





Teamwork



Experience

The New Resource for the Construction Industry

U.S. Concrete 2002 Annual Report



Solutions

US 
CONCRETE

U.S. Concrete, Inc. is a leading value-added provider of ready-mixed concrete and related products and services to the construction industry in several major markets in the United States. As of March 15, 2003, we have 89 fixed and seven portable ready-mixed concrete plants, eight pre-cast concrete plants, three concrete block plants and one aggregates quarry. During 2002, these facilities produced approximately 5.4 million cubic yards of ready-mixed concrete, 7.1 million eight-inch equivalent block units and 1.2 million tons of aggregates. Our common stock trades on The NASDAQ National Market under the symbol "RMIX."

TABLE OF CONTENTS

Company Profile	IFC
Financial Highlights	IFC
Introduction	1
Letter to Our Shareholders	2
Re-engineering Our Role	7
A Market-Driven Methodology	11
Solutions-Focused Technology	15
The Solutions Provider	19

Financial Highlights

(in thousands of dollars)

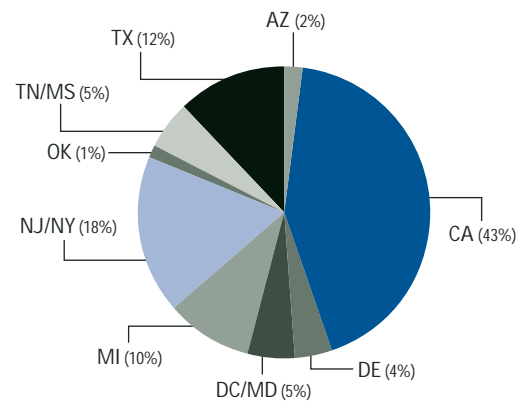
Year Ended December 31,

	2002	2001	2000
Revenues	\$503,314	\$493,591	\$394,636
Total Assets	\$378,362	\$430,836	\$357,490
Long-Term Debt, Including Current Maturities	\$161,808	\$163,755	\$157,134
Total Stockholders' Equity	\$161,845	\$188,315	\$150,555

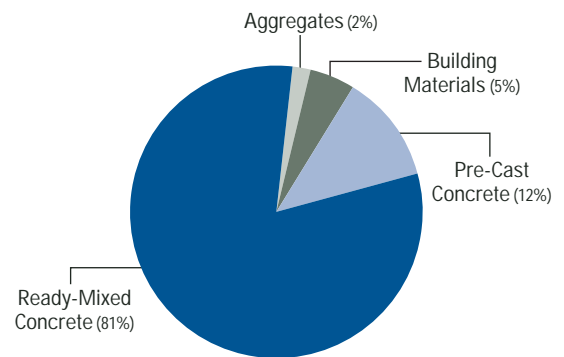
U.S. Concrete brings technology and new perspectives to bear on the designer's vision and the engineer's challenge. We provide the contractor and developer with performance-based, high quality, sustainable products and exemplary service. Through innovation, strength and strategic alliances, we are striving to become a different kind of concrete company. As a construction industry resource, we offer performance-based engineered products, extensive industry expertise, emerging concrete technologies, sustainable answers to environmental challenges and a new way of thinking about the concrete construction process. We don't just supply materials. **We provide solutions.**

LETTER TO OUR SHAREHOLDERS

Our 2002 results have confirmed the validity, resilience and flexibility of our strategic plan. The economy, although forecasted to begin its recovery in the past year, failed to meet expectations. In fact, construction spending, particularly in the commercial sector, declined even further from 2001 levels. For many public companies, access to liquidity proved challenging. So it is with considerable pride that we are able to report that U.S. Concrete recorded solid results for fiscal 2002 despite a difficult economic environment.



2002 Revenue by State



2002 Revenue by Product

The past year provided us with the opportunity to continue developing our organization and strengthening our fiscal position. We implemented measures throughout our company to optimize operations and efficiencies, control costs and reinforce field management with seasoned industry veterans. We also generated healthy cash flows from operations. Today, we believe we have sufficient capital to continue to execute our operating strategy and to pursue select growth opportunities. Relative to the economic climate, we believe we're on solid footing.

SOLID FINANCIAL RESULTS

Although overall demand for concrete in the United States declined in 2002, our strict fiscal policy and adherence to our business strategy carried us through this economic downturn that severely punished many other companies. We recorded \$503.3 million in revenue for 2002, up two percent from 2001. Our continued revenue growth in 2002 resulted primarily from our ongoing business development activity and the significant advances we made during the year in executing the four primary components of our business strategy, which continue to be: Consolidation, Integration, Expertise and Investment. Compared to 2001, our operating income and net income declined in 2002. However, these results include the effects of nonrecurring

charges we recorded in 2002 related to goodwill impairments under new accounting rules, in addition to restructuring charges in our North Texas/Southwest Oklahoma region.

Our weighted average shares of common stock outstanding on a diluted basis increased 8.9 percent to 26.8 million shares for 2002 from 24.6 million shares for 2001, primarily as a result of issuances of our common stock made during 2001 in a public offering and as part of the consideration we paid for various acquisitions. Our total assets at December 31, 2002 were \$378.4 million, our long-term debt was \$161.8 million, and our stockholders' equity was \$161.8 million.

During the year, many companies were constrained by limited access to liquidity. We are proud to have increased the size of our revolving credit facility to \$200 million. At December 31, 2002, \$66.7 million was drawn, leaving \$133.3 million of available capacity for potential acquisitions, working capital, capital expenditures and general corporate purposes, of which we could borrow \$15.4 million based on our leverage ratio at that date. Our ability to borrow additional amounts may increase in the event that we use the facility to fund acquisitions of additional businesses with positive cash flow. This provides us with the ability to act on opportunity when other companies cannot.

RELYING ON A PROVEN STRATEGY

We continue to follow our strategy and pursue the corporate initiatives we believe to be effective for our company. The “U.S. Concrete Way” of doing business includes standardizing our databases and operations to facilitate benchmarking, and standardizing plants, plant operations and plant components. We expect to complete the enterprise-wide integration of our automated delivery tracking system with our final conversion in early 2003, supported by ongoing training to ensure full use of the system.

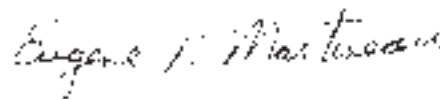
During 2002, we also focused efforts on growing our national supply partnerships to leverage our buying power and manage our equipment and material costs more efficiently. By focusing on strategic alliances that benefit our company, suppliers and customers, we also reinforce our culture of operational excellence while differentiating U.S. Concrete from our competitors. In 2002, we announced our commitment to a national marketing program and introduced a fully integrated sales data system enterprise-wide.

GREATER OPPORTUNITIES AHEAD

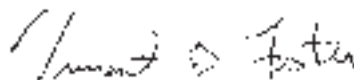
Our confidence in the value of our strategy and our vision of U.S. Concrete as both a technology leader and a leading concrete company within the industry has carried us through a turbulent period. Although we have not grown as

rapidly through acquisitions in 2002 as we have in past years, our ability to manage our companies and operations has grown. While we continue to evaluate potential acquisitions when and where appropriate to increase market penetration in our regions, we are also developing our ability to provide our customers with an array of solutions in order to grow our company through broader and more beneficial customer relationships.

In the four years since our inception, we believe we have demonstrated that U.S. Concrete is a company that continues to offer genuine value. We are committed to growing this value through market expansion, product excellence and innovative technology, and by becoming a leading resource for the construction industry. With the continued support and confidence of our shareholders, we look forward to a new year and its significant potential to build on our past achievements.



Eugene P. Martineau, *Chief Executive Officer and President*
(pictured far right)



Vincent D. Foster, *Chairman of the Board*
(pictured right)





THE MODERN ART MUSEUM OF FORT WORTH

FORT WORTH, TEXAS

Tadao Ando's design features massive cast-in-place concrete planar walls of architectural concrete provided by our subsidiary, Beall Concrete Enterprises, and varnished to a glassy finish by Linbeck Construction Company. The architect attributes his special success with concrete to well-crafted, watertight forms into which ready-mixed concrete is poured. The 153,000-square-foot building's modular plan features three pavilions that rise from a two-acre reflecting pool with cantilevered concrete roofs supported by five 40-foot tall Y-shaped columns. This noteworthy project was started in July 2001 and opened to the public in late 2002.

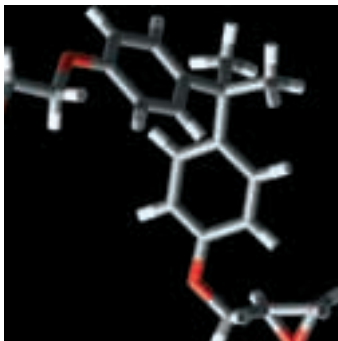
Concrete Volume: 8,500 cubic yards



THINKING OUTSIDE THE BATCH

Ready-mixed concrete suppliers generally approach construction projects “by the batch.” In other words, they tend to focus on delivering batches of concrete with the correct mix specifications to the job site at the right time. However, when a company thinks about its products, services and processes from different perspectives, it opens a new world of possibilities. In our case, “thinking outside the batch” means widening our window of opportunity to add value throughout the construction process. It includes the creation and acceptance of new methods and new products.

RE-ENGINEERING OUR ROLE



Traditionally, concrete suppliers have played an important, but supporting, role in the construction process. We are positioning U.S. Concrete as a solutions provider, not simply a provider of materials. We are offering our customers the full benefit of our technology, broad capability and intellectual capital, which can add significant and lasting value to almost any construction project, large or small. Not all material suppliers can develop the portfolio of resources that offers customers these advantages. U.S. Concrete has and will continue to do so.

RE-ENGINEERING OUR ROLE



In partnership with companies specializing in chemicals and color additives, we provide architectural concretes for residential applications.

A NEW WAY OF THINKING

We have invested in building a resource base that allows us to offer our customers much more than generic concrete. We offer performance-based engineered products, extensive industry expertise, emerging concrete technologies, sustainable answers to environmental challenges and a new way of thinking about the concrete construction process. We have grown beyond the material supply mindset into the realm of solutions provider.

TRUST, RESPECT AND VISION

Trust and mutual respect must be earned. Our vision — enriching all through concrete — must be demonstrated. Over the past few years, U.S. Concrete has worked hard to earn the trust and respect of contractors, developers and owners. This can be accomplished only through the consistent and timely delivery of superior quality products and responsive customer service — two operational metrics that we live by. Our customers know they can depend on us to deliver in spec and on time, and address customer needs quickly and efficiently.

U.S. Concrete has placed a high priority on retaining many of the country's top experts. These individuals are seasoned professionals with deep backgrounds of industry experience, and with practical know-how in concrete chemistry, structural engineering, technology and product applications. In tandem with this effort, we have worked to optimize our existing technology to its full extent through structured training with dedicated resources. Disseminating this capability and expertise throughout our enterprise is a priority within U.S. Concrete.

TOTAL PROJECT EMPHASIS

At every stage of the project development process, we ask: What challenges are being faced, what problems need to be

solved, and how can we add value to our customer's end product? This provides us the opportunity to apply our expertise to solving customer problems proactively — often before the customer recognizes that a challenge exists — through innovative thinking, product engineering and the timely application of practical knowledge. We place our emphasis on the total project, rather than limiting our focus to the material supply details of a construction project.

COLLABORATION IS THE KEY

In our business, it shouldn't be a matter of "cheaper-faster." It should be a collaborative effort that takes into account all participants in the construction process, from the

“We are working on a strategic process to identify and participate in projects early on. We want to be a resource for our customers. Not just a material resource, but a resource for ideas and solutions, too.”

DICK WILLIAMS, *U.S. Concrete, Inc.*

architect/designer to the end user. We constantly ask ourselves: What can we do or what product can we design that will help the architects and designers realize their unique visions? Can we help the structural engineer devise products and methods that fulfill these visions, and can we satisfy the engineer's needs with innovative, high quality and cost-effective products? Can we assist the general contractor in managing the risk profile of projects in regards to balancing out the architectural dream with the reality of construction practicalities and economics? Can we ensure that our contribution to the total construction project is compliant with

the environmental demands of the market while satisfying the regulatory authorities? Can we ensure that our products and services deliver the sustainable performance that the developer has committed to the owner or end user?

We are answering these questions and re-engineering the role we play in our industry. Today, we strive to become a participant in the entire project development process, from design to completion. That is how we are demonstrating our vision.





SUN CITY LINCOLN HILLS

LINCOLN, CALIFORNIA

Known for its high-end retirement communities throughout the country, Del Webb (owned by Pulte Homes) is currently building a large Sun City community outside Sacramento, California. Begun in 1999 and scheduled for completion in 2006, the community is being constructed in phases — village by village. Through Cedar Valley Concrete, the area's largest residential concrete construction company, our subsidiary, Central Concrete, is supplying general ready-mixed and foundation concretes for slab-on-grade and exterior flat work applications.

Concrete Volume: 300,000 cubic yards
(life of project)



UNIQUE VALUE ALLIANCES

The end results of strategic alliances are usually greater than the sum of their parts. Companies work together to achieve objectives unattainable on their own. In our case, we've formed strategic alliances that provide us with the innovation and the technical and marketing resources needed to direct our company's future through the design, development, introduction and acceptance of new products and services. We believe these alliances are value-added for all constituents, especially our customers.



The nation's construction industry is divided into three major market sectors: residential, nonresidential (commercial and industrial), and public works, such as roadways, bridges, storm and wastewater runoff, tunnels, public arenas and stadiums. Of course, the demands on technology, expertise and product range differ significantly from market to market, as well as from region to region. For example, a value-added industry resource developed specifically for the residential market would have limited application in the public works market sector.

A MARKET-DRIVEN METHODOLOGY

Construction issues in each market sector differ as well. Accordingly, we have determined that the most efficient and appropriate method to promote U.S. Concrete's resources to dissimilar markets is to employ market sector champions within our company. These specialists are responsible for identifying emerging trends, needs and critical stages within the construction process where U.S. Concrete can participate and provide unique solutions.

Early identification of potential projects is crucial. Participating in the preconstruction phases (preplanning and planning, design development and design) allows us to

introduce U.S. Concrete expertise, capability and technology when we can deliver the greatest value in terms of design, constructibility, sustainability and cost-effectiveness. In addition we can extend our participation over a longer period of project involvement. We believe this strategy allows us to differentiate our company from our competitors before projects are bid. Involvement in preconstruction design meetings and specification reviews positions our people as technical leaders, concrete authorities and team-focused solution providers.

In the words of a U.S. Concrete company manager,

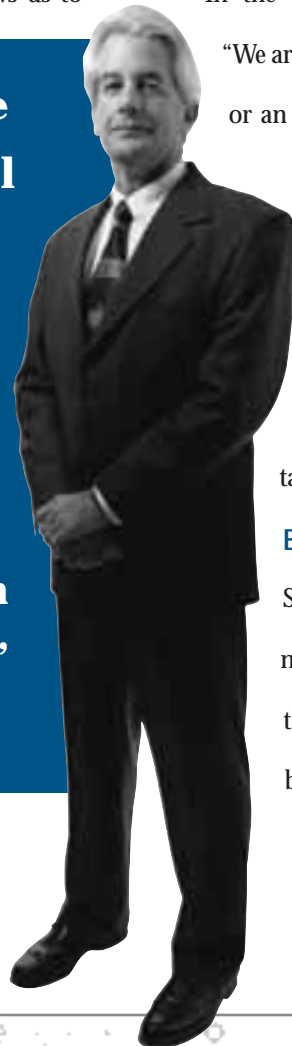
"We are the go-to guys. If you have a problem, a question or an issue, come to us. We've got the people and the resources. And if we don't have what you need, we know where we can get it. Our national support group accesses concrete professionals who have handled the same or similar situations and can resolve your problem, or help you take advantage of opportunities."

BUILDING A BASE OF STRATEGIC ALLIANCES

Strategic alliances are formed to access resources not typically developed or maintained in-house, thus offering customers a broader scope of capability with high quality products and services.

"U.S. Concrete's alliance with RAM International focuses on marketing concrete through new technology to provide structural engineers with productivity tools for the optimized design of concrete structures."

RORY ROTTSCHALK, *RAM International*



The multiple missions of our strategic alliances include:

- the advancement of concrete as the universal building material of choice;
- the development of engineering and technology that stimulate change in design, product performance and project economics;
- the creation of marketing and sales channels for products and product components that contribute to, or promote, U.S. Concrete capabilities and services.

For example, we are strategically aligned with companies that are developing applications for corrosion-inhibiting concretes, moisture-resistant concretes, self-leveling concretes that reduce labor costs by a significant margin, architectural and colored concretes, and fire-resistant, fiber-strengthened concretes. We are also working with software developers on a structural design-engineering package to facilitate the design of concrete structural frame buildings.

In addition to our strategic alliances, we are forging national relationships with key suppliers to reduce costs and increase operating efficiencies. During the year, we secured a mutually beneficial agreement with a lubricant manufacturer to handle all lubricant needs for our entire truck fleet nationwide. We continue to investigate additional opportunities for the transfer of knowledge and expertise through



Our involvement in new product development and testing helps us meet the need for concretes with specialized performance characteristics.

supply partnerships. In the area of technology and equipment development, we are working with a national truck manufacturer to test and evaluate an innovative concrete mixer drum constructed from composite materials. This revolutionary mixer drum would reduce the truck weight by 2,000 pounds while significantly reducing mixer noise, and would have a longer operational life than conventional steel drums.

Through these strategic relationships, we are aligning research and development with materials and equipment suppliers to impact the entire construction value chain. In the end, our task is to identify opportunities and challenges and bring together the available resources to address them quickly, correctly and cost-effectively.



THE MANDARIN ORIENTAL HOTEL

WASHINGTON, DC

Construction began on this 512,000-square-foot luxury hotel and office complex in April 2002 and topped out in March 2003. One of our subsidiaries, Superior Concrete, provided the concrete to ONCORE Construction, L.L.C. for the 12-story above-grade and 3-story below-grade concrete frame structure. Armanda Hoffler Construction Company, general contractor, ONCORE and Superior worked together on the required concrete mixes and particular challenges such as four 2,000-yard mat foundation pours. Scheduled to open in late 2003, the Mandarin Oriental will feature panoramic views over the Washington Basin and the area's first five-star restaurant.

Concrete Volume: 26,000 cubic yards



DESIGNING PRODUCTS FOR PERFORMANCE

When it comes to concrete, more engineers and contractors are looking closely at performance requirements. Instead of specifying prescription mix designs, they are telling us how they want the concrete to perform. We then provide performance mix designed concrete. They often want accelerated set times, a specified amount of pressure, or moisture-resistant, fuel-proof, fire-resistant or pervious concrete. They give us their performance specifications because they are increasingly relying on us to assist in providing the best solution for them.



Throughout our regions, we have fully equipped concrete laboratories for the purpose of product development, testing and research. We have regional new products groups working in tandem with our technical research groups. Their mission is to generate ideas that solve specific problems in their marketplace or to address operational challenges in the region. These new product groups are true cross-functional teams that, for example, may come up with an idea for a new fuel-proof concrete in one instance and, in the next, revise

SOLUTIONS-FOCUSED TECHNOLOGY



Improved tracking of our mixer trucks allows us to optimize fleet management while providing consistent on-time service to customers.

a process that suffers from a service bottleneck. They meet regularly with the objective of continuous improvement of U.S. Concrete products and services, operational optimization and quality assurance.

Two areas of technology integration that are receiving particular focus are mixer fleet field tracking and in-plant computer-controlled batching. We have begun to implement Global Positioning Satellite (GPS) real-time tracking of our trucks to help us manage our fleet more efficiently and enhance on-time service to our customers. Computer-controlled batching allows us to maintain consistent levels of superior product quality.

Different Solutions for Different Regions — Each region has specific challenges that are also addressed by our research

and development groups in collaboration with our alliance partners. In California, the key construction challenges are storm water management and the green building movement, which is rapidly gaining acceptance and support elsewhere in the country. U.S. Concrete is on the leading edge of resolving these issues with innovative new products. For example, we have developed a pervious concrete that contains or traps first-flush storm water, with its impurities and oils, within the pavement until it can be absorbed by the subgrade or evaporated, significantly reducing the amount of runoff and impurities that drain into the storm water management system.

In areas of the U.S. that experience high levels of humidity and heavy rainfall, we have been directing considerable effort to creating moisture-resistant concretes to inhibit mold. We are developing a quick-set concrete for use in public works and fast-track roadway repairs. For large, nonresidential or nonbuilding projects, self-leveling concrete delivers a sizeable reduction in labor. Airport and large transit facilities nationwide have been generating demand for fuel-proof concretes. Finally, architectural concretes give designers and homeowners a wide range of choices in colored, textured, finished and polished concrete for floors and walls, and exterior patios, walks and driveways.

Green Building Solutions — The green (or sustainable) building movement involves designing residential, nonresidential and nonbuilding projects to minimize the impact of construction on the environment and create a more beneficial, energy-efficient living or work environment long term. It is both a construction technique and an industrial awareness of the finite nature of the earth's natural resources. Among the green building products that U.S. Concrete is either providing or perfecting in California are recycled concrete products, engineered concretes that improve light reflectivity, colored concretes that negate the need to paint interiors and exteriors, and insulated concrete forms (ICF) that increase

energy efficiency. Another development that is of particular importance to the green building movement is the formulation of a practical "green-crete" that features dramatically reduced CO₂ emissions through the effective management of cement content in the ready mix.

Security Solutions — In the post-9/11 environment, security and fireproofing concerns are the catalysts for the revision of building codes. We expect some of these code changes to promote the use of concrete. For example, we believe some building code changes will require wider and more fire-resistant internal stairwells in commercial buildings to allow faster and safer evacuation. In some cases, we expect new

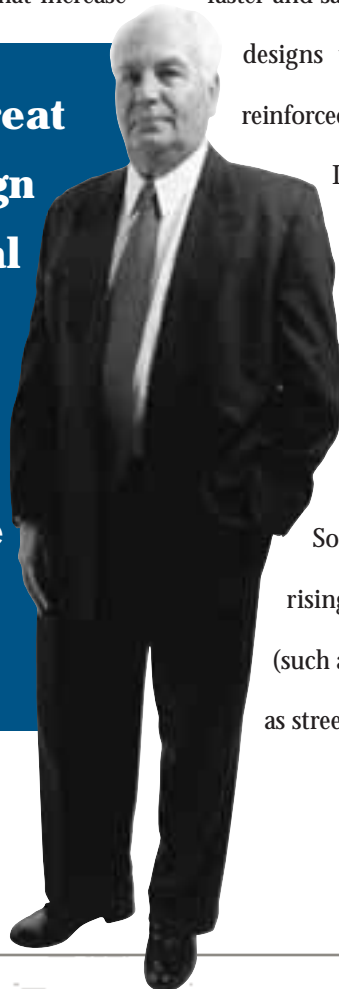
designs will require light-reflective, high strength reinforced concrete to replace double-laminate drywall.

In mid-rise and high-rise commercial concrete frame structures, we believe lighter-weight concretes will be used to reduce foundation and supporting column size, while delivering better impact resistance than structural steel. In addition, our pre-cast companies in

Southern California and Arizona have noted rising interest in pre-cast architectural shapes (such as large planters) that are attractively installed as street-level security barriers in front of buildings.

“U.S. Concrete does a great job implementing design changes from structural steel projects to reinforced concrete, to leverage the benefits of post-tension concrete slab construction.”

NINO BOSAZ, Nigo Construction





ROUTE 21, SEC 2N

NEWARK, NEW JERSEY

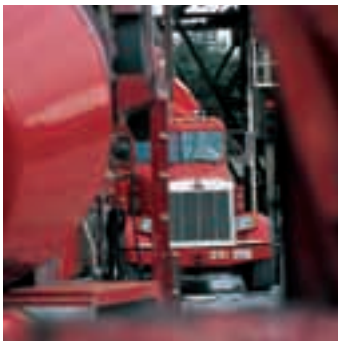
As one of the busiest interchanges on the East Coast, Route 21 SEC 2N was a challenging, 12-month project for our subsidiary, Eastern Concrete, and general contractor, Union Paving Construction. The New Jersey DOT's performance specifications included a bonus/penalty performance specification, and the concrete mixes included NJDOT Class A, Class A with corrosion inhibitors, Class A Slipform Mix and Class B NJDOT. Logistics were complex, timing was critical and production levels had to be maintained in order to complete the project on time. With all concrete in place, Eastern earned a performance bonus on this \$100 million project.

Concrete Volume: 31,000 cubic yards



ANTICIPATING CUSTOMER NEEDS

Today, our target customers are individuals in the construction process who are charged with thinking about how they want to use concrete and what benefit it offers them. They are the architects, engineers or contractors who are seeking information about what concrete can do, how it performs, how it looks and what they can design and build with it. They are also the developers, owners or end users who are concerned with the long-term integrity and marketability of their project. Anticipating their needs is no longer a matter of what mix and how many yards. It's a much more creative process.



What is the definition of a solutions provider? In our business, it's a concrete professional who meets with the customer and listens to his objectives and challenges, and then figures out how to solve them. How? Through the application of existing or new products and services, or by creating a customized solution. Supplying the concrete is a large part of the solution, but understanding the big picture of every project is equally important. When the solutions provider considers all the variables within the project scope — the architect's vision,

THE SOLUTIONS PROVIDER

the engineer's challenge, the contractor's practicalities and the owner's expectations — only then can an effective, customer-responsive solution be devised.

What does this entail? It requires an ability to look at the customer from a new perspective and the project from a greater distance. The industry is shifting from "build it fast" to "make it last." More and more developers and owners realize the value in building products that are sustainable over the long term. The era of the 20- or 30-year building life cycle is largely in the past. Being a solutions provider requires anticipating the customer's concerns and having the realistic and practical answers ready to address them. It

requires a willingness to do what's necessary, or more than what's expected, to prove the value of the resources offered. It requires involvement in the customer's process. It requires thinking from different perspectives.

At U.S. Concrete, we have progressed from providing generic concrete to providing concrete that delivers short-term and long-term value to the customer, through solving immediate needs or problems and improving product performance and longevity. A large part of this progression involves something that most concrete providers don't think to do — communicate with the customer and his team to discuss their needs. The more questions we ask, the more challenges surface for us to provide solutions with our multitude of resources. We've discovered that there are untapped opportunities in areas — be they regions, markets, technologies or product applications — that our customers have never thought to ask about and where we've never looked before. That's nothing but potential, and that's what companies grow on.

We are no longer just a supplier of material. We are a participant in the process and a solutions provider. U.S. Concrete is the new resource for the construction industry.

“U.S. Concrete is the only ready-mixed supplier in our market that's actively working with us on mix designs for a denser, more moisture-resistant concrete.”

PAUL ESCH, *Cedar Valley Construction*



Corporate Information

OFFICERS AND DIRECTORS

Eugene P. Martineau
*Chief Executive Officer and President
Director*

Vincent D. Foster
*Senior Managing Director
Main Street Mezzanine Fund, LLC
Chairman of the Board*

Michael W. Harlan
*Senior Vice President and
Chief Financial Officer
Director*

Terry Green
Vice President-Operational Integration

Cesar Monroy
Vice President-Finance

Raymond C. Turpin, Jr.
Vice President-Technical Affairs

Donald C. Wayne
*Vice President, General Counsel
and Secretary*

Richard A. Williams
Vice President-Marketing and Sales

William T. Albanese
*President
U.S. Concrete Bay Area Region
Director*

Michael D. Mitschele
*President
U.S. Concrete Atlantic Region
Director*

John R. Colson
*Chief Executive Officer
Quanta Services, Inc.
Director*

T. William Porter III
*Chairman
Porter & Hedges, L.L.P.
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Mary P. Ricciardello
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Murray S. Simpson
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