

# Ash Grove Cement Company

8900 Indian Creek Parkway Overland Park, KS 66225 Telephone (913)451-8900 Fax (913)451-8324

## Company Description

Ash Grove Cement operates eight cement manufacturing plants and two lime manufacturing plants throughout the midstates and northwest United States. Products include ready-mixed concrete, aggregates and package materials which are sold to customers in over twenty states and parts of Canada. Ash Grove Cement is ranked as the fourth largest cement manufacturer in the United States and is also involved in real estate development. The Company was formed in 1882.

	12/31/98	12/31/97	12/31/96	12/31/95	
<b>Per Share Information</b>					
Stock Price	91.50	69.25	56.75	56.00	
Earnings Per Share	11.42	10.09	7.44	6.33	
Price / Earnings Ratio	8.01	6.86	7.63	8.85	
Book Value Per Share	67.77	58.22	49.09	42.55	
Price / Book Value %	135.02	118.95	115.60	131.61	
Dividends Per Share	1.25	1.00	0.85	0.70	
<b>Annual Financial Data</b>					
<b>Operating Results (000's)</b>					
Total Revenues	503,717.3	471,319.2	417,526.6	407,745.3	
Costs & Expenses	-365,694.1	-346,503.2	-322,070.4	-326,131.0	
Income Before Taxes and Other	138,023.2	124,311.7	90,612.1	79,986.5	
Other Items	0.0	-375.3	-361.4	-1,030.6	
Income Tax	-48,486.0	-44,365.0	-31,333.9	-28,563.0	
Net Income	89,537.2	79,571.3	58,916.8	50,392.9	
Cash Flow From Operations	91,459.2	96,461.8	80,635.9	64,610.5	
<b>Balance Sheet (000's)</b>					
Cash & Equivalents	9,711.0	8,818.0	2,470.0	30,425.5	
Total Current Assets	212,665.3	165,531.3	168,319.4	133,240.0	
Fixed Assets, Net	385,023.7	378,372.6	325,320.4	312,698.3	
Total Assets	710,133.2	651,587.9	584,553.8	532,918.3	
Total Current Liabilities	44,335.1	46,597.9	47,055.1	42,043.3	
Long-Term Debt	54,696.6	61,542.5	68,371.2	70,750.1	
Stockholders' Equity	524,658.3	458,360.2	387,641.3	338,524.4	
<b>Performance &amp; Financial Condition</b>					
Return on Total Revenues %	17.78	16.88	14.11	12.36	
Return on Avg Stockholders' Equity %	18.22	18.81	16.23	15.97	
Return on Average Assets %	13.15	12.87	10.54	9.76	
Current Ratio	4.80	3.55	3.58	3.17	
Debt / Equity %	10.43	13.43	17.64	20.90	
<b>Compound Growth %'s</b>					
EPS %	21.74	Net Income %	21.12	Total Revenues %	7.30

## Comments

The Company declared a 2 for 1 stock split in 1996. All per share amounts have been adjusted for consistency. The Company, which had been operating at capacity levels, completed its expansion of the Leamington, Utah facility during 1996 and the Durkee, Oregon plant in April 1998. 1998 was the fifth consecutive year of record levels for sales and profits. In September 1998, management announced plans to modernize and enlarge the Chanute, Kansas cement plant. \$135 million will be spent on the first phase of the construction. While the Company has enjoyed substantial success over the past few years because of the strong construction market, other opportunities exist for the expansion of the business including the recently passed federal legislation to increase highway spending by about 40% annually over the next five years. Liquidity is excellent with \$77 million invested in short term securities. Investment Classification: Value & Growth

Officers	Position	Ownership Information	
James P. Sunderland	Chairman	Number of Shares Outstanding	7,742,293
George M. Wells	President	Market Capitalization	\$ 708,419,810
John H. Ross III	Senior VP	Frequency of Dividends	Quarterly
Charles T. Wiedenhoft	Senior VP	Number of Shareholders	Under 500

## Other Information

Transfer Agent	Company Office	Overland Park, KS	Where Listed	OTC-BB
Auditor	KPMG LLP		Symbol	ASHG
Market Maker	George K. Baum & Company	(800)821-7570	SIC Code	3240
	Howe Barnes Investments, Inc.	(800)621-2364	Employees	1,800
Broker Dealer	Regular Stockbroker			