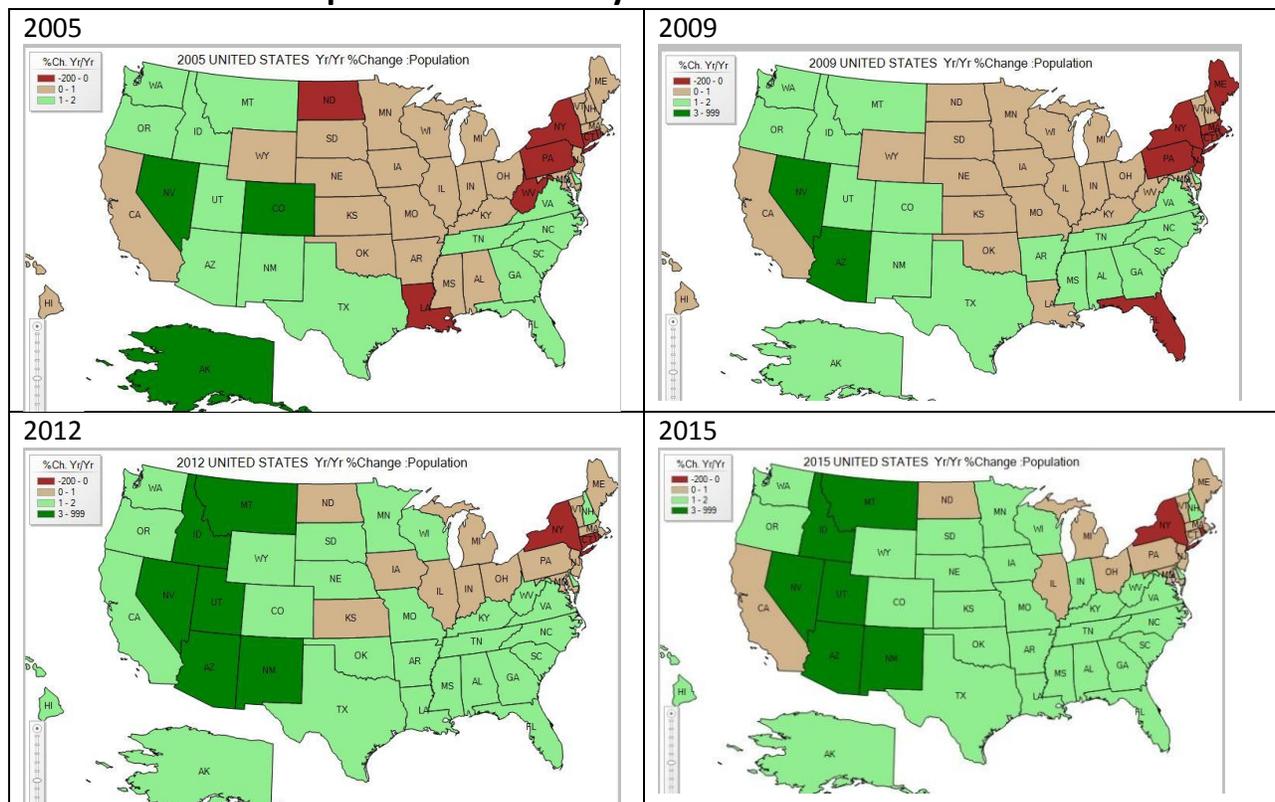


DCG Aggregates Forecast

Demographic changes have a large influence on the distribution aggregates demand over time. Below are four maps showing population changes among the states at different points in time (2005, 2009, 2012, and 2015). We all know population growth is concentrated in the Sun Belt but the story is much more interesting than that. California and Florida are no longer rapid growth states; California because of high living costs and anti-business policies, and Florida because of natural disasters and high insurance costs. The biggest changes are the higher growth rates in the Mountain West, the Plains and the energy states. While in the past the energy states were TX, OK and LA, they now include PA, OH, NY, ND, SD, and WY as fracking becomes popular for extracting gas from newly discovered fields. In addition some states are putting their fiscal house in order to remain competitive (WI, IN, VA) while others are not (IL, MI, NY, CA, RI).

Population Growth by State for Selected Years



Legend: %Ch.Yr./Yr. Population. Dark Green = Rapid, Green=Moderate, Tan=Slow; Maroon=Very Slow. Source: DCG, Inc.

These new demographic trends mean that aggregate gains in the future will be less concentrated in the Sun Belt and include many formerly slow growing states. Since the large Sun Belt states will be growing slower while the smaller non-Sun Belt states will be growing faster, overall aggregates demand will grow more slowly due to weighted averaging effects. For the next year or so aggregates demand will be flat to down as the economy grows slowly and infrastructure spending declines.

Billions of Metric Tons	2010	2011	2012
Aggregates	1.99	1.93	1.83
%Ch. Yr./Yr.		-3.0%	-5.2%

Source: DCG Dec. 2011 Forecast