction of a share of Series A Junior Participating Preferred Stock, in an amount per share (rounded to the nearest cent) equal to the greater of (a) \$1.00 or (b) the Adjustment Number (as defined below) times the aggregate per share amount of all cash dividends, and the Adjustment Number times the aggregate per share amount (payable in kind) of all non-cash dividends or other distributions other than a dividend payable in shares of Common Stock or a subdivision of the outstanding shares of Common Stock (by reclassification or otherwise), declared on the Common Stock, par value \$.001 per share, of the Corporation (the "Common Stock") since the immediately preceding Quarterly

Dividend Payment Date, or, with respect to the first Quarterly Dividend Payment Date, since the first issuance of any share or fraction of a share of Series A Junior Participating Preferred Stock. The "Adjustment Number" shall initially be 100. In the event the Corporation shall at any time after May 10, 1999 (the "Rights Declaration Date") (i) declare any dividend on Common Stock payable in shares of Common Stock, (ii) subdivide the outstanding Common Stock or (iii) combine the outstanding Common Stock into a smaller number of shares, then in each such case the Adjustment Number in effect immediately prior to such event shall be adjusted by multiplying such Adjustment Number by a fraction the numerator of which is the number of shares of Common Stock outstanding immediately after such event and the denominator of which is the number of shares of Common Stock that were outstanding immediately prior to such event.

(B) The Corporation shall declare a dividend or distribution on the Series A Junior Participating Preferred Stock as provided in paragraph (A) above immediately after it declares a dividend or distribution on the Common Stock (other than a dividend payable in shares of Common Stock); provided that, in the event no dividend or distribution shall have been declared on the Common Stock during the period between any Quarterly Dividend Payment Date and the next subsequent Quarterly Dividend Payment Date, a dividend of \$1.00 per share on the Series A Junior Participating Preferred Stock shall nevertheless be payable on such subsequent Quarterly Dividend Payment Date.

(C) Dividends shall begin to accrue and be cumulative on outstanding shares of Series A Junior Participating Preferred Stock from the Quarterly Dividend Payment Date next preceding the date of issue of such shares of Series A Junior Participating Preferred Stock, unless the date of issue of such shares is prior to the record date for the first Quarterly Dividend Payment Date, in which case dividends on such shares shall begin to accrue from the date of issue of such

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shares, or unless the date of issue is a Quarterly Dividend Payment Date or is a date after the record date for the determination of holders of shares of Series A Junior Participating Preferred Stock entitled to receive a quarterly dividend and before such Quarterly Dividend Payment Date, in either of which events such dividends shall begin to accrue and be cumulative from such Quarterly Dividend Payment Date. Accrued but unpaid dividends shall not bear interest. Dividends paid on the shares of Series A Junior Participating Preferred Stock in an amount less than the total amount of such dividends at the time accrued and payable on such shares shall be allocated pro rata on a share-by-share basis among all such shares at the time outstanding. The Board of Directors may fix a record date for the determination of holders of shares of Series A Junior Participating Preferred Stock entitled to receive payment of a dividend or distribution declared thereon, which record date shall be no more than 30 days prior to the date fixed for the payment thereof.

3. Voting Rights. The holders of shares of Series A Junior Participating Preferred Stock shall have the following voting rights:

(A) Each share of Series A Junior Participating Preferred Stock shall entitle the holder thereof to a number of votes equal to the Adjustment Number on all matters submitted to a vote of the stockholders of the Corporation.

(B) Except as otherwise provided herein, in the Restated Certificate of Incorporation or by law, the holders of shares of Series A Junior Participating Preferred Stock, the holders of shares of any other class or series entitled to vote with the Common Stock and the holders of shares of Common Stock shall vote together as one class on all matters submitted to a vote of stockholders of the Corporation.

(C) (i) If at any time dividends on any Series A Junior Participating Preferred Stock shall be in arrears in an amount equal to six quarterly dividends thereon, the occurrence of such contingency shall mark the beginning of a period (herein called a "default period") that shall extend until such time when all accrued and unpaid dividends for all previous quarterly dividend periods and for the current quarterly dividend period on all shares of Series A Junior Participating Preferred Stock then outstanding shall have been declared and paid or set apart for payment. During each default period, (1) the number of Directors shall be increased by two, effective as of the time of election of such Directors as herein provided, and (2) the holders of Preferred Stock (including holders of the Series A Junior Participating Preferred Stock) upon

which these or like voting rights have been conferred and are exercisable (the "Voting Preferred Stock") with dividends in arrears in an amount equal to six quarterly dividends thereon, voting as a class, irrespective of series, shall have the right to elect such two Directors.

(ii) During any default period, such voting right of the holders of Series A Junior Participating Preferred Stock may be exercised initially at a special meeting called pursuant to subparagraph (iii) of this Section 3(C) or at any annual meeting of stockholders, and thereafter at annual meetings of stockholders, provided that such voting right shall not be exercised unless the holders of at least one-third in number of the shares of Voting Preferred Stock outstanding shall be

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present in person or by proxy. The absence of a quorum of the holders of Common Stock shall not affect the exercise by the holders of Voting Preferred Stock of such voting right.

(iii) Unless the holders of Voting Preferred Stock shall, during an existing default period, have previously exercised their right to elect Directors, the Board of Directors may order, or any stockholder or stockholders owning in the aggregate not less than ten percent of the total number of shares of Voting Preferred Stock outstanding, irrespective of series, may request, the calling of a special meeting of the holders of Voting Preferred Stock, which meeting shall thereupon be called by the Chairman of the Board, the President, a Vice President or the Secretary of the Corporation. Notice of such meeting and of any annual meeting at which holders of Voting Preferred Stock are entitled to vote pursuant to this paragraph (C)(iii) shall be given to each holder of record of Voting Preferred Stock by mailing a copy of such notice to him at his last address as the same appears on the books of the Corporation. Such meeting shall be called for a time not earlier than 20 days and not later than 60 days after such order or request or, in default of the calling of such meeting within 60 days after such order or request, such meeting may be called on similar notice by any stockholder or stockholders owning in the aggregate not less than ten percent of the total number of shares of Voting Preferred Stock outstanding. Notwithstanding the provisions of this paragraph (C)(iii), no such special meeting shall be called during the period within 60 days immediately preceding the date fixed for the next annual meeting of the stockholders.

(iv) In any default period, after the holders of Voting Preferred Stock shall have exercised their right to elect Directors voting as a class, (x) the Directors so elected by the holders of Voting Preferred Stock shall continue in office until their successors shall have been elected by such holders or until the expiration of the default period, and (y) any vacancy in the Board of Directors may be filled by vote of a majority of the remaining Directors theretofore elected by the holders of the class or classes of stock which elected the Director whose office shall have become vacant. References in this paragraph (C) to Directors elected by the holders of a particular class or classes of stock shall include Directors elected by such Directors to fill vacancies as provided in clause (y) of the foregoing sentence.

(v) Immediately upon the expiration of a default period, (x) the right of the holders of Voting Preferred Stock as a class to elect Directors shall cease, (y) the term of any Directors elected by the holders of Voting Preferred Stock as a class shall terminate and (z) the number of Directors shall be such number as may be provided for in the Restated Certificate of Incorporation or By-Laws irrespective of any increase made pursuant to the provisions of paragraph (C) of this Section 3 (such number being subject, however, to change thereafter in any manner provided by law or in the Restated Certificate of Incorporation or By-Laws). Any vacancies in the Board of Directors effected by the provisions of clauses (y) and (z) in the preceding sentence may be filled by a majority of the remaining Directors.

(D) Except as set forth herein, holders of Series A Junior Participating Preferred Stock shall have no special voting rights and their consent shall not be required (except to the extent

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they are entitled to vote with holders of Common Stock as set forth herein) for taking any corporate action.

4. Certain Restrictions.

(A) Whenever quarterly dividends or other dividends or distributions payable on the Series A Junior Participating Preferred Stock as provided in Section 2 are in arrears, thereafter and until all accrued and unpaid dividends and distributions, whether or not declared, on shares of Series A Junior Participating Preferred Stock outstanding shall have been paid in full, the Corporation shall not

(i) declare or pay dividends on, make any other distributions on, or redeem or purchase or otherwise acquire for consideration any shares of stock ranking junior (either as to dividends or upon liquidation, dissolution or winding up) to the Series A Junior Participating Preferred Stock;

(ii) declare or pay dividends on or make any other distributions on any shares of stock ranking on a parity (either as to dividends or upon liquidation, dissolution or winding up) with the Series A Junior Participating Preferred Stock, except dividends paid ratably on the Series A Junior Participating Preferred Stock and all such parity stock on which dividends are payable or in arrears in proportion to the total amounts to which the holders of all such shares are then entitled; or

(iii) redeem or purchase or otherwise acquire for consideration any shares of Series A Junior Participating Preferred Stock, or any shares of stock ranking on a parity with the Series A Junior Participating Preferred Stock, except in accordance with a purchase offer made in writing or by publication (as determined by the Board of Directors) to all holders of Series A Junior Participating Preferred Stock, or to all such holders and the holders of any such shares ranking on a parity therewith, upon such terms as the Board of Directors, after consideration of the respective annual dividend rates and other relative rights and preferences of the respective series and classes, shall determine in good faith will result in fair and equitable treatment among the respective series or classes.

(B) The Corporation shall not permit any subsidiary of the Corporation to purchase or otherwise acquire for consideration any shares of stock of the Corporation unless the Corporation could, under paragraph (A) of this Section 4, purchase or otherwise acquire such shares at such time and in such manner.

5. Reacquired Shares. Any shares of Series A Junior Participating Preferred Stock purchased or otherwise acquired by the Corporation in any manner whatsoever shall be retired and canceled promptly after the acquisition thereof. All such shares shall upon their cancellation become authorized but unissued shares of Preferred Stock and may be reissued as part of a new

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series of Preferred Stock to be created by resolution or resolutions of the Board of Directors, subject to any conditions and restrictions on issuance set forth herein.

6. Liquidation, Dissolution or Winding Up. (A) Upon any liquidation (voluntary or otherwise), dissolution or winding up of the Corporation, no distribution shall be made to the holders of shares of stock ranking junior (either as to dividends or upon liquidation, dissolution or winding up) to the Series A Junior Participating Preferred Stock unless, prior thereto, the holders of shares of Series A Junior Participating Preferred Stock shall have received \$10.00 per share, plus an amount equal to accrued and unpaid dividends and distributions thereon, whether or not declared, to the date of such payment (the "Series A Junior Participating Preferred Stock Liquidation Preference"). Following the payment of the full amount of the Series A Junior Participating Preferred Stock Liquidation Preference, no additional distributions shall be made to the holders of shares of Series A Junior Participating Preferred Stock unless, prior thereto, the holders of shares of Common Stock shall have received an amount per share (the "Common Adjustment") equal to the quotient obtained by dividing (i) the Series A Junior Participating Preferred Stock Liquidation Preference by (ii) the Adjustment Number. Following the payment of the full amount of the Series A Junior Participating Preferred Stock Liquidation Preference and the Common Adjustment in respect of all outstanding shares of Series A Junior Participating Preferred Stock and Common Stock, respectively, holders of Series A Junior Participating Preferred Stock and holders of shares of Common Stock shall, subject to the prior rights of all other series of Preferred Stock, if any, ranking prior thereto, receive their ratable and

proportionate share of the remaining assets to be distributed in the ratio of the Adjustment Number to 1 with respect to such Series A Junior Participating Preferred Stock and Common Stock, on a per share basis, respectively.

(B) In the event, however, that there are not sufficient assets available to permit payment in full of the Series A Junior Participating Preferred Stock Liquidation Preference and the liquidation preferences of all other series of Preferred Stock, if any, that rank on a parity with the Series A Junior Participating Preferred Stock, then such remaining assets shall be distributed ratably to the holders of such parity shares in proportion to their respective liquidation preferences. In the event, however, that there are not sufficient assets available to permit payment in full of the Common Adjustment, then such remaining assets shall be distributed ratably to the holders of Common Stock.

(C) Neither the merger or consolidation of the Corporation into or with another corporation nor the merger or consolidation of any other corporation into or with the Corporation shall be deemed to be a liquidation, dissolution or winding up of the Corporation within the meaning of this Section 6, but the sale, lease or conveyance of all or substantially all the Corporation's assets shall be deemed to be a liquidation, dissolution or winding up of the Corporation within the meaning of this Section 6.

7. Consolidation, Merger, etc. In case the Corporation shall enter into any consolidation, merger, combination or other transaction in which the shares of Common Stock are exchanged for or changed into other stock or securities, cash and/or any other property, then in any such case each share of Series A Junior Participating Preferred Stock shall at the same time be

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similarly exchanged or changed in an amount per share equal to the Adjustment Number times the aggregate amount of stock, securities, cash and/or any other property (payable in kind), as the case may be, into which or for which each share of Common Stock is changed or exchanged.

8. Redemption. (A) The Corporation, at its option, may redeem shares of the Series A Junior Participating Preferred Stock in whole at any time and in part from time to time, at a redemption price equal to the Adjustment Number times the current per share market price (as such term is hereinafter defined) of the Common Stock on the date of the mailing of the notice of redemption, together with unpaid accumulated dividends to the date of such redemption. The "current per share market price" on any date shall be deemed to be the average of the closing price per share of such Common Stock for the ten consecutive Trading Days (as such term is hereinafter defined) immediately prior to such date; provided, however, that in the event that the current per share market price of the Common Stock is determined during a period following the announcement of (A) a dividend or distribution on the Common Stock other than a regular quarterly cash dividend or (B) any subdivision, combination or reclassification of such Common Stock and the ex-dividend date for such dividend or distribution, or the record date for such subdivision, combination or reclassification, shall not have occurred prior to the commencement of such ten Trading Day period, then, and in each such case, the current per share market price shall be properly adjusted to take into account ex-dividend trading. The closing price for each day shall be the last sales price, regular way, or, in case no such sale takes place on such day, the average of the closing bid and asked prices, regular way, in either case as reported in the principal transaction reporting system with respect to securities listed or admitted to trading on the New York Stock Exchange, or, if the Common Stock is not listed or admitted to trading on the New York Stock Exchange, on the principal national securities exchange on which the Common Stock is listed or admitted to trading, or, if the Common Stock is not listed or admitted to trading on any national securities exchange but sales price information is reported for such security, as reported by the National Association of Securities Dealers, Inc. Automated Quotations System ("NASDAQ") or such other self-regulatory organization or registered securities information processor (as such terms are used under the Securities Exchange Act of 1934, as amended) that then reports information concerning the Common Stock, or, if sales price information is not so reported, the average of the high bid and low asked prices in the over-the-counter market on such day, as reported by NASDAQ or such other entity, or, if on any such date the Common Stock is not quoted by any such entity, the average of the closing bid and asked prices as furnished by a professional market maker making a market in the Common Stock selected by the Board of Directors of the Corporation. If on any such date no such market maker is making a market in the Common Stock, the



fair value of the Common Stock on such date as determined in good faith by the Board of Directors of the Corporation shall be used. The term "Trading Day" shall mean a day on which the principal national securities exchange on which the Common Stock is listed or admitted to trading is open for the transaction of business, or, if the Common Stock is not listed or admitted to trading on any national securities exchange but is quoted by NASDAQ, a day on which NASDAQ reports trades, or, if the Common Stock is not so quoted, a Monday, Tuesday, Wednesday, Thursday or Friday on which banking institutions in the State of New York are not authorized or obligated by law or executive order to close.

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(B) In the event that fewer than all the outstanding shares of the Series A Junior Participating Preferred Stock are to be redeemed, the number of shares to be redeemed shall be determined by the Board of Directors and the shares to be redeemed shall be determined by lot or pro rata as may be determined by the Board of Directors or by any other method that may be determined by the Board of Directors in its sole discretion to be equitable.

(C) Notice of any such redemption shall be given by mailing to the holders of the shares of Series A Junior Participating Preferred Stock to be redeemed a notice of such redemption, first class postage prepaid, not later than the fifteenth day and not earlier than the sixtieth day before the date fixed for redemption, at their last address as the same shall appear upon the books of the Corporation. Each such notice shall state: (i) the redemption date; (ii) the number of shares to be redeemed and, if fewer than all the shares held by such holder are to be redeemed, the number of such shares to be redeemed from such holder; (iii) the redemption price; (iv) the place or places where certificates for such shares are to be surrendered for payment of the redemption price; and (v) that dividends on the shares to be redeemed will cease to accrue on the close of business on such redemption date. Any notice that is mailed in the manner herein provided shall be conclusively presumed to have been duly given, whether or not the stockholder received such notice, and failure duly to give such notice by mail, or any defect in such notice, to any holder of Series A Junior Participating Preferred Stock shall not affect the validity of the proceedings for the redemption of any other shares of Series A Junior Participating Preferred Stock that are to be redeemed. On or after the date fixed for redemption as stated in such notice, each holder of the shares called for redemption shall surrender the certificate evidencing such shares to the Corporation at the place designated in such notice and shall thereupon be entitled to receive payment of the redemption price. If fewer than all the shares represented by any such surrendered certificate are redeemed, a new certificate shall be issued representing the unredeemed shares.

(D) The shares of Series A Junior Participating Preferred Stock shall not be subject to the operation of any purchase, retirement or sinking fund.

9. Ranking. The Series A Junior Participating Preferred Stock shall rank junior to all other series of the Corporation's Preferred Stock as to the payment of dividends and the distribution of assets, unless the terms of any such series shall provide otherwise, and shall rank senior to the Common Stock as to such matters.

10. Amendment. At any time that any shares of Series A Junior Participating Preferred Stock are outstanding, the Restated Certificate of Incorporation of the Corporation shall not be amended in any manner which would materially alter or change the powers, preferences or special rights of the Series A Junior Participating Preferred Stock so as to affect them adversely without the affirmative vote of the holders of two-thirds or more of the outstanding shares of Series A Junior Participating Preferred Stock, voting separately as a class.

11. Fractional Shares. Series A Junior Participating Preferred Stock may be issued in fractions of a share that shall entitle the holder, in proportion to such holder's fractional

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shares, to exercise voting rights, receive dividends, participate in distributions and to have the benefit of all other rights of holders of Series A Junior Participating Preferred Stock.

IN WITNESS WHEREOF, the undersigned has executed this Certificate and

does affirm the foregoing as true this 1st day of September, 1999.

/s/ Eugene P. Martineau

-----  
Eugene P. Martineau  
President and Chief Executive Officer

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