



Construction Materials Price Trends and Outlook

July 14, 2009

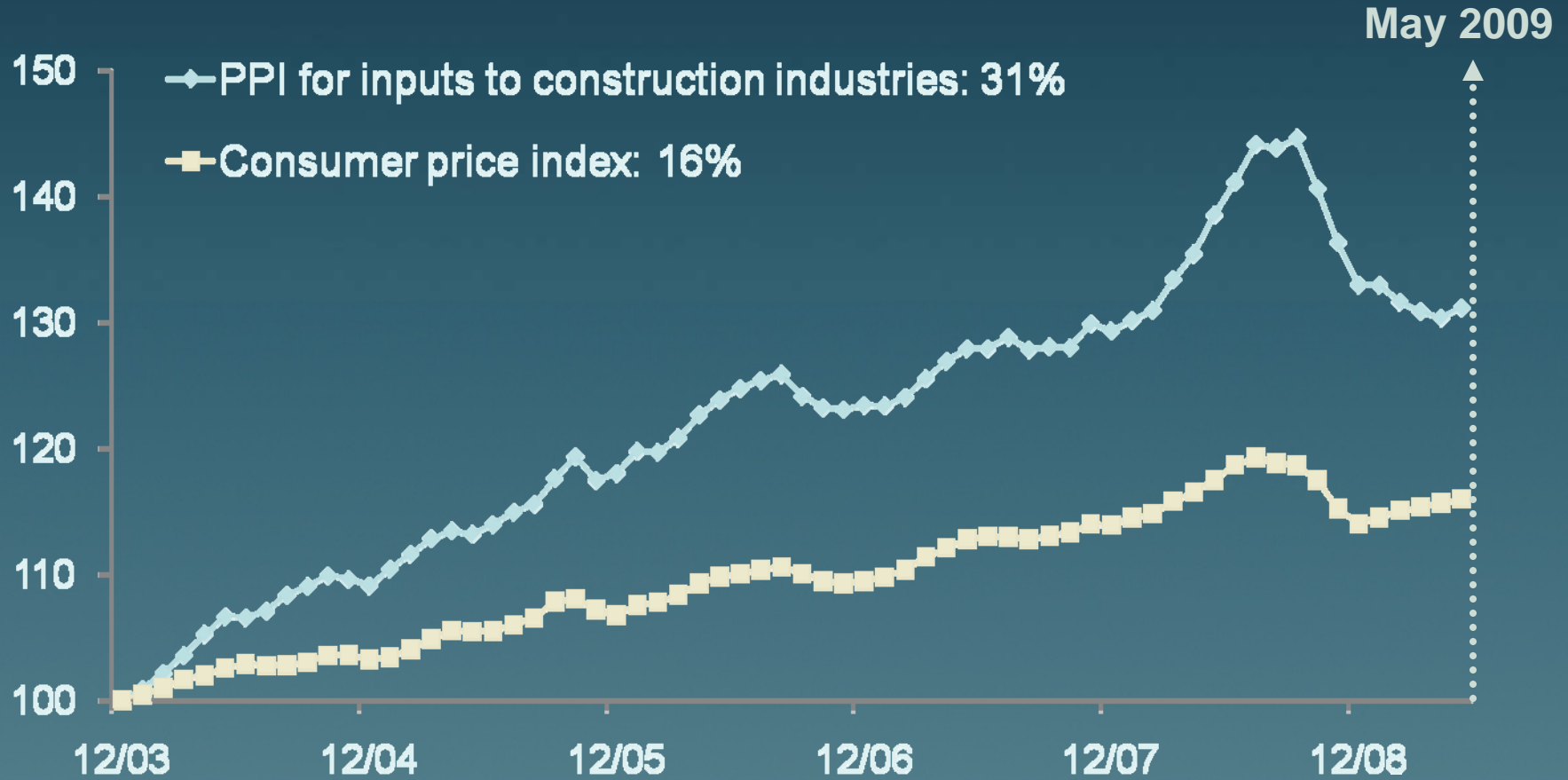
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Change in producer prices for construction vs. consumer prices, 2003 - 2009 (December 2003 = 100)

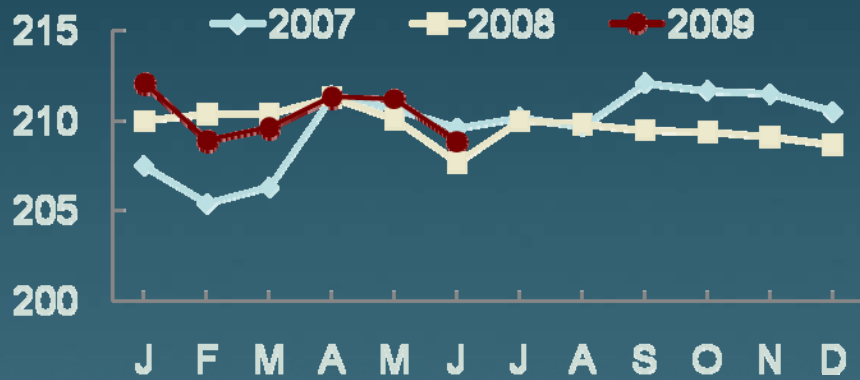




PPIs for cement and concrete products, 1/07-6/09

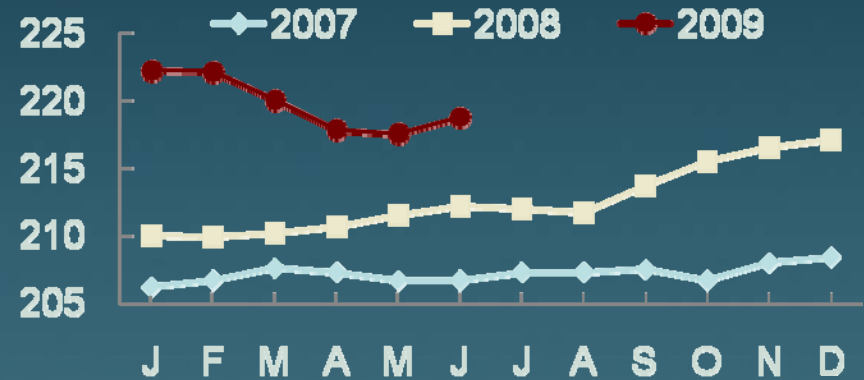
Cement

1-month: -1.1%
 12-month: 0.5%



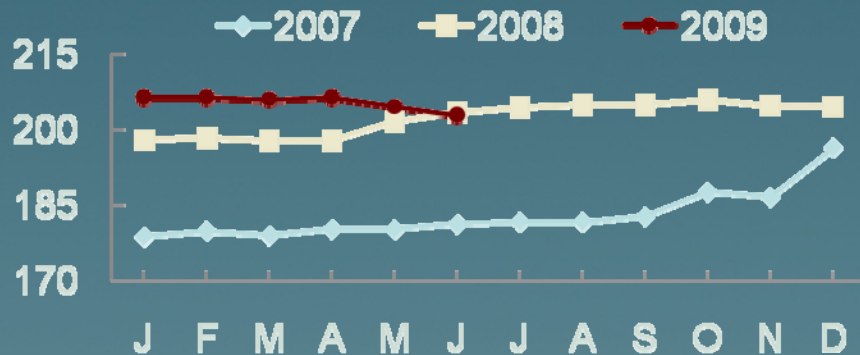
Ready-Mix

1-month: 0.6%
 12-month: 3.1%



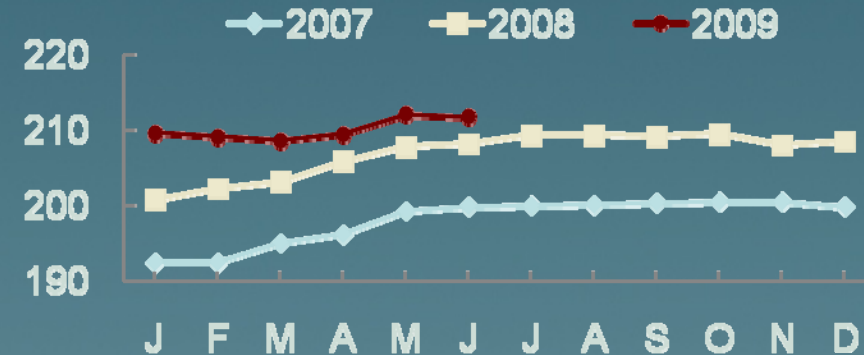
Concrete Pipe

1-month: -0.8%
 12-month: -0.3%



Precast

1-month: -0.2%
 12-month: 1.6%





Outlook for materials in '09 compared to '08

- Lower average prices: diesel, copper, steel, aluminum
- Possible increases: concrete, gypsum
- Uncertain: asphalt
- Year-over-year PPI change: -4% to 0%
- A limited-time sale...



Outlook for materials (beyond '09)

- **Industry depends on specific materials that:**
 - are in demand worldwide
 - have erratic supply growth
 - are heavy, bulky or hard to transport
- **Construction requires physical delivery**
- **Thus, industry is subject to price spurts, transport bottlenecks, fuel price swings**
- **Expect 6 to 8% PPI increases, higher spikes**