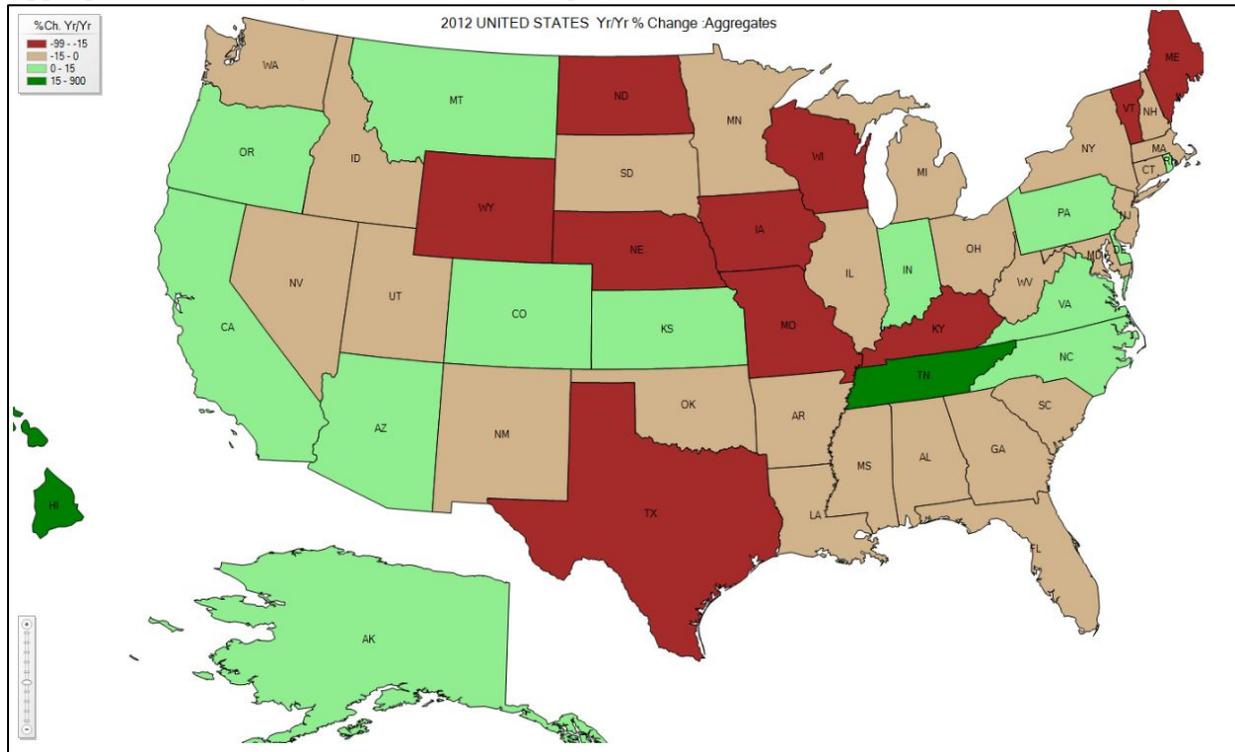


DCG, Inc. Aggregates Forecast by State

Aggregates Forecast by State, 2012 %Change (Yr/Yr)



Aggregates Forecast by Segment, 2012 %Change (Yr/Yr)

Total	Residential	Nonresidential	Nonbuilding
-5.9%	+7.0%	+1.0%	-13%

The outlook for 2012 is deteriorating as the economy slows and the stimulus wears off. Low consumer confidence, slow job gains and the continuing crisis in Europe are all holding back the economy. With no consensus on a path forward the growth recession (GDP gains in the 0% to 2% range) will continue into 2013. Even though there will be gains in residential activity in 2012, from a 50 year low, it will be more than offset from further declines in nonbuilding. Nonresidential activity is picking up in spite of the slow job gains but will flatten in 2012 without stronger employment changes. Nonbuilding will suffer as state and local budgets struggle with small revenue gains while personnel benefit costs continue growing at a rapid clip. This leaves less money for new infrastructure work. As usual with projects that have multi-year lifecycles, some projects that were authorized years ago will help demand in 2012 even though economic growth remains tepid. Any gains from a new jobs bill are expected to be minor for 2012.

The biggest gains will come from Tennessee, Virginia, Alaska and Arizona. These are also among the states with the fastest employment growth in 2011-12. Even though many states will experience declines they will be much smaller than the 2008-09 fall off.