

CENTEX CONSTRUCTION PRODUCTS INC

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November 20, 2003

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**UNITED STATES
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SCHEDULE 14A

Proxy Statement Pursuant to Section 14(a) of the Securities

Exchange Act of 1934 (Amendment No. 3)

Filed by the Registrant x
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Check the appropriate box:

- x Preliminary Proxy Statement
- o **Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2))**
- o Definitive Proxy Statement
- o Definitive Additional Materials
- o Soliciting Material Pursuant to §240.14a-12

CENTEX CONSTRUCTION PRODUCTS, INC.

(Name of Registrant as Specified In Its Charter)

(Name of Person(s) Filing Proxy Statement, if other than the Registrant)

Payment of Filing Fee (Check the appropriate box):

- x No fee required.
- o Fee computed on table below per Exchange Act Rules 14a-6(i)(1) and 0-11.

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2) Aggregate number of securities to which transaction applies:

3) Per unit price or other underlying value of transaction computed pursuant to Exchange Act Rule 0-11 (set forth the amount on which the filing fee is calculated and state how it was determined):

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Centex Construction Products, Inc.

**2728 N. Harwood
Dallas, Texas 75201**

November , 2003

Dear Stockholder:

You are cordially invited to attend a special meeting of stockholders of Centex Construction Products, Inc., which we refer to as CXP, to be held at 9:00 a.m., local time, on _____, 200_, at 2728 N. Harwood, 10th Floor, Dallas, Texas. At the special meeting, you will be asked to consider and vote upon nine proposals. The first of these proposals relates to a reclassification of the common stock of CXP that is necessary to permit the tax-free distribution by Centex Corporation, which we refer to as Centex, of all of the shares of CXP common stock held by Centex to its stockholders. Centex currently holds 11,962,304 shares of common stock, representing approximately 65% of our outstanding common stock. We refer to our currently existing class of common stock as our common stock prior to the reclassification and as Class A common stock after the reclassification.

Given the nature of Centex's ownership of CXP, in order for the reclassification and the distribution to be tax-free to Centex and its stockholders for U.S. federal income tax purposes, among other things, Centex must own, at the time of the distribution, capital stock of CXP having the right to elect at least 85% of the members of our board of directors, and Centex must distribute all of that stock to its stockholders in a single transaction. Accordingly, the proposal provides for the reclassification of 9,220,000 of the 11,962,304 shares of our common stock held by Centex into a new class of common stock, called the Class B common stock, having the right to elect at least 85% of the members of our board of directors. The holders of shares of our Class A common stock will have the right to elect the remaining member or members of our board of directors. In all other respects the rights of the holders of these two classes of stock will be substantially the same. Immediately after the reclassification, all of the Class B common stock and the remaining 2,742,304 shares of our Class A common stock held by Centex will be distributed to the Centex stockholders.

As a technical matter, you will be voting to adopt an amended and restated agreement and plan of merger, among CXP, Centex and ARG Merger Corporation, a newly formed wholly-owned subsidiary of Centex, as a means to effect the reclassification. The merger agreement provides for certain amendments to our certificate of incorporation that are necessary to effect the reclassification.

If the reclassification is approved and other conditions are satisfied or waived, CXP will declare and pay a special one-time cash dividend to CXP stockholders (including Centex) of \$6.00 per share, or an aggregate of approximately \$112 million, payable to stockholders of record prior to the distribution.

The reclassification, the distribution and related transactions, which are described in detail in the accompanying proxy statement, are expected to provide certain benefits to CXP and its stockholders. The reclassification will allow the public holders of our Class A common stock to elect one director, compared to their current inability to significantly influence the election of any members of our board of directors due to Centex's majority voting control. Apart from the increased influence over the election of one

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director, the reclassification itself will not result in any material benefits to our stockholders. However, the reclassification is a prerequisite to the other proposed transactions, because Centex advised us that it would only be willing to proceed with the distribution and related transactions if the distribution were tax-free to Centex and its stockholders. Accordingly, our board of directors reviewed the proposed transactions in their entirety, and considered the following benefits from the distribution and related transactions:

The proposed transactions will significantly increase the public float and liquidity of our capital stock by increasing the number of shares held by stockholders (other than Centex) from about 6.6 million shares to about 18.6 million shares, which includes shares of the Class A common stock and shares of the Class B common stock. The proposed transactions will also significantly increase the public float and liquidity of our existing class of common stock by increasing the number of shares of that class held by stockholders (other than Centex) from about 6.6 million shares to about 9.4 million shares. In addition, the transactions will result in a broader stockholder base when Centex distributes the shares of Class B common stock and Class A common stock held by it to its stockholders. We estimate that there will be at least 28,000 beneficial owners of our capital stock immediately following the distribution, which represents more than ten times our current number of beneficial owners.

We believe that a broader stockholder base, coupled with increased public float and liquidity of our capital stock may attract additional analyst coverage of us, which we believe would enhance the market's awareness of our capital stock and stimulate interest from new investors.

We expect that an expansion of our stockholder base and broader exposure in the investment community will enhance our ability to use our capital stock as an acquisition currency and as a means of raising capital.

Our stockholders will receive immediate tangible value through the special one-time cash dividend.

As a 65% owned subsidiary of Centex, we currently must compete for capital with Centex's other lines of business. The proposed transactions will permit us to manage our business and seek growth opportunities without regard to considerations or limitations related to the capital requirements of Centex's other businesses.

The proposed transactions will permit us to pursue our business interests independent of Centex, particularly with respect to acquisitions, business and asset sales and other corporate opportunities.

Subject to a two-year limitation on mergers and other extraordinary transactions and the effect of the governance proposals described below, the transactions may permit our stockholders to share in any premium associated with a future transfer of control of CXP, if such an event should occur.

These transactions also have certain actual or potential disadvantages to CXP and its stockholders, which you should carefully consider:

After the reclassification, our current public stockholders will hold shares of Class A common stock, which have voting rights that are inferior to those of the Class B common stock with respect to the election of directors. As a result, our current public stockholders will have diminished voting rights in the election of directors inasmuch as our current stockholders will only have the right to elect directors comprising 15% or less of our board of directors.

In order to fund payment of the special dividend to our stockholders, we expect to incur approximately \$112 million of debt under a new bank credit facility. Our debt service obligations with respect to this new debt will have an adverse impact on our earnings and cash flow for as long as the indebtedness is outstanding. This adverse effect on our earnings and cash flow could negatively impact our stock price.

In four of seven (or 57%) of the precedent distribution transactions reviewed by the financial advisor to the special committee of our board of directors that are similar in structure to the proposed transactions, the market price of the common stock held by the stockholders of the issuer

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declined relative to the S&P 500 Index during the longest period reviewed after the announcement of such transactions. This relative price decline may be attributable in part to the diminished voting rights of the holders of common stock in these transactions.

We expect to incur some additional administrative and other costs after the distribution as a public company that operates independently of Centex.

We have agreed with Centex that we will not engage in certain transactions, including mergers, consolidations, liquidations, asset sales and stock repurchases, for a period of two years after the distribution, unless Centex has received satisfactory assurances that these transactions will not affect the tax-free nature of the distribution. These obligations could limit our ability to engage in these types of transactions, even if such transactions would otherwise be in the best interests of our stockholders.

After the distribution, it is likely that some Centex stockholders will sell all or part of the shares of Class A common stock and Class B common stock received by them, which could depress the market price of our Class A common stock and Class B common stock.

You will also be asked to consider and vote upon certain corporate governance and authorized capital proposals which are described in detail in the attached proxy statement. You are also being asked to approve a stockholders' rights plan. We believe that these proposals will help foster our long-term growth as an independent company following the distribution and, in the case of the governance and the stockholders' rights plan proposals, will help protect our stockholders from potentially coercive or abusive takeover tactics and attempts to acquire control of us at a price or on terms that are not in the best interests of our stockholders. In addition, we have agreed to indemnify Centex for tax liabilities under certain circumstances if the distribution becomes subject to tax. The likelihood of the distribution losing its tax-free status and CXP being subject to liability under the tax indemnification provisions of the distribution agreement increase if CXP is acquired. By making a takeover of CXP without approval of our board of directors more difficult, these proposals will also protect CXP from potential liabilities resulting from the loss of the tax-free status of the distribution. The governance and authorized capital proposals would amend our certificate of incorporation to create a classified board of directors consisting of three classes, eliminate the ability of our stockholders to act by written consent, eliminate the ability of our stockholders to call a special meeting of stockholders, require a supermajority vote by our stockholders to amend certain provisions of our certificate of incorporation and increase the amount of our authorized capital stock. The governance proposals and stockholders' rights plan proposal may discourage takeover bids and other transactions that could result in the removal of our board of directors or incumbent management, even if a substantial number of stockholders believe that these actions would be in their best interests.

You will also be asked to consider and vote upon a proposal to change our name to Eagle Materials Inc.

Finally, you will be asked to vote upon a proposal to adopt a new incentive plan combining, amending and restating our two existing stock option plans without increasing the number of shares available for awards.

The accompanying proxy statement provides information about the proposed transactions. Our board encourages you to read the entire proxy statement and the appendices carefully.

The board of directors of CXP, upon the recommendation of its special committee consisting of independent directors, has determined that the distribution and related transactions, including the reclassification, are advisable, fair to and in the best interests of CXP and its stockholders and have unanimously approved the merger agreement and each of the governance, authorized capital increase, name change, stockholders rights plan and incentive plan proposals. **The board of directors of CXP recommends that you vote For the adoption of the merger agreement and the governance, authorized capital increase, name change, stockholders' rights plan and incentive plan proposals and urges you to sign, date and mail the enclosed proxy in the reply envelope at your earliest convenience.**

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Thank you for your continued support as we proceed to consider and implement these important transactions.

Very truly yours,

-s- Laurence E. Hirsch

LAURENCE E. HIRSCH

Chairman of the Board

Your vote is important. Whether or not you plan to attend the special meeting, please fill in, sign and promptly return your proxy in the enclosed postage-paid envelope. You may revoke your proxy at any time before it is voted. Executed but unmarked proxies will be voted for the adoption of the agreement and plan of merger and for the approval of each of the governance, authorized capital increase, name change, stockholders' rights plan and incentive plan proposals. There is no need to send any CXP stock certificates to us in your proxy envelope or otherwise.

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Centex Construction Products, Inc.

**2728 N. Harwood
Dallas, Texas 75201**

NOTICE OF SPECIAL MEETING OF STOCKHOLDERS

To Be Held _____, 200_

To the Stockholders:

NOTICE IS HEREBY GIVEN that a special meeting of stockholders of Centex Construction Products, Inc., a Delaware corporation (CXP), will be held at 2728 N. Harwood, 10th Floor, Dallas, Texas 75201 at 9:00 a.m., local time, on _____, 200_, for the following purposes:

(1) *Reclassification Proposal.* You are being asked to approve the adoption of an amended and restated agreement and plan of merger, among CXP, Centex Corporation (Centex) and ARG Merger Corporation, a newly-formed, wholly-owned subsidiary of Centex. The merger agreement provides for the merger of ARG Merger Corporation with and into CXP in order to reclassify our capital stock to create a new class of common stock, to be called Class B common stock, having the right to elect at least 85% of the members of our board of directors. We refer to our existing class of common stock as common stock prior to the reclassification and as Class A common stock after the reclassification. The reclassification is being proposed to facilitate the tax-free distribution by Centex to its stockholders of its approximately 65% equity ownership interest in CXP. In the reclassification, Centex will exchange 9,220,000 shares of common stock held by it for an equal number of shares of Class B common stock. Immediately following the reclassification, Centex will distribute these shares of Class B common stock and the remaining 2,742,304 shares of Class A common stock held by Centex to its stockholders. The merger agreement provides for certain amendments to our certificate of incorporation that are necessary to create the Class B common stock.

(2) *Governance Proposals.* You are also being asked to approve a number of proposals that would, if approved, amend our certificate of incorporation at the effective time of the merger as follows:

Staggered Board Proposal. To amend our certificate of incorporation to divide our board of directors into three classes, with each director serving for a term of three years.

Written Consent Proposal. To amend our certificate of incorporation to eliminate the ability of our stockholders to act by written consent.

Special Meeting Proposal. To amend our certificate of incorporation to eliminate the ability of our stockholders to call special meetings of the stockholders.

Supermajority Voting Proposal. To amend our certificate of incorporation to require approval of 66 2/3% of the outstanding shares of our common stock entitled to vote, voting together as a

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single class, to alter, amend, rescind or repeal our bylaws by action of our stockholders or to adopt or modify the provisions of our certificate of incorporation relating to:

the division of our board of directors into three classes;

the inability of our stockholders to act by written consent;

the inability of our stockholders to call special meetings of the stockholders;

the ability of our board of directors to adopt, alter, amend and repeal the bylaws;

a special voting provision limiting the voting rights of beneficial owners of 15% or more of the outstanding shares of our Class B common stock; and

the 66 2/3% vote required in order for our stockholders to modify any of the provisions of our certificate of incorporation described above.

These proposals are collectively referred to as the governance proposals. None of the governance proposals will become effective unless the reclassification is completed.

(3) *Authorized Capital Increase Proposal.* To approve an amendment to our certificate of incorporation to increase the authorized number of shares of common stock and preferred stock that we may issue from 50,000,000 shares of common stock and 2,000,000 shares of preferred stock to 100,000,000 shares of common stock (consisting of 50,000,000 shares of Class A common stock and 50,000,000 shares of Class B common stock) and 5,000,000 shares of preferred stock. The authorized capital increase proposal will not become effective unless the reclassification is completed.

(4) *Name Change Proposal.* To approve an amendment to our certificate of incorporation to change our name from Centex Construction Products, Inc. to Eagle Materials Inc. The name change proposal will not become effective unless the reclassification is completed.

(5) *Stockholders Rights Plan Proposal.* To approve a proposal to implement a stockholders rights plan. The stockholders rights plan proposal will not become effective unless the reclassification is completed.

(6) *Incentive Plan Proposal.* To approve a proposal to adopt a new incentive plan combining, amending and restating our two existing stock option plans without increasing the number of shares available for awards. If approved by our stockholders, the incentive plan proposal will become effective whether or not the reclassification is not completed.

(7) *Other Business.* To conduct such other business as may properly come before the special meeting or any adjournment thereof.

Each of the foregoing items of business is more fully described in the proxy statement accompanying this notice. **We urge you to review the proxy statement and appendices thereto in their entirety.**

If the reclassification is approved and other conditions to the proposed transactions are satisfied or waived, CXP will declare and pay a special one-time cash dividend to CXP stockholders (including Centex) of \$6.00 per share, or an aggregate of approximately \$112 million, payable to stockholders of record prior to the distribution.

The Board of Directors of CXP has fixed the close of business on _____, 2003 as the record date for the determination of stockholders entitled to notice of and to vote at the special meeting or any adjournment thereof. Only stockholders of record at the close of business on the record date are entitled to notice of and to vote at the special meeting. The transfer books will not be closed.

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You are cordially invited to attend the special meeting. Whether or not you expect to attend the special meeting in person, you are urged to sign, date and mail promptly the accompanying form of proxy so that your shares may be represented and voted at the special meeting. Your proxy will be returned to you if you choose to attend the special meeting and request that it be returned.

By Order of the Board of Directors

James H. Graass
Executive Vice President,
General Counsel and Secretary

Dallas, Texas
November , 2003

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SUMMARY TERM SHEET

This summary term sheet provides an overview of the material information that is presented in this proxy statement and may not contain all the information that is important to you. You should carefully read this entire proxy statement and the attached appendices for a more complete understanding of the transactions. References in this proxy statement to CXP, we, us, ours or like terms refer to Centex Construction Products, Inc. In this proxy statement we refer to our currently existing class of common stock as our common stock prior to the reclassification described below and as Class A common stock after the reclassification. Additionally, we refer to the new class of common stock created pursuant to the reclassification as Class B common stock. This proxy statement and the accompanying proxy were first sent to our stockholders on or about November 1, 2003.

Centex Construction Products, Inc.

We produce and sell cement, gypsum wallboard, recycled paperboard, aggregates and readymix concrete used in residential, industrial, commercial and infrastructure applications. We are a holding company and the businesses of the consolidated group are conducted through our subsidiaries. Prior to April 19, 1994, CXP was a wholly-owned subsidiary of Centex Corporation, which we refer to as Centex. On April 19, 1994, we completed an initial public offering of 51% of our common stock. Our existing common stock, par value \$0.01 per share, began trading publicly on the New York Stock Exchange on April 19, 1994. Centex currently owns approximately 65% of our common stock. Our principal executive offices are located at 2728 N. Harwood, Dallas, Texas 75201, and our telephone number at that location is (214) 981-5000.

Centex Corporation

Centex, through its subsidiaries, is engaged in five principal business segments: home building, financial services, construction products, construction services and investment real estate. Centex's home building operations involve the purchase and development of land or lots and the construction and sale of single-family homes, townhomes and low-rise condominiums. Through its financial services operations, Centex is engaged in the residential mortgage banking business, as well as in other financial services that are in large part related to the residential mortgage market, and include mortgage origination, servicing and other related services. Centex's construction products operations are conducted through its ownership interest in CXP. The construction services operations involve the construction of buildings for both private and government interests, including office, commercial and industrial buildings, hospitals, hotels, correctional facilities, education institutions, museums, libraries, airport facilities and sports facilities. Centex's investment real estate operations involve the acquisition, development and sale of land, primarily for industrial, office, multi-family, retail, residential and mixed-use projects. Centex's principal executive offices are located at 2728 N. Harwood, Dallas, Texas 75201, and its telephone number at that location is (214) 981-5000.

Summary of the Transactions

CXP and Centex have agreed, subject to various conditions, to effect a series of transactions that will permit Centex to distribute its entire equity interest in CXP to Centex's stockholders in a transaction that is tax-free to Centex and its stockholders. In order to permit this distribution to be tax-free for U.S. federal income tax purposes, CXP proposes to make the changes to its capital structure described in this proxy statement.

Summary of the Merger and Reclassification Proposal.

On July 21, 2003, CXP, Centex and ARG Merger Corporation, a newly formed wholly-owned subsidiary of Centex that we refer to as Merger Sub, entered into an agreement and plan of merger. We subsequently amended and restated this agreement to make certain minor modifications. This amended and restated agreement and plan of merger, which we refer to as the merger agreement, provides for the merger of Merger Sub with CXP in order to reclassify its common stock to create a new class of our common stock called Class B common stock. The

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reclassification is being proposed to facilitate the tax-free distribution by Centex to its stockholders of its approximate 65% ownership interest in CXP.

Given the nature of Centex's ownership interest in CXP, in order for the distribution by Centex of its entire equity interest in CXP to be tax-free to Centex and its stockholders, among other things, Centex must own, at the time of the distribution, capital stock of CXP having the right to elect at least 85% of the members of CXP's board of directors, and Centex must distribute its entire equity interest in CXP to Centex's stockholders in a single transaction.

The reclassification will be implemented as follows:

Centex will first contribute to Merger Sub 9,220,000 shares of our common stock and will retain its remaining 2,742,304 shares of our common stock.

Merger Sub will then merge with and into CXP and, as a result, the shares of common stock of Merger Sub held by Centex will be converted into 9,220,000 shares of Class B common stock. The shares of our common stock held by stockholders other than Merger Sub will not be affected by the merger. We refer to these transactions in this proxy statement as the reclassification.

The holders of shares of Class B common stock will be entitled to elect at least 85% of our board of directors. The holders of shares of our Class A common stock will have the right to elect the remaining member or members of our board of directors. The minimum number of directors of our board will be set at seven so that the holders of our Class A common stock will always be entitled to elect at least one director. In all other respects, the rights of the holders of our Class A common stock and the Class B common stock will be substantially the same, including with respect to voting rights on fundamental transactions affecting CXP. See Proposal One: The Reclassification and Related Transactions Description of the Reclassification Proposal and Description of the Merger Agreement and Distribution Agreement The Merger Agreement Reclassification and Merger.

The merger agreement provides for certain amendments to our certificate of incorporation necessary to create the Class B common stock. The amendments also include a special voting provision that limits the voting rights of holders of 15% or more of the Class B common stock as described under Proposal One: The Reclassification and Related Transactions Description of the Reclassification Proposal Limitations on Voting Rights of Class B Common Stock.

We are asking our stockholders to approve the adoption of the merger agreement, which, upon the merger of Merger Sub with CXP, will effect the reclassification. We refer to this proposal in this proxy statement as the reclassification proposal.

Cash Dividend. If the reclassification proposal is approved and the other conditions described in the merger agreement and the distribution agreement described below between CXP and Centex are satisfied or waived, we will declare a special one-time cash dividend to our holders of common stock (including Centex) of \$6.00 per share, payable to stockholders of record as of a date prior to the record date for the distribution. Based on the number of shares of common stock that are outstanding as of October 31, 2003, the total amount of the special dividend will be approximately \$112 million, of which Centex will be entitled to receive approximately \$72 million. All or substantially all of the special dividend will be funded through borrowings by CXP under a new bank credit facility to be established in connection with these transactions. See Proposal One: The Reclassification and Related Transactions Financing; Bank Credit Facility and Description of the Merger Agreement and Distribution Agreement The Distribution Agreement.

Distribution. We also have entered into an amended and restated distribution agreement with Centex, which governs the terms and conditions of the distribution and the special cash dividend. This distribution agreement was subsequently amended and restated to incorporate certain minor technical changes and we refer to the amended and restated distribution agreement as the distribution agreement. If the reclassification proposal is approved and the other conditions described in the merger agreement and the distribution agreement are satisfied or waived, then

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immediately following the payment of the cash dividend and completion of the reclassification, Centex will distribute to its stockholders, in proportion to the number of Centex shares they hold, all of the shares of Class B common stock that Centex receives in the reclassification, together with all of the remaining shares of Class A common stock owned by Centex. Centex estimates that a holder of a share of Centex common stock will receive approximately .19 shares of CXP stock pursuant to the distribution, consisting of approximately .04 shares of Class A common stock and approximately .15 shares of Class B common stock. No fractional CXP shares will be distributed in the distribution. Fractional shares will instead be aggregated and sold in the public market by the distribution agent, and the aggregate net cash proceeds will be distributed ratably to those stockholders who would otherwise receive fractional interests. After the reclassification and distribution, the number of outstanding shares of our Class A common stock and Class B common stock will be substantially equal. See Proposal One: The Reclassification and Related Transactions and Description of the Merger Agreement and Distribution Agreement The Distribution Agreement.

Other Proposals

We are asking our stockholders to approve several other proposals relating to the amendment of our certificate of incorporation and other matters in connection with the transactions described above. These proposals, other than the incentive plan proposal, will not be implemented if the reclassification proposal is not approved by the required vote of our stockholders.

Governance Proposals. We are asking our stockholders to approve a number of governance proposals that we believe would, if approved, foster our long-term growth as an independent company following the distribution and protect our stockholders from potentially coercive or abusive takeover tactics and attempts to acquire CXP at a price or on terms that are not in the best interests of CXP stockholders. In addition, by making a takeover or other change of control of CXP without approval of our board of directors more difficult, the proposals will protect CXP from potential liabilities under the distribution agreement resulting from the loss of the tax free status of the distribution. We are proposing to amend our certificate of incorporation as follows:

Staggered Board Proposal. If this proposal is approved, our certificate of incorporation will be amended to divide our board of directors into three classes, with each director serving for a term of three years.

Written Consent Proposal. If this proposal is approved, our certificate of incorporation will be amended to eliminate the ability of our stockholders to act by written consent.

Special Meeting Proposal. If this proposal is approved, our certificate of incorporation will be amended to eliminate the ability of our stockholders to call special meetings of the stockholders.

Supermajority Voting Proposal. If this proposal is approved, our certificate of incorporation will be amended to require the approval of 66 2/3% of the outstanding shares of our stock entitled to vote, voting together as a single class, to alter, amend, rescind or repeal our bylaws by action of our stockholders or to adopt or modify the provisions of our certificate of incorporation relating to:

the division of our board of directors into three classes;

the inability of our stockholders to act by written consent;

the inability of our stockholders to call special meetings of the stockholders;

the ability of our board of directors to adopt, alter, amend and repeal the bylaws;

the special voting limitation that limits the voting rights of beneficial owners of 15% or more of the outstanding shares of our Class B common stock; and

the 66 2/3% vote required in order for our stockholders to modify any of the provisions of the certificate of incorporation described above.

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See Proposals Two, Three, Four, Five, Six, Seven, Eight and Nine: Governance Proposals, Authorized Capital Increase Proposal, Name Change Proposal, Stockholders Rights Plan Proposal and Incentive Plan Proposal The Governance Proposals, the Authorized Capital Increase Proposal, and the Name Change Proposal and the Incentive Plan Proposal.

Authorized Capital Increase Proposal. We are asking our stockholders to approve a proposal that would, if approved, provide us with sufficient authorized capital stock for future issuances. If this proposal is approved, our certificate of incorporation will be amended to increase our authorized common stock from 50,000,000 to 100,000,000 shares of common stock (consisting of 50,000,000 shares of Class A common stock and 50,000,000 shares of Class B common stock). We are also proposing to increase our authorized preferred stock from 2,000,000 to 5,000,000 shares. Our board of directors believes that this increase in our authorized capital will ensure that there remains a sufficient authorized number of shares of common stock and preferred stock after the reclassification in order to provide for potential future stock splits, sales of our securities to raise additional capital, acquisitions of other companies or their businesses or assets, establishing strategic relationships with third parties, and providing options or other stock incentives to our employees, consultants or others. See Proposals Two, Three, Four, Five, Six, Seven, Eight and Nine: Governance Proposals, Authorized Capital Increase Proposal, Name Change Proposal, Stockholders Rights Plan Proposal and Incentive Plan Proposal The Governance Proposals, the Authorized Capital Increase Proposal and the Name Change Proposal.

Name Change Proposal. We are asking our stockholders to approve an amendment to our certificate of incorporation that would, if approved, change our name to Eagle Materials Inc. See Proposals Two, Three, Four, Five, Six, Seven, Eight and Nine: Governance Proposals, Authorized Capital Increase Proposal, Name Change Proposal, Stockholders Rights Plan Proposal and Incentive Plan Proposal The Governance Proposals, the Authorized Capital Increase Proposal and the Name Change Proposal.

Stockholders Rights Plan Proposal. Our board of directors has approved a stockholders rights plan to be implemented, subject to approval by our stockholders, upon consummation of the distribution. The purpose of the stockholders rights plan is to enhance the ability of our board of directors to ensure that our stockholders receive full and fair value for their shares of common stock in the event of a hostile takeover attempt. The stockholders rights plan encourages potential acquirors to negotiate with our board of directors and discourages certain coercive takeover tactics. In addition, by making a takeover or other change of control of CXP without approval of our board of directors more difficult, this proposal will also protect CXP from potential liabilities under the distribution agreement resulting from the loss of the tax-free status of the distribution. Under the terms of the stockholders rights plan, our board of directors will declare a dividend of one right for each outstanding share of any class of our common stock. Upon the occurrence of certain triggering events, as described in greater detail under Proposals Two, Three, Four, Five, Six, Seven, Eight and Nine: Governance Proposals, Authorized Capital Increase Proposal, Name Change Proposal, Stockholders Rights Plan Proposal and Incentive Plan Proposal Stockholders Rights Plan Proposal, each holder of a right (other than the acquiring person and certain related parties) will generally have the right to receive, upon exercise, capital stock having a value equal to two times the purchase price of the right. The effect of the exercise of the rights would be to dilute the ownership position of a person who has acquired 15% or more of our common stock by allowing our stockholders (other than the acquiring stockholder) to buy our capital stock at a lower price. The stockholders rights plan will include a provision requiring a committee comprised of independent directors of CXP to review and evaluate the plan no less frequently than once every three years, with the first review to take place two years after the distribution. See Proposals Two, Three, Four, Five, Six, Seven, Eight and Nine: Governance Proposals, Authorized Capital Increase Proposal, Name Change Proposal, Stockholders Rights Plan Proposal and Incentive Plan Proposal Stockholders Rights Plan Proposal.

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Incentive Plan Proposal. We are asking our stockholders to approve an incentive plan that would combine, amend and restate our existing stock option plans. We are proposing this new plan at this time in order to, among other things, ensure that our equity compensation arrangements are governed by a uniform set of terms and provisions. The number of shares that would be available for issuance under the incentive plan has not increased and is the same as the total number of shares available for issuance under our two existing stock option plans. The purpose of the incentive plan is to further the interests of CXP and our stockholders by providing incentives in the form of awards to key employees and nonemployee directors who can contribute materially to the success and profitability of CXP and our affiliates. See Proposals Two, Three, Four, Five, Six, Seven, Eight and Nine: Governance Proposals, Authorized Capital Increase Proposal, Name Change Proposal, Stockholders Rights Plan Proposal and Incentive Plan Proposal Incentive Plan Proposal.

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Transaction and Ownership Structure

The following chart illustrates CXP's current ownership structure, the effect of the reclassification, dividend and distribution, and the ownership of CXP immediately after the reclassification and the distribution:

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Expected Benefits of the Transactions to CXP and its Stockholders

The reclassification, the distribution and the related transactions described in this proxy statement are expected to result in the benefits set forth below, which are described in greater detail under Proposal One: The Reclassification and Related Transactions CXP's Reasons for the Reclassification and Related Transactions. The reclassification will allow the public holders of our Class A common stock to elect one director, compared to their current inability to significantly influence the election of any members of our board of directors due to Centex's majority voting control. Apart from the increased influence over the election of one director, the reclassification itself will not result in any material benefits to our stockholders. However, the reclassification is a prerequisite to the other proposed transactions, because Centex advised us that it would only be willing to proceed with the distribution and related transactions if the distribution were tax-free to Centex and its stockholders. Accordingly, our board of directors reviewed the proposed transactions in their entirety, and considered the following benefits from the distribution and related transactions:

The proposed transactions will significantly increase the public float and liquidity of our capital stock by increasing the number of shares held by stockholders (other than Centex) from about 6.6 million shares to about 18.6 million shares, which includes shares of the Class A common stock and shares of the Class B common stock. The proposed transactions will also significantly increase the public float and liquidity of our existing class of common stock by increasing the number of shares of that class held by stockholders (other than Centex) from about 6.6 million shares to about 9.4 million shares. In addition, the transactions will result in a broader stockholder base when Centex distributes the shares of Class B common stock and the Class A common stock held by it to its stockholders. We estimate that there will be at least 28,000 beneficial owners of our capital stock immediately following the distribution, which represents more than ten times our current number of beneficial owners.

We believe that a broader stockholder base, coupled with increased public float and liquidity of our capital stock, may attract additional analyst coverage of CXP, which we believe would enhance the market's awareness of our capital stock and stimulate interest from new investors.

We expect that an expansion of our stockholder base and broader exposure in the investment community will enhance our ability to use our capital stock as an acquisition currency and as a means of raising capital.

Our stockholders will receive immediate tangible value through the special one-time cash dividend.

As a 65% owned subsidiary, we currently must compete for capital with Centex's other businesses. The proposed transactions will permit us to manage our business and seek growth opportunities without regard to considerations or restraints related to the capital requirements of Centex's other businesses, including the need for Centex to maintain its current credit rating.

The proposed transactions will permit us to pursue our business interests independent of Centex, particularly with respect to acquisitions, business and asset sales and other corporate opportunities, and are designed to enhance the long term value of CXP.

Subject to the two-year limitation on mergers and other extraordinary transactions and the effect of the governance proposals, the transactions may permit our stockholders to share in any premium associated with a future transfer of control of CXP, if such an event should occur.

The proposed transactions are expected to enhance the attractiveness of our equity-based compensation plans due to the increased public float and liquidity of our capital stock, thereby increasing our ability to attract and retain qualified employees.

The governance proposals and stockholders' rights plan proposal will help foster our long-term growth as an independent company following the reclassification and the distribution by protecting our stockholders from potentially coercive or abusive takeover tactics and attempts to acquire control of CXP at a price or on terms that are not in the best interest of all of CXP's stockholders.

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Disadvantages of the Transactions to CXP and its Stockholders

The reclassification, the distribution and related transactions also have certain actual or potential disadvantages to CXP and its stockholders, which you should carefully consider:

After the reclassification, our current public stockholders will hold shares of Class A common stock, which have voting rights that are inferior to those of the Class B common stock with respect to the election of directors. As a result, our current public stockholders will have diminished voting power in the election of directors inasmuch as our current stockholders will only have the right to elect directors comprising 15% or less of our board of directors. The market value of our Class A common stock could be adversely affected by the inferior voting rights of this class.

In order to fund payment of the special dividend to our stockholders, including Centex, we expect to incur approximately \$112 million of new bank debt. Our debt service obligations with respect to this new bank debt will have an adverse impact on our earnings and cash flow for as long as the debt is outstanding. This adverse effect on our earnings and cash flow could negatively impact our stock price.

In four of seven (or 57%) of the precedent distribution transactions reviewed by the special committee's financial advisor that are similar in structure to the proposed transactions, the market price of the common stock held by the stockholders of the issuer declined relative to the S&P 500 Index during the longest period reviewed after the announcement of such transactions. This relative price decline may be attributable in part to the diminished voting rights of the holders of common stock in these transactions.

We have agreed with Centex that we will not engage in certain transactions, including mergers, consolidations, liquidations, asset sales and stock repurchases, for a period of two years after the distribution, unless Centex has received satisfactory assurances that these transactions will not affect the tax-free nature of the distribution. These obligations could limit our ability to engage in these types of transactions, even if such transactions would otherwise be in the best interests of our stockholders.

After the distribution, some Centex stockholders will sell all or part of the shares of Class A common stock and Class B common stock received by them, which could depress the market price of our Class A common stock and Class B common stock.

Under certain circumstances, including in the event of an acquisition of CXP by a third party within two years after the distribution, we could be obligated to indemnify Centex and its stockholders against significant tax liabilities.

In the past, Centex has performed certain corporate functions for us, including legal, accounting, benefit program administration, insurance administration and internal audit services. As an independent public company, we will be required, after an interim transition period, to replace these services, the cost for which will likely exceed the fees we pay to Centex.

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Conditions to the Transactions and Other Proposals

The reclassification and the distribution will occur only if all of the necessary conditions contained in the merger agreement and the distribution agreement are satisfied or waived. These conditions include, among other things, the receipt of a ruling from the Internal Revenue Service, or IRS, and the approval of the reclassification proposal by the votes of our stockholders described below under Required Vote. Centex received the required ruling from the IRS on November 7, 2003. None of the governance proposals, the authorized capital increase proposal, the name change proposal or the stockholders' rights plan proposal will be implemented unless the reclassification is completed. The incentive plan proposal will be implemented even if the reclassification is not completed. For a description of the other conditions contained in the merger agreement and the distribution agreement, see Description of the Merger Agreement and Distribution Agreement The Merger Agreement Conditions to the Merger and The Distribution Agreement Conditions to the Distribution and the Declaration of the Cash Dividend.

Special Meeting

We have called a special meeting of our stockholders to be held at 9:00 a.m., local time, on _____, 200_, at 2728 N. Harwood, 10th Floor, Dallas, Texas. At the special meeting, you will be asked to consider and vote upon the adoption of the merger agreement and upon the governance proposals, the authorized capital increase proposal, the name change proposal, the stockholders' rights plan proposal and the incentive plan proposal. See The Special Meeting.

Board of Directors Recommendation

Our board of directors has unanimously approved the merger agreement and each of the governance proposals, the authorized capital increase proposal, the name change proposal, the stockholders' rights plan proposal and the incentive plan proposal. Our board of directors has determined, based upon the recommendation of the special committee, that the distribution and related transactions, including the reclassification, are advisable, fair to and in the best interests of CXP and its unaffiliated and affiliated stockholders. Our board of directors has also determined, based upon the recommendation of the special committee, that each of the governance proposals, the authorized capital increase proposal, the name change proposal and the stockholders' rights plan proposal are advisable and in the best interests of CXP and our stockholders. **Our board of directors recommends that you vote For the adoption of the merger agreement and each of the governance proposals, the authorized capital increase proposal, the name change proposal, the stockholders' rights plan proposal and the incentive plan proposal.** See Proposal One: The Reclassification and Related Transactions Recommendation of the CXP Board and Proposals Two, Three, Four, Five, Six, Seven, Eight and Nine: Governance Proposals, Authorized Capital Increase Proposal, Name Change Proposal, Stockholders' Rights Plan Proposal and Incentive Plan Proposal.

Required Vote

Each outstanding share of our common stock is entitled to one vote on each proposal. Under Delaware corporate law, adoption of the merger agreement and approval of each of the governance proposals, the authorized capital increase proposal and the name change proposal require the affirmative vote of the holders of a majority of our common stock entitled to vote on such proposal. The approval of the stockholders' rights plan proposal is also being submitted for the affirmative vote of the holders of a majority of our common stock entitled to vote on such proposal. The approval of the incentive plan proposal requires the affirmative vote of the holders of a majority of the shares voting on the proposal. In addition, the reclassification will occur only if the holders of a majority of the shares of our common stock present in person or by proxy at the special meeting and voting on the reclassification proposal, other than Centex, vote to adopt the merger agreement. Throughout this proxy statement, when we refer to the approval of the reclassification proposal by our stockholders, we are referring to both the adoption of the merger agreement by the vote required under Delaware corporate law and the vote described in the

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previous sentence. See Proposal One: The Reclassification and Related Transactions Required Vote and Proposals Two, Three, Four, Five, Six, Seven, Eight and Nine: Governance Proposals, Authorized Capital Increase Proposal, Name Change Proposal, Stockholders Rights Plan Proposal and Incentive Plan Proposal Required Vote.

Centex has informed us that it will vote its shares of our common stock in favor of the reclassification proposal, each of the governance proposals, the authorized capital increase proposal, the name change proposal, the stockholders rights plan proposal and the incentive plan proposal. Since Centex owns approximately 65% of our outstanding shares, the approval of each of the governance proposals, the authorized capital increase proposal, the name change proposal, the stockholders rights plan proposal and the incentive plan proposal is assured. See Proposal One: The Reclassification and Related Transactions Required Vote and Proposals Two, Three, Four, Five, Six, Seven, Eight and Nine: Governance Proposals, Authorized Capital Increase Proposal, Name Change Proposal, Stockholders Rights Plan Proposal and Incentive Plan Proposal Required Vote.

Interests of Our Officers and Directors

Some of our officers and directors may have interests in the reclassification and related transactions that are different from, or in addition to, the interests of our public stockholders. For example, two of our directors, Messrs. Laurence E. Hirsch and Timothy R. Eller, are executive officers and directors of Centex and one of our directors, Mr. Quinn, is a former executive officer and current director of Centex. Centex will receive certain significant benefits in this transaction, including receipt of approximately 65% or approximately \$72 million, of the special dividend, which will be funded through the incurrence of debt by CXP. Centex will also receive the Class B common stock as a result of the reclassification, which will have superior voting rights to the Class A common stock, but Centex will not be required to pay any consideration for its increased voting rights. The members of our management and board of directors also have interests in the governance proposals and stockholders rights plan proposal that differ from the interests of our public stockholders, because these proposals may discourage takeover bids and other transactions that could result in the removal of our board of directors or incumbent management. In addition, in connection with the cash dividend, we will be making certain adjustments to outstanding stock options held by our optionees, including our officers and directors. Also, our directors and officers hold stock options granted under, and will be eligible to receive grants of stock options and restricted stock under, our incentive plan. See Certain Considerations, Proposal One: The Reclassification and Related Transactions Interests of Our Officers and Directors in the Reclassification, Stock Option Adjustment and Proposals Two, Three, Four, Five, Six, Seven, Eight and Nine: Governance Proposals, Authorized Capital Increase Proposal, Name Change Proposal, Stockholders Rights Plan Proposal and Incentive Plan Proposal Incentive Plan Proposal.

Appendices

The merger agreement is attached as Appendix A to this proxy statement.

The distribution agreement is attached as Appendix B.

The proposed restated certificate of incorporation is attached as Appendix C and includes provisions that reflect the reclassification proposal, governance proposals, authorized capital increase proposal and name change proposal, which will become effective if these proposals are approved.

The proposed amended and restated bylaws are attached as Appendix D and include proposals adopted in connection with our board's approval of the reclassification proposal as well as changes to our bylaws relating solely to the governance proposals, which will become effective if the reclassification proposal and the governance proposals are approved.

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The opinion of Bear, Stearns & Co. Inc., the special committee's financial advisor, relating to the financial fairness of the reclassification, the cash dividend and the distribution, taken as a whole, to CXP's public stockholders, is attached as Appendix E.

The proposed incentive plan is attached as Appendix F.

We encourage you to read this proxy statement, the merger agreement, the distribution agreement, the proposed certificate of incorporation and bylaws, the opinion of Bear Stearns and the incentive plan carefully and in their entirety.

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QUESTIONS AND ANSWERS ABOUT THE RECLASSIFICATION,

**THE GOVERNANCE PROPOSALS, THE AUTHORIZED CAPITAL INCREASE PROPOSAL,
THE NAME CHANGE PROPOSAL, THE STOCKHOLDERS RIGHTS PLAN PROPOSAL
AND THE INCENTIVE PLAN PROPOSAL**

Q: What am I being asked to vote upon in the reclassification?

A: You are being asked to adopt a merger agreement providing for the reclassification of our capital stock. If the merger is approved and completed, a new class of common stock of CXP will be created that will be called Class B common stock and will have the right to elect at least 85% of our directors. The holders of shares of our Class A common stock will have the right to elect the remaining members of our board of directors. Centex currently holds 11,962,304 shares of our common stock. Centex will exchange 9,220,000 of these shares for an equal number of shares of Class B common stock in the reclassification. Centex will then distribute all of the 9,220,000 shares of Class B common stock that it receives in the reclassification, together with the remaining 2,742,304 shares of Class A common stock held by it, to its stockholders in the distribution. After the reclassification and distribution, the number of outstanding shares of our Class A common stock and Class B common stock will be substantially equal. If the reclassification is approved and other conditions to the proposed transactions are satisfied or waived, CXP will declare and pay a special one-time cash dividend to CXP stockholders (including Centex) of \$6.00 per share, or an aggregate of approximately \$112 million, payable to stockholders of record prior to the distribution.

Q: Other than the voting rights for the board of directors, is there any difference between a share of our Class A common stock and a share of Class B common stock?

A: No. In general, the rights of the holders of our Class A common stock and Class B common stock will be substantially the same in all other respects. More specifically, the voting rights of our Class A common stock and Class B common stock will be the same in all matters submitted to our stockholders except the election of our directors and certain other limited matters required by Delaware law. Delaware law requires a separate class voting right if an amendment to our certificate of incorporation would alter the aggregate number of authorized shares or par value of either such class or alter the powers, preferences or special rights of either such class so as to affect these rights adversely. These class voting rights provide each class with an additional measure of protection in the case of a limited number of actions that could have an adverse effect on the holders of shares of such class. For example, if our board of directors were to propose an amendment to our certificate of incorporation that would adversely affect the rights and privileges of our Class A common stock or Class B common stock, the holders of shares of such class would be entitled to a separate class vote on such proposal, in addition to any vote that may be required under our certificate of incorporation.

Q: What stockholder approvals are needed for the reclassification proposal?

A: The reclassification requires the affirmative vote of the holders of a majority of the outstanding shares of our common stock. In addition, the reclassification will occur only if approved by the affirmative vote of the holders of a majority of the shares of our common stock, other than Centex, that vote on the reclassification in person or by proxy at the special meeting.

Q: Other than the stockholder approvals discussed above, are there other conditions to the reclassification?

A: Yes. The reclassification will occur only if all of the conditions described under the caption Description of the Merger Agreement and Distribution Agreement The Merger Agreement Conditions to the Merger are satisfied or waived. These conditions include, among other things, the receipt by Centex of a private letter ruling from the Internal Revenue Service confirming that the reclassification and distribution will be tax-free transactions. This ruling was received by Centex on November 7, 2003.

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Q: If the reclassification and distribution occur, will CXP's name be changed?

A: Yes. If the reclassification and distribution occur and the name change proposal is approved, our certificate of incorporation will be amended to change our name to Eagle Materials Inc.

Q: Will the cash dividend be paid if the reclassification proposal is not approved?

A: No. We will declare and pay a special one-time cash dividend of \$6.00 per share to the holders of our existing class of common stock, including Centex, only if the reclassification is approved.

Q: Why is CXP recommending the governance proposals and stockholders' rights plan proposal?

A: We believe that, after the reclassification and distribution, we may be vulnerable to unsolicited attempts to acquire control of our company. In addition, we have agreed to indemnify Centex for tax liabilities under certain circumstances if the distribution becomes subject to tax. The likelihood of the distribution losing its tax-free status and CXP being subject to liability under the tax indemnification provisions of the distribution agreement increase if CXP is acquired. By making a takeover of CXP without approval of our board of directors more difficult, these proposals, will protect CXP from potential liabilities resulting from the loss of the tax-free status of the distribution. We also believe that the governance proposals and stockholders' rights plan proposal will help foster our long-term growth as an independent company following the reclassification and the distribution and will help protect our stockholders from potentially abusive takeover tactics and attempts to acquire control of CXP at a price or on terms that are not in the best interests of all of our stockholders.

Q: Why is CXP recommending the authorized capital increase proposal?

A: Our board of directors believes that an increase in our authorized capital will ensure that there remains a sufficient authorized number of shares of common stock and preferred stock after the reclassification and distribution in order to provide for potential future stock splits, sales of our securities to raise additional capital, acquisitions of other companies or their businesses or assets, establishing strategic relationships with third parties, and providing options or other stock incentives to our employees, consultants or others.

Q: What stockholder approvals are needed for the governance proposals, authorized capital increase proposal, name change proposal, stockholders' rights plan proposal and incentive plan proposal?

A: Each of the governance proposals, authorized capital increase proposal, name change proposal and stockholders' rights plan proposal requires the affirmative vote of the holders of a majority of our outstanding shares of common stock. The approval of the incentive plan proposal requires the affirmative vote of the holders of a majority of the shares voting on the proposal. Since Centex has informed us that it will vote its shares of our common stock in favor of each of these proposals, the approval of these proposals is assured.

Q: Will the governance proposals, authorized capital increase proposal, name change proposal, stockholders' rights plan proposal or incentive plan proposal be implemented even if the reclassification and distribution do not occur?

A: Other than the incentive plan proposal, we will not implement any of these proposals if the reclassification and distribution do not occur.

Q: What if I do not vote?

A: The failure to vote your shares will have the same effect as a vote against the reclassification, the governance proposals, authorized capital increase proposal, name change proposal and stockholders' rights plan proposal, although it will have no effect with respect to the separate required vote on the reclassification by stockholders other than Centex and with respect to the vote on the incentive plan proposal. If you respond and do not indicate how you want to vote, your proxy will be counted as a vote in favor of the reclassification, the governance proposals, authorized capital increase proposal, name change proposal, stockholders' rights plan proposal and incentive plan proposal. If you respond

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and abstain from voting, your proxy will have the same effect as a vote against the reclassification, the governance proposals, authorized capital increase proposal, name change proposal and stockholders' rights plan proposal, although your abstention will have no effect with respect to the separate required vote on the reclassification by stockholders other than Centex and with respect to the vote on the incentive plan proposal.

Q: Can I change my vote after I have delivered my proxy?

A: Yes. You can change your vote at any time before your proxy is voted at the special meeting. You can do this in one of three ways. First, you can revoke your proxy. Second, you can submit a new proxy. If you choose either of these two methods, you must submit your notice of revocation or your new proxy to the secretary of CXP before the special meeting. If your shares are held in an account at a brokerage firm or bank, you should contact your brokerage firm or bank to change your vote. Third, if you are a holder of record, you can attend the special meeting and vote in person.

Q: Should I send in my stock certificates now?

A: No. Other than Centex, our stockholders will not be exchanging share certificates. Please do not send in your stock certificates with your proxy or otherwise.

Q: Will the shares of our common stock continue to be listed on the New York Stock Exchange?

A: Following the reclassification and distribution, and if the name change proposal is approved, shares of our Class A common stock will be listed on the New York Stock Exchange under the symbol EXP. The Class B common stock has been tentatively approved for listing on the New York Stock Exchange, subject to the NYSE's review of additional supporting materials, under the symbol EXP.b. Our Class A common stock and Class B common stock will trade independently of each other and the trading prices of the shares of such classes of common stock may be different.

Q: When do you expect the reclassification and distribution to be completed?

A: We expect the reclassification and the distribution to be completed promptly following receipt of stockholder approval of the reclassification proposal and the satisfaction or waiver of the applicable conditions to completion of the distribution.

Q: Who can help answer my questions?

A: If you have any questions about the reclassification or how to submit your proxy, or if you need additional copies of this proxy statement or the enclosed proxy card or voting instructions, you should contact:

Georgeson Shareholder Communications Inc.
17 State Street, 28th Floor
New York, New York 10004
(888) 274-5119

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THE SPECIAL MEETING

This proxy statement is being furnished to our stockholders on or about November , 2003 in connection with the solicitation of proxies by our board of directors for use at a special meeting of stockholders at which our stockholders are being asked to vote on the adoption of the merger agreement and on the governance proposals, authorized capital increase proposal, name change proposal, stockholders rights plan proposal and incentive plan proposal. When we refer to the special meeting in this proxy statement, we are also referring to any adjournments or postponements of the special meeting.

Date, Time and Place of the Special Meeting of Stockholders

The special meeting of stockholders will be held at 9:00 a.m., local time, on _____, 200_, at 2728 N. Harwood, 10th Floor, Dallas, Texas 75201.

Recommendation of the CXP Board

Reclassification Proposal. Our board of directors, upon the recommendation of the special committee, has unanimously determined that the distribution and related transactions, including the reclassification, are advisable, fair to and in the best interests of CXP and our unaffiliated and affiliated stockholders. These transactions will give voting control of CXP to public stockholders and are expected to result in certain benefits that are described under Proposal One: Reclassification and Related Transactions CXP s Reasons for the Reclassification and Related Transactions. In addition to the long-term benefits of independence for CXP, the proposed transactions will deliver immediate value to our stockholders by virtue of the cash dividend. **Our board of directors recommends that you vote For the adoption of the merger agreement.**

Governance Proposals. Our board of directors, upon recommendation of the special committee, has unanimously determined that each of the staggered board proposal, the written consent proposal, the special meeting proposal and the supermajority voting proposal is advisable and in the best interests of CXP and our stockholders. Because Centex will no longer own a majority of our capital stock after the distribution, our board of directors believes that the distribution will make it easier for a third party to attempt to acquire CXP. Our board of directors also believes that companies can be and are acquired, and that changes in control of companies can and do occur, at prices below realistically achievable levels when boards do not have measures in place to require an acquiror to negotiate the terms of any acquisition directly with the board. Many companies have put in place provisions that effectively require such negotiations. The governance proposals are intended to make it more difficult for a potential acquiror to seek to acquire control of CXP by means of a proxy contest, merger or tender offer which is not negotiated with our board of directors. In addition, by making a takeover or other change of control of CXP without approval of our board of directors more difficult, these proposals will also protect CXP from potential liabilities under the distribution agreement resulting from the loss of the tax-free status of the distribution. **Our board of directors recommends that you vote For approval of each of the governance proposals.**

Authorized Capital Increase Proposal. Our board of directors has unanimously determined that the authorized capital increase proposal is advisable and in the best interests of CXP and our stockholders. Our board of directors believes that the increase in capital stock will ensure that there remains a sufficient authorized number of shares of common stock and preferred stock after the reclassification for potential future stock splits, sales of our securities to raise additional capital, acquisitions of other companies or their businesses or assets, establishing strategic relationships with third parties, or providing options or other stock incentives to our employees, consultants or others. **Our board of directors recommends that you vote For approval of the authorized capital increase proposal.**

Name Change Proposal. Our board of directors has unanimously determined that our name should be changed to Eagle Products Inc. to eliminate the reference to Centex because we will no longer be a majority-owned subsidiary of Centex and in order to establish an independent market presence in the

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construction products industry. **Our board of directors recommends that you vote For approval of the name change proposal.**

Stockholders Rights Plan Proposal. Our board of directors has unanimously determined that the stockholders rights plan proposal is advisable and in the best interests of CXP and its stockholders. Our board of directors believes that implementation of the stockholders rights plan will enhance the ability of our board of directors to ensure that our stockholders receive full, fair value for their shares of common stock in the event of a hostile takeover. The stockholders rights plan encourages potential acquirors to negotiate with our board of directors and discourages certain coercive takeover tactics. In addition, by making a takeover or other change of control of CXP without approval of our board of directors more difficult, this proposal will also protect CXP from potential liabilities under the distribution agreement resulting from the loss of the tax free status of the distribution. **Our board of directors recommends that you vote For approval of the stockholders rights plan proposal.**

Incentive Plan Proposal. Our board of directors, upon the recommendation of the compensation committee, approved the incentive plan and its submission to our stockholders. We are asking our stockholders to approve an incentive plan that would combine, amend and restate our existing stock option plans. We are proposing this new equity incentive compensation plan at this time in order, among other things, to ensure that our equity compensation arrangements are governed by a uniform set of terms and provisions. The number of shares available for issuance under the incentive plan has not increased and is the same as the total number of shares available for issuance under our two existing stock option plans. The purpose of the incentive plan is to further the interests of CXP and our stockholders by providing incentives in the form of awards to key employees and nonemployee directors who can contribute materially to the success and profitability of CXP and our affiliates. See Proposals Two, Three, Four, Five, Six, Seven, Eight and Nine: Governance Proposals, Authorized Capital Increase Proposal, Name Change Proposal, Stockholders Rights Plan Proposal and Incentive Plan Proposal Incentive Plan Proposal. **Our board of directors recommends that you vote For approval of the incentive plan proposal.**

Record Date and Shares Entitled to Vote

Only holders of record of our common stock as of the close of business on the record date, which is _____, 2003, will be entitled to notice of, and to vote at, the special meeting or any adjournments or postponements of the special meeting. A list of the stockholders of record will be available for inspection at the special meeting and at our headquarters located at 2728 N. Harwood, Dallas, Texas 75201, during ordinary business hours during the ten-day period prior to the special meeting. As of the close of business on the record date, there were _____ shares of our common stock outstanding and entitled to vote at the special meeting. A majority of these shares, present in person or represented by proxy, will constitute a quorum for the transaction of business.

Voting of Proxies

The proxy accompanying this proxy statement is solicited on behalf of our board of directors for use at the special meeting. Stockholders are requested to complete, date and sign the accompanying proxy card and promptly return it in the enclosed envelope. So long as they are not revoked, all properly executed proxies received prior to the vote at the special meeting will be voted at the special meeting in accordance with the instructions indicated on the proxies or, if no direction is indicated, to approve the adoption of the merger agreement and each of the governance proposals, the authorized capital increase proposal, the name change proposal, the stockholders rights plan proposal and the incentive plan proposal. You may revoke your proxy at any time before its use by delivering to our secretary at the above address, written notice of revocation or a duly executed proxy bearing a later date, or by attending the special meeting and voting in person.

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Required Vote

Each outstanding share of our common stock is entitled to one vote on each of the proposals described above and any other matter which properly comes before the special meeting.

Reclassification Proposal. Adoption of the merger agreement requires the affirmative vote of the holders of a majority of the outstanding shares of our common stock. In addition, the reclassification will be implemented only if the holders of a majority of the shares of our common stock voting on the reclassification proposal, in person or by proxy, at the special meeting, other than Centex, vote to adopt the merger agreement.

Staggered Board Proposal. The staggered board proposal requires the affirmative vote of the holders of a majority of the outstanding shares of our common stock.

Written Consent Proposal. The written consent proposal requires the affirmative vote of the holders of a majority of the outstanding shares of our common stock.

Special Meeting Proposal. The special meeting proposal requires the affirmative vote of the holders of a majority of the outstanding shares of our common stock.

Supermajority Voting Proposal. The supermajority voting proposal requires the affirmative vote of the holders of a majority of the outstanding shares of our common stock.

Authorized Capital Increase Proposal. The authorized capital increase proposal requires the affirmative vote of the holders of a majority of the outstanding shares of our common stock.

Name Change Proposal. The name change proposal requires the affirmative vote of the holders of a majority of the outstanding shares of our common stock.

Stockholders' Rights Plan Proposal. The stockholders' rights plan proposal requires the affirmative vote of the holders of a majority of the outstanding shares of our common stock.

Incentive Plan Proposal. The incentive plan proposal requires the affirmative vote of the holders of a majority of the outstanding shares of common stock voting with respect to such proposal; provided that the total vote cast represents at least 50% of all shares of common stock entitled to vote on the proposal.

As of the record date, current executive officers and directors of CXP owned _____ shares of our common stock, representing approximately _____% of the shares outstanding. CXP has been advised by its executive officers and directors that all of such persons intend to vote in favor of each of the proposals described above at the special meeting.

As of the record date, Centex owned 11,962,304 shares of our common stock, representing approximately 65% of the shares outstanding at that date. Centex has informed us that it intends to vote all of the shares of our common stock owned by it in favor of the adoption of the merger agreement and each of the governance proposals, the authorized capital increase proposal, the name change proposal, the stockholders' rights plan proposal and the incentive plan proposal. Accordingly, approval of the governance proposals, the authorized capital increase proposal, name change proposal, the stockholders' rights plan proposal and the incentive plan proposal is assured.

Quorum, Abstentions and Broker Non-Votes

The required quorum for the transaction of business at the special meeting is the presence in person or by proxy of a majority of the shares of common stock issued and outstanding and entitled to vote at the special meeting. If your shares are held in an account at a brokerage firm or bank, you must instruct them on how to vote your shares. If an executed proxy card is returned by a broker or bank holding shares which indicates that the broker or bank does not have discretionary authority to vote for approval of the reclassification proposal, the governance

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proposals, the authorized capital increase proposal, the name change proposal, the stockholders rights plan proposal and/or the incentive plan proposal, this will be considered to be a broker non-vote. Abstentions and broker non-votes each will be included in determining

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the number of shares present at the special meeting for the purpose of determining the presence of a quorum. Because the adoption of the merger agreement and approval of each of the governance proposals, the authorized capital increase proposal, the name change proposal and the stockholders' rights plan proposal require the affirmative vote of a majority of the outstanding shares of our common stock entitled to vote thereon, abstentions and broker non-votes will have the same effect as votes against each of the proposals. Centex has agreed that the approval of the reclassification proposal will also require the approval of the holders of a majority of the shares of our common stock that are present, in person or by proxy, at the special meeting and vote upon the proposal, other than Centex. Abstentions and broker non-votes will not have any effect on the special approval condition for the reclassification proposal or on the approval of the incentive plan proposal.

The actions proposed in this proxy statement are not matters that can be voted on by brokers holding shares for beneficial owners without the owners' specific instructions. Accordingly, all beneficial owners of common stock are urged to instruct their brokers how to vote.

Other Matters

Only one proxy statement is being delivered to multiple security holders who share an address unless we have received contrary instructions from one or more of the security holders. We will deliver promptly, upon written or oral request, a separate copy of this proxy statement to a security holder of a shared address to which a single copy was delivered. Also, security holders sharing an address may request a single copy of proxy statements if they are currently receiving multiple copies. Such requests can be made by contacting the Secretary at our principal executive offices.

The board of directors is not currently aware of any business to be acted upon at the special meeting, other than as described herein. If, however, other matters are properly brought before the special meeting, the persons appointed as proxies will have discretion to vote or act on these matters according to their best judgment, to the extent permitted by applicable law and unless otherwise indicated on any particular proxy. Notwithstanding the foregoing, shares represented by proxies voting against any proposal described in this proxy statement will not be voted in favor of a proposal to adjourn the special meeting for the purposes of soliciting additional proxies with respect to such proposal.

Representatives of Ernst & Young LLP, our independent auditors for the current fiscal year and the prior fiscal year, are expected to be present at the special meeting and will have the opportunity to make a statement if they desire to do so. Ernst & Young LLP will also be available at the special meeting to respond to appropriate questions from our stockholders.

Solicitation of Proxies and Expenses

We have engaged Georgeson Shareholder Communications Inc. to assist us in soliciting proxies from banks, brokers and nominees in connection with certain proposals. Georgeson will be paid fees of approximately \$8,500 for its services, and will be reimbursed for out-of-pocket expenses. In addition, the directors, officers and employees of CXP may solicit proxies from stockholders by telephone, facsimile or in person. Following the original mailing of this proxy statement, CXP will request banks, brokers, custodians, nominees and other record holders to forward copies of this proxy statement to people on whose behalf they hold shares of common stock and to request authority for the exercise of proxies by the record holders on behalf of those people. In those cases, CXP, upon the request of the record holders, will reimburse those holders for their reasonable expenses incurred in connection with requesting authority to vote.

The matters to be considered at the special meeting are of great importance to the stockholders of CXP. Accordingly, you are urged to read and carefully consider the information presented in this proxy statement and the appendices, and to complete, date, sign and promptly return the enclosed proxy card in the enclosed postage-paid envelope. No physical substitution of stock certificates will be required as a result of the reclassification, and your existing certificates will continue to represent your shares of Class A common stock after the reclassification.

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Who can help answer your questions

If you have questions about the proposals in this proxy statement, you should contact:

Georgeson Shareholder Communications Inc.
17 State Street, 28th Floor
New York, New York 10004
(888) 274-5119

**STOCKHOLDERS SHOULD NOT SEND
ANY STOCK CERTIFICATES WITH THEIR
PROXY CARDS OR OTHERWISE**

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CERTAIN CONSIDERATIONS

You should carefully consider the factors described below before voting on the proposals set forth in this proxy statement.

The reclassification will increase the voting rights of the shares of common stock held by Centex without the payment of any consideration by Centex.

As a result of the reclassification, 9,220,000 of the 11,962,304 shares of our common stock held by Centex will be converted into shares of Class B common stock having the right to elect at least 85% of the members of our board of directors. As a result, Centex will receive shares having superior voting rights with respect to the election of directors without being required to pay any consideration for its increased voting power. The increase in the voting power of a portion of the shares currently held by Centex is necessary to permit Centex to effect the distribution in a transaction that is tax-free to Centex and its stockholders.

The proposed transactions will reduce our earnings per share.

In order to fund payment of the special dividend to our stockholders, we expect to incur approximately \$112 million of debt under a new bank credit facility. Our debt service obligations with respect to this new debt will have an adverse impact on our earnings and cash flow for as long as the indebtedness is outstanding. In addition, we expect to incur some additional administrative and other costs after the distribution as a public company that operates independently of Centex. We estimate that our debt service obligations in respect of borrowings to fund the special dividend, together with additional costs of operating as a public company independent of Centex, could reduce our earnings per share by approximately 4% during our fiscal year ending March 31, 2005. This adverse effect on our earnings could negatively impact our stock price.

Certain of the reviews and analyses undertaken by Bear Stearns in connection with its fairness opinion indicate that the proposed transactions could have a negative effect on our stock price.

Certain of the reviews and analyses undertaken by Bear Stearns in connection with its fairness opinion indicate that the proposed transactions could have a negative effect on our stock price. For example, as described above, our debt service obligations on borrowings to be made to fund the special dividend, as well as the additional administrative and other costs we are likely to incur when operating as a public company independent of Centex, will reduce our earnings per share, which could have a negative impact on our stock price. Similarly, Bear Stearns' review of a broad group of 26 completed spin-offs of public companies announced since 1998 indicated that, on average, the stock price performance of these spin-offs underperformed the S&P 500 Index. Additionally, an analysis of seven spin-offs completed since 1995 that Bear Stearns considered more directly comparable to the proposed transactions, because they involved a reclassification of capital stock of the subsidiary into high vote stock (with superior voting rights relating solely to the election of directors) and low vote stock in order to permit the parent company to distribute the subsidiary stock to its stockholders on a tax-free basis (which we refer to as "step-up spin-offs"), provided indications of negative price effects. For example, a majority of the step-up spin-offs underperformed the S&P 500 Index over certain of the time periods reviewed. Moreover, the performance of these transactions, on average over certain of the time periods, was heavily affected by the positive stock price performance of one technology company that was spun off in mid-2000, when valuations of technology companies were significantly higher than they are today. See "Proposal One: The Reclassification and Related Transactions" Opinion of the Special Committee's Financial Advisor Summary of Bear Stearns' Reviews and Analyses.

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The right of the holders of Class A common stock to elect one director will be subject to our existing stockholder nomination procedures, and Class A directors will act as fiduciaries for all of our stockholders, which factors may diminish the value and effectiveness of the Class A voting rights.

As a result of the reclassification, the holders of Class A common stock will have the right to elect one member of our board of directors, whom we refer to as a Class A director. The initial Class A director will be Robert L. Clarke, who has served as chairman of the special committee. Mr. Clarke has been designated to serve as the initial Class A director by a majority of the members of our board of directors for a term that will commence upon the effectiveness of the reclassification and end on the first annual meeting of our stockholders after the special meeting. In the future, nominations of persons who are to stand for election as Class A directors will be made by the board of directors upon the recommendation of the nominating committee of our board of directors or, in accordance with the applicable provisions of our amended bylaws, by a stockholder entitled to vote for the election of such director. Our amended bylaws impose significant limitations on the ability of our stockholders to nominate directors, including a 90-day advance notice requirement for nominations for election at an annual meeting. In addition, under Delaware law, a Class A director owes fiduciary duties to our company and all of our stockholders, and accordingly does not act as an exclusive representative of the holders of our Class A common stock. These factors may tend to diminish the value and effectiveness of the class voting rights of the holders of our Class A common stock.

The tax-free distribution by Centex results in potential limitations on our ability to effect certain transactions and could potentially result in significant liabilities.

In the distribution agreement, we have agreed that, if the reclassification and distribution are completed, for a period of two years after the distribution, we will not:

merge or consolidate with or into any other corporation;

liquidate or partially liquidate;

sell or transfer all or substantially all of our assets in a single transaction or series of transactions;

except as permitted under the IRS procedures applicable to spin-offs, redeem or otherwise repurchase any of our capital stock; or

subject to certain exceptions, take any other actions that would cause or permit one or more persons to acquire stock representing a 50% or greater interest in CXP;

unless, before taking any of these actions, either Centex has obtained a ruling from the IRS (at the expense of CXP) or we have received an opinion of counsel reasonably satisfactory to Centex, that the contemplated actions will not result in the distribution failing to qualify as a tax-free transaction. We have also agreed, in the distribution agreement, to indemnify Centex under certain circumstances for taxes that may become payable by Centex, each member of the consolidated group of companies of which Centex is the common parent corporation and each direct and indirect subsidiary of Centex or its stockholders, whom we refer to collectively as the Centex group, if our actions give rise to the imposition of those taxes. As a result, we may be reluctant to pursue or undertake certain mergers, asset sales and other transactions during the two-year period following the reclassification and distribution. These restrictions and potential liabilities may make CXP less attractive to a potential acquiror and reduce the possibility that an acquiror will propose or seek to effect certain transactions with CXP during this two-year period. See Proposal One: The Reclassification and Related Transactions CXP's Reasons for the Reclassification and Related Transactions and Tax Matters Reclassification and Distribution.

Our borrowings to pay the cash dividend could limit our future operational flexibility and make us more sensitive to interest rate increases and cyclical downturns in our industry.

We expect to incur debt under our new bank credit facility in order to pay all or substantially all of the special one-time cash dividend to our stockholders in the aggregate amount of approximately

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\$112 million. Based on, among other things, our current stockholders' equity and our expected debt repayments during the next few months, we expect that our debt-to-capitalization ratio immediately after the distribution and the payment of the cash dividend will be approximately 22%. Our ability to make principal and interest payments on debt incurred to finance payment of the cash dividend will depend on our future operating performance, which will depend on a number of factors, many of which are outside our control. These factors include prevailing economic conditions, fluctuations in prices for our products, prices for natural gas and other energy costs and competitive and other factors affecting our business and operations. Although we believe that our cash flow from operations, together with our other sources of liquidity, will be adequate to make required payments on our indebtedness, finance anticipated capital expenditures and fund working capital requirements, we cannot assure you that this will be the case.

In addition, the amount of indebtedness to be incurred to fund the special dividend and the related financial and other covenants to which we will be subject will limit the amount of cash or borrowings available to us in the future, and could adversely affect our operations in various ways, including the following:

the amount of our indebtedness incurred to fund the special dividend will make our results of operations more sensitive to possible future increases in interest rates;

in the event of a cyclical downturn affecting all or part of the construction products industry, our revenues could be reduced, which could impair our ability to meet our debt service obligations;

our ability to respond to adverse economic and industry conditions could be limited;

we expect to dedicate a substantial portion of our cash flow from operations to the payment of principal and interest on our indebtedness, which will reduce the available cash to pay for future business activities, including acquisitions, significant investments or significant capital expenditures; and

we will have reduced ability to obtain additional financing to fund our future business activities.

See Proposal One: The Reclassification and Related Transactions Financing; Bank Credit Facility .

The Class B common stock will control the election of at least 85% of our board of directors, which may make it easier for a third party to acquire a majority of the voting power of our shares.

Following the reclassification, holders of Class B common stock will be entitled to elect at least 85% of the members of our board of directors. Accordingly, if any person or group of persons is able to exercise a majority of the voting power of our outstanding shares of Class B common stock, that person or group will be able to eventually obtain control of CXP by electing a majority of our board of directors. Consequently, the creation and issuance of Class B common stock could render us more susceptible to unsolicited takeover bids from third parties. This risk is partially mitigated by the governance proposals and the stockholders' rights plan proposal and by an additional provision to be included in our certificate of incorporation to the effect that any person who beneficially owns 15% or more of the outstanding shares of Class B common stock may only vote in any election of directors that percentage of the shares of Class B common stock which is equal to the lesser of its percentage ownership of Class B common stock or its percentage ownership of Class A common stock. This provision is intended to protect our public stockholders by ensuring that anyone seeking to accumulate shares of our common stock must acquire a substantial ownership interest in each class of our common stock in order to exercise control over CXP.

Stock sales following the distribution may affect our stock price.

All of the shares of our Class A common stock and Class B common stock distributed by Centex in the distribution, other than shares distributed to our affiliates, will be eligible for immediate resale in the public market. It is likely that some Centex stockholders will sell shares of our Class A common stock and Class B common stock received in the distribution for various reasons, including the fact that our business profile or market capitalization does not fit their investment objectives. Moreover, a substantial number of

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shares of Centex common stock are held by index funds tied to the Standard & Poor's 500 Index or other indices. These index funds may be required to sell the shares of our capital stock that they receive in the distribution, as our stock may not be included in the underlying indices. Any sales of substantial amounts of our Class A common stock or Class B common stock in the public market, or the perception that such sales might occur, could depress the market price of our Class A common stock or Class B common stock. We are unable to predict whether substantial amounts of our Class A common stock or Class B common stock will be sold in the open market following the distribution.

We are currently dependent on Centex for the performance of certain corporate functions.

In the past, Centex has performed certain significant corporate functions for us, including legal functions, accounting, benefit program administration, insurance administration and internal audit services. Centex will continue to provide some of these services to us during an interim period after the distribution in exchange for a fee payable by us pursuant to an administrative services agreement. For a description of the terms of this agreement, see Proposal One: The Reclassification and Related Transactions Relationship Between Centex and CXP after the Distribution. Once the distribution is completed, we intend to take steps to create our own, or to engage third parties to provide, corporate business functions that will replace many of those currently provided by Centex. As an independent public company, we will be required to bear the costs of replacing these services, which costs will likely exceed the fees we pay to Centex. There can be no assurance that we will be able to perform, or engage third parties to provide, these functions with the same level of expertise and on the same or as favorable terms as they have been provided by Centex.

The governance proposals and stockholders' rights plan proposal could limit another party's ability to acquire us and could deprive you of an opportunity to obtain a takeover premium for your shares of our common stock.

The governance proposals and stockholders' rights plan proposal, together with the Delaware business combination statute, as described under Proposals Two, Three, Four, Five, Six, Seven, Eight and Nine: Governance Proposals, Authorized Capital Increase Proposal, Name Change Proposal, Stockholders' Rights Plan Proposal and Incentive Plan Proposal Purpose and Effects of the Governance Proposals and Stockholders' Rights Plan Proposal, may discourage unsolicited takeover bids from third parties or efforts to remove incumbent management or our board of directors, or make these actions more difficult to accomplish, even if a substantial number of stockholders believe that these actions would be in their best interests. In addition, upon completion of the reclassification and distribution, our certificate of incorporation will contain a special voting provision that may limit the voting rights of holders of 15% or more of the Class B common stock, as described under Proposal One: The Reclassification and Related Transactions Description of the Reclassification Proposal Limitation on Voting Rights of Class B Common Stock, which may have the effect of delaying, deterring or preventing a change in control of CXP.

If the authorized capital increase proposal is approved, we will have a significant number of authorized but unissued shares which, if issued, could dilute the equity interests of our existing stockholders and adversely affect earnings per share.

If a significant number of additional shares of our Class A common stock are issued following the distribution, the equity interests of our existing stockholders would be diluted and our earnings per share could be adversely affected. If the authorized capital increase proposal is approved, immediately following the distribution (and based on the number of outstanding shares as of the record date), we will be authorized to issue up to _____ additional shares of our Class A common stock, 40,780,000 shares of Class B common stock and 5,000,000 shares of preferred stock. Our board of directors has full discretion to issue additional shares at any time in the future without stockholder approval, subject to applicable legal, stock exchange and other regulatory requirements. At the present time, our board of directors has full discretion to issue up to _____ additional shares of our common stock.

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Forward-looking statements may prove inaccurate.

This proxy statement contains forward-looking statements within the meaning of Section 27A of the Securities Act of 1934 and the Private Securities Litigation Reform Act of 1995. Forward-looking statements may be identified by the context of the statement and generally arise when we are discussing our beliefs, estimates or expectations. These statements are not guarantees of future performance and involve a number of risks and uncertainties that may cause our actual results to be materially different from planned or expected results. Those risks and uncertainties include, but are not limited to:

- levels of construction spending in major markets;
- price fluctuations and supply and demand for cement, wallboard and our other products;
- significant changes in the cost of natural gas, other energy costs and cost of other raw materials;
- availability of raw materials;
- the cyclical nature of our businesses;
- national and regional economic conditions;
- interest rates;
- seasonality of our operations;
- unfavorable weather conditions during peak construction periods;
- changes in and implementation of environmental and other governmental regulations;
- the ability to successfully identify, complete and efficiently integrate acquisitions;
- the ability to successfully penetrate new markets;
- international events that may disrupt the world economy;
- unexpected operating difficulties; and
- competition from new or existing competitors.

In general, we are subject to the risks and uncertainties of the construction industry and of doing business in the U.S. The forward-looking statements are made as of the date of this proxy statement, and we undertake no obligation to update them, whether as a result of new information, future events or otherwise.

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PROPOSAL ONE:

THE RECLASSIFICATION AND RELATED TRANSACTIONS

Background of the Reclassification and the Related Transactions

Centex, through its subsidiaries, is a multi-industry company with five principal business segments: home building, financial services, construction products, construction services and investment real estate. Prior to April 19, 1994, we were a wholly-owned subsidiary of Centex. On April 19, 1994, we completed an initial public offering of 51% of our common stock. As a result of the initial public offering, Centex's percentage ownership interest in CXP was reduced to 49%.

Principally as a result of certain repurchases by CXP of its common stock from the public since fiscal year 1997, Centex's ownership interest in CXP has increased in recent years, and Centex owns approximately 65% of the outstanding shares of our common stock as of the date of this proxy statement.

During April and May 2003, Centex's senior management informally advised certain members of our board of directors and management that, because of the continued strong performance of Centex's core home building and financial services businesses and the likelihood that Centex's capital would continue to be allocated to its homebuilding business, they were considering whether it was still desirable for Centex to maintain its current ownership interest in CXP. In that regard, Centex further indicated that, although it had made no determination to do so, Centex was evaluating the possibility of distributing to its stockholders on a tax-free basis all or a portion of its equity interest in CXP.

In early June 2003, Centex summarized for our board of directors the preliminary terms under which Centex would be willing to discuss a possible distribution by Centex of its interest in CXP to its stockholders. Centex indicated that one of the principal purposes of the distribution would be to eliminate the competition for capital between CXP and Centex's other businesses and permit a sharper focus by Centex's management on its core businesses. Centex also emphasized that it would only consider a distribution of its interest in CXP if the transaction could be accomplished on a tax-free basis. In order for the transaction to be tax-free, Centex indicated that it believed that, among other things, it would be necessary for CXP to reclassify the shares of our common stock held by Centex into a new class of common stock with voting rights that would allow the holders of the new class of stock to elect at least 85% of our directors. The shares of the new class of common stock would then be distributed to Centex's stockholders. Centex also indicated that it believed it would be appropriate to discuss the payment by us to our stockholders of a special cash dividend in the range of \$100 million to \$150 million.

To facilitate a full and fair evaluation of any transactions to be discussed with Centex, in June 2003, our board of directors formed a special committee of its independent directors consisting of Robert L. Clarke (Chairman), Michael R. Nicolais, Harold K. Work and F. William Barnett. Our board of directors discussed and confirmed that each committee member is independent from Centex and its management, and satisfied itself that the committee members could independently evaluate the proposed transactions free of influence from Centex or its management. The special committee was charged with, among other things, reviewing, considering and negotiating the terms, conditions and merits of a possible distribution by Centex of its interest in CXP and any related transactions and determining whether these transactions are advisable, fair to, and in the best interests of, our current stockholders (other than Centex). Due to the amount of time that it was expected members of the special committee would need to devote to the evaluation and consideration of the distribution and related transactions, the board of directors determined that the chairman of the special committee should be paid a one-time fee of \$17,500, each other director should be paid a one-time fee of \$10,000, and each committee member should be paid a fee of \$2,000 for each meeting of the special committee he attended in person or by telephone, plus expenses.

To assist it in evaluating the proposed transactions, the special committee, after interviewing several firms, selected the law firm of Haynes and Boone, LLP to serve as its legal advisors, and the investment banking firm of Bear, Stearns & Co. Inc. to serve as its financial advisors. Haynes and Boone and Bear Stearns provided to the special committee certain advice and assistance with respect to the structuring and

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planning of the distribution and related transactions and advised the special committee with respect to the negotiation of the principal terms and conditions of these transactions and various transaction documents.

Each of Haynes and Boone and Bear Stearns will receive customary fees as the legal advisors and financial advisors, respectively, for the performance of their services to the special committee in connection with the proposed transactions.

On July 1, 2003, Centex provided to counsel for the special committee preliminary drafts of transaction documents that reflected certain of the principal terms it would be willing to discuss with the special committee. On July 2, 2003, at a meeting of the special committee, at which its legal counsel was present, the special committee considered the basic terms of the distribution and related transactions as reflected in such preliminary drafts, including the possible reclassification and cash dividend. The special committee also discussed the proposed terms of the engagement letter to be entered into with Bear Stearns. The special committee discussed possible alternative transactions that it believed Centex might have an interest in pursuing in the event that the special committee was not willing to pursue the distribution and related transactions. Bear Stearns also attended a portion of this meeting to answer questions from the special committee about the distribution and related transactions and alternatives, and to discuss the analysis expected to be performed by Bear Stearns in determining the financial fairness of the transactions to our stockholders (other than Centex). At this meeting, the special committee met with four senior members of our management team on an individual basis to seek their respective input on these transactions, their effect on us, and ideas concerning our possible strategies as a fully independent company.

From July 1, 2003 until July 17, 2003, the special committee and the financial and legal advisors to the special committee evaluated the terms and conditions of the possible distribution and related transactions, considered the nature and scope of the amendments to our certificate of incorporation and bylaws that would be needed in connection with these transactions, considered governance issues that would arise if we became a fully independent company and began formulating proposed changes to each of the draft transaction documents and the charter and bylaw amendments.

On July 17, 2003, the special committee, along with its legal advisors and financial advisors, met to continue the evaluation of the proposed transactions. At this meeting, Bear Stearns made a presentation on the form, structure, terms and financial aspects of the proposed transactions. In its presentation Bear Stearns:

provided a summary description of the proposed transactions and reviewed with the committee the primary terms of the proposed transactions;

provided a financial and capital markets overview of CXP, which presentation included an analysis of CXP's recent stock performance and the stock performance of several comparable publicly-traded companies;

discussed the considerations of a cash dividend as proposed by Centex versus a potential share repurchase by us, including the value received by our stockholders, the tax implications to our stockholders and the likely effect on our earnings per share;

delivered a pro forma financial analysis of the proposed transactions versus several alternatives that the special committee might consider in lieu of or in addition to the distribution and related transactions (including (1) effecting the distribution but not the cash dividend, (2) effecting the distribution, eliminating the cash dividend and then effecting a share repurchase and (3) effecting the distribution, the cash dividend and a share repurchase);

discussed the capital markets considerations of the proposed transactions;

discussed stock float, trading volume and research analyst coverage of several comparable publicly-traded companies;

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discussed in detail an analysis of comparable precedent spin-off transactions including certain stock price performance data; and

discussed in detail an analysis of publicly-traded companies with dual-class stock structures including certain stock price performance data.

Based upon their review and analysis of the terms and financial aspects of the distribution and related transactions being discussed by the parties, Bear Stearns recommended that the special committee consider certain adjustments to the structure of these transactions that they believed would provide greater value to CXP and its minority public stockholders. Bear Stearns also suggested that the special dividend be at the lower end of the range initially discussed by Centex and CXP. Bear Stearns advised that the reclassification and distribution on the terms initially discussed with Centex (under which Centex would convert all of the shares of our common stock held by it into Class B common stock, followed by a distribution of all of the Class B common stock to holders of Centex's common stock) would not enhance the public float and liquidity of our common stock. For that reason, Bear Stearns recommended that the reclassification be structured in such a way that Centex would convert less than all of its shares of our common stock into Class B common stock, and then distribute to its stockholders both its Class B common stock and the remaining shares of our common stock held by it. Specifically, Bear Stearns suggested that the transaction should provide for the conversion of a number of shares equal to approximately one-half of the outstanding shares of our common stock into Class B common stock so that after the reclassification there would be approximately equal numbers of outstanding shares of Class B common stock and Class A common stock. This approach would increase the float and liquidity of our common stock, which Bear Stearns believed would be more advantageous for the minority public stockholders and would have no material adverse consequences to Centex and its stockholders. After extensive discussion and analysis of the approach suggested by Bear Stearns, the special committee determined to request the changes to the reclassification and distribution recommended by Bear Stearns as well as to request that the special one-time cash dividend be at the lower end of the range.

At the July 17, 2003 meeting, the special committee also considered a general overview of the nature and substance of the transaction documents previously provided by Centex and discussed each of the material terms in the transaction documents in greater detail. The special committee also considered potential corporate governance measures that we might consider placing in our certificate of incorporation and bylaws in order to deter hostile takeovers. The special committee also considered the legal issues and financial implications of declaring the cash dividend.

On the morning of July 18, 2003, the special committee, along with its legal advisors and financial advisors met with Mr. Laurence E. Hirsch, Chairman and Chief Executive Officer of Centex, and with Centex's financial advisors, Merrill Lynch, Pierce, Fenner & Smith Incorporated, to discuss their rationale for the distribution and related transactions and the alternatives to these transactions that had been considered by Centex. Mr. Hirsch explained that Centex was considering the distribution because, among other things, it would eliminate the competition for capital between CXP and Centex's other businesses and permit a sharper focus by Centex's management on its core businesses. Mr. Hirsch also explained that Centex had considered alternatives to the distribution, including a possible sale of CXP (or its stake in CXP), maintaining the status quo with CXP continuing as a majority-owned subsidiary of Centex or purchasing the minority interest in CXP, but had determined that these alternatives had significant disadvantages from Centex's viewpoint. Merrill Lynch discussed with the special committee some of the key terms of the distribution and related transactions. The special committee and its advisors questioned Mr. Hirsch and the Merrill Lynch representatives regarding various transaction terms and raised certain key concerns of the special committee. One of the principal concerns expressed by the special committee was that the reclassification as proposed did not directly enhance the float and liquidity of our common stock. In addition, the special committee indicated that while it was comfortable with a special dividend, it preferred to see the aggregate dividend at the lower end of the range initially discussed with Centex.

On the afternoon of July 18, 2003, the special committee met again to continue discussions regarding the terms and provisions contained in the transaction documents and the proposed amendments to our

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certificate of incorporation and bylaws and to further analyze the proposed transactions in light of the special committee's meetings earlier that morning with representatives of Centex and Merrill Lynch. During this meeting, the special committee extensively discussed and evaluated the merits of the proposed transactions and ultimately concluded that they were prepared to commence negotiations with Centex of the terms of the proposed transactions. The special committee met again with Mr. Hirsch to discuss further the special committee's concerns, including their concerns regarding the difference in the float and liquidity that would exist between our common stock and the Class B common stock. In response to the committee's concerns, Mr. Hirsch indicated that, in order to enhance the public float and liquidity of our common stock, Centex would be willing to reclassify only a portion of its shares of our common stock into shares of Class B common stock and distribute the shares of Class B common stock and the balance of its shares of our common stock to Centex stockholders. Further, the parties discussed the amount of the special cash dividend, and agreed on a dividend in the amount of \$6.00 per share. The special committee also expressed concern that if Centex were to abandon the proposed transactions, we would bear significant transaction costs. In response, Mr. Hirsch agreed that Centex would pay all of our expenses if the transaction did not close for certain reasons.

Between July 18, 2003 and July 21, 2003, Centex and its advisors and the special committee and its advisors engaged in negotiations regarding the terms of the definitive agreements to be entered into in connection with the distribution and related transactions, including the merger agreement, the distribution agreement and the necessary amendments to our certificate of incorporation and bylaws. In the course of these negotiations, Centex agreed to various accommodations requested by the special committee and its counsel with respect to the terms of the transaction documents. In particular, Centex agreed to the following changes proposed by the special committee:

to pay our expenses with respect to the proposed transactions in the event that the proposed transactions are not consummated for any reason;

to revise the distribution agreement provisions to limit the circumstances in which we would be obligated to provide indemnification against certain tax liabilities;

to ensure that the conditions to our obligations to pay the cash dividend and to effect the reclassification were substantially equivalent to the obligations of Centex to effect the distribution;

to require that the administrative services and office space currently being provided by Centex to CXP will continue to be so provided upon substantially the same terms for a limited time following completion of the distribution;

to include additional amendments to our certificate of incorporation relating to voting limitations of Class B common stock, the calling of a stockholders' meeting, institution of a super-majority voting provision for amendments to the charter and the increase in our authorized capital stock; and

to cause our board of directors to consider the adoption of a stockholders' rights plan.

During this period, the special committee expressed concern regarding the fact that CXP would be subject to covenants limiting its ability to engage in various types of transactions during the two-year period following the distribution and regarding certain related tax indemnities given by CXP to the Centex group. The special committee indicated that it believed that it was important for the governance proposals and stockholders' rights plan proposal to be submitted to and considered by our stockholders in order, among other things, to reduce the likelihood of liability under these tax indemnification provisions. The special committee was also concerned that CXP could be more susceptible to unsolicited takeover bids from third parties, including offers that our board of directors may regard as being below our intrinsic value or as not being in the best interests of our stockholders. Centex indicated to the special committee that it intended to vote in favor of such proposals.

Also, during this period, the special committee considered certain alternatives to the transaction structure in respect of the special cash dividend. Specifically, consideration was given to (1) effecting the distribution alone without the payment of any special cash dividend, (2) effecting the distribution with a

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special cash dividend and a stock repurchase, or (3) effecting the distribution followed by a stock repurchase without a cash dividend. The special committee discussed the expected repayment of all or substantially all of CXP's current outstanding indebtedness by the time the distribution was effected, CXP's ability to incur additional indebtedness in light of CXP's projected capitalization, and CXP's anticipated cash flow, and its ability to repay any new indebtedness. The special committee concluded that payment of a large special cash dividend in conjunction with the distribution was an action that was beneficial to all of our current stockholders. A stock repurchase prior to completion of the distribution was not possible as this would adversely impact Centex's ability to effect the distribution on a tax-free basis, which was not acceptable to Centex. Bear Stearns also pointed out to the special committee that a share repurchase might be viewed negatively by Centex, since Centex has a low basis in the shares of our common stock owned by it. Effecting a stock repurchase after completion of the distribution might be advantageous to stockholders (including Centex stockholders receiving shares of capital stock in the distribution). For example, a share repurchase would provide immediate value to the holders of shares of our common stock to be repurchased. In the case of shares that are not to be repurchased, a share repurchase would reduce the total number of outstanding shares of our common stock, and would therefore result in an increase in our earnings per share. Furthermore, certain of Bear Stearns' analyses indicated that the theoretical attendant value per share of Class A common stock of a stock repurchase might be slightly higher than the theoretical attendant value per share of Class A common stock of a cash dividend assuming a constant price to earnings ratio and a constant stock repurchase price. However, the special committee did not consider a stock repurchase to be as advantageous to CXP's current stockholders as a cash dividend because a direct cash payment represents an immediate and tangible benefit to the stockholders and the benefits of a share repurchase would not be realized in the same manner by all stockholders, some of whom would have their shares repurchased and some of whom would benefit from an increase in the value of their shares, which would not be realized until the shares are sold. Furthermore, the special committee had specifically negotiated for and obtained a change in the terms of the proposed transactions whereby the float of the Class A common stock would be increased. A repurchase of Class A common stock would reduce float and liquidity, detracting materially from one of the expected benefits of the distribution. Consequently, the special committee concluded that payment of a large special cash dividend to all our pre-distribution stockholders appeared to be the most practical and beneficial alternative under the circumstances, particularly in light of the changes to the Internal Revenue Code regarding the taxation of dividends recently enacted by Congress. For these reasons, the special committee determined not to initiate negotiations with Centex to seek to effect a share repurchase instead of a special dividend.

On the evening of July 20, 2003, the special committee met with its legal advisors to review and discuss the revised transaction documents. On July 21, 2003, the special committee reconvened and continued its review of the transaction documents. Bear Stearns delivered and discussed with the special committee a written report and its opinion that the reclassification, the cash dividend and the distribution, taken as a whole, were fair from a financial point of view to CXP's stockholders, other than Centex. After a careful evaluation of the proposed transactions and their anticipated effects on CXP and its stockholders (other than Centex), on July 21, 2003, the special committee approved and recommended that our board of directors approve the proposed transactions and the merger agreement, the distribution agreement, the proposed amendments to the certificate of incorporation and the proposed amendments to the bylaws.

Subsequently, that evening our board of directors convened a meeting at which the special committee reported to our board of directors the results of their consideration of the proposed transactions and their recommendations. The special committee advised that the proposed transactions were advisable, fair to and in the best interests of CXP and its stockholders (other than Centex) and recommended to our board of directors that it should approve the proposed transactions and each of the merger agreement, the distribution agreement, the certificate of incorporation and the bylaws and that our board of directors should submit such proposals to our stockholders. Bear Stearns also attended this meeting and summarized its report and opinion for the full board. Based upon the recommendation of the special committee, our board of directors determined that the proposed transactions were advisable, fair to and in the best interests of CXP and its stockholders and it approved the proposed transactions and each of the merger

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agreement, the distribution agreement, and the amendments to the certificate of incorporation and the bylaws. Our board of directors also resolved to submit the proposed transactions to our stockholders for their approval.

By reason of the retirement policy of our board of directors, Mr. Harold K. Work formally retired from our board of directors effective as of our annual stockholders meeting held in the morning of July 21, 2003. However, due to Mr. Work's extensive business experience and long-standing involvement with CXP, the special committee requested that Mr. Work continue to participate in certain portions of the committee's deliberations on July 21. While not a formal member of the special committee at the time of its vote to approve the transactions, Mr. Work did state that he supported the special committee's conclusions and final decision.

In the evening of July 21, 2003, Centex and CXP entered into the merger agreement and distribution agreement, and each of them issued a public announcement regarding the distribution and related transactions.

In August and September 2003, CXP determined that it would be desirable to amend the merger agreement and the distribution agreement in order to reflect certain minor changes in the nature of the proposals to be submitted to the stockholders of CXP. For example, CXP determined to submit the proposed change in the name of our company to Eagle Materials Inc. as a separate proposal to be voted on by the stockholders of CXP. Additionally, CXP determined that it would prefer to have more or less equal amounts of authorized shares of Class A and Class B common stock available for issuance from time to time in the future, in case of a stock split or similar transaction. These changes were incorporated into amendments to the merger agreement and distribution agreement, which were approved by our board of directors on October 30, 2003 and were executed by CXP and Centex on November 4, 2003.

At the meeting of the board of directors held October 20, 2003, Bear Stearns provided a revised analysis of the stock price performance of the step-up spin-offs that corrected certain minor typographical and other errors and showed that four of the seven individual step-up spin-offs underperformed the S&P 500 Index over the longest period reviewed. Bear Stearns' original analysis provided to the special committee on July 21, 2003 indicated that five of the seven individual step-up spin-offs underperformed the S&P 500 Index over the same period. Bear Stearns advised the special committee that it believed that the changes to its original analyses were immaterial and confirmed that in their judgment these changes have no effect on the conclusion reached in their fairness opinion. The information presented in this proxy statement relating to the reviews and analyses conducted by Bear Stearns reflects the revised data provided to the special committee.

On November 10, 2003, the compensation committee of our board of directors approved the incentive plan, and recommended that it be approved by our board of directors and submitted to our stockholders for approval. By written consent dated November 12, 2003, the board of directors, upon the recommendation of the compensation committee, approved the incentive plan and directed that it be submitted to our stockholders for approval.

CXP's Reasons for the Reclassification and Related Transactions

Our board of directors, upon the recommendation of the special committee, has unanimously determined that the distribution and related transactions, including the reclassification, are advisable, fair to and in the best interests of CXP and our stockholders. The special committee considered a wide range of positive and negative factors associated with the proposed transactions as more fully discussed below. The special committee ultimately concluded that after weighing all of these factors, from a business and stockholder perspective, the interests of our stockholders (other than Centex) would be enhanced by CXP becoming fully independent from Centex in the manner contemplated by the proposed transactions. In reaching its recommendation, the special committee considered and relied on the market judgment, reviews and analyses and conclusions reached by Bear Stearns in rendering its opinion as to the fairness from a financial point of view of the reclassification, cash dividend and distribution, taken as a whole, to CXP's existing public stockholders.

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In reaching its conclusion, our board of directors and the special committee considered a number of factors including the following:

Expected Benefits of the Transactions to CXP and its Stockholders. The special committee and our board of directors considered the expected benefits of the proposed transactions.

The reclassification will allow the public holders of our Class A common stock to elect one director, compared to their current inability to significantly influence the election of any members of our board of directors due to Centex's majority voting control. Apart from the increased influence over the election of one director, the reclassification itself will not result in any material benefits to our stockholders. However, the reclassification is a prerequisite to the other proposed transactions, because Centex advised us that it would only be willing to proceed with the distribution and related transactions if the distribution were tax-free to Centex and its stockholders. Accordingly, our board of directors reviewed the proposed transactions in their entirety, and considered the following benefits from the distribution and related transactions:

The proposed transactions will significantly increase the public float and liquidity of our capital stock by increasing the number of shares held by stockholders (other than Centex) from about 6.6 million shares to about 18.6 million shares, which includes shares of the Class A common stock and shares of the Class B common stock. The proposed transactions will also significantly increase the public float and liquidity of our existing class of common stock by increasing the number of shares of that class held by stockholders (other than Centex) from about 6.6 million shares to about 9.4 million shares. In addition, the transactions will result in a broader stockholder base when Centex distributes the shares of Class B common stock and Class A common stock held by it to its stockholders. We estimate that there will be at least 28,000 beneficial owners of our capital stock immediately following the distribution, which represents more than ten times our current number of beneficial owners.

We expect that a broader stockholder base, coupled with increased public float and liquidity of our capital stock, may attract additional analyst coverage of CXP, which we believe would enhance the market's awareness of our capital stock and stimulate interest from new investors.

We believe that an expansion of our stockholder base and broader exposure in the investment community will enhance our ability to use our capital stock as an acquisition currency and as a means of raising capital.

Our stockholders will receive immediate tangible value through the special one-time cash dividend.

As a 65% owned subsidiary, we currently must compete for capital with Centex's other businesses. The proposed transactions will permit us to manage our business and growth opportunities without regard to considerations or limitations related to Centex's other businesses, including capital structure limitations required for Centex to maintain its current credit rating.

The proposed transactions will permit us to pursue our business interests independent of Centex, particularly with respect to acquisitions, business and asset sales, and other corporate opportunities, and are designed to enhance the long-term value of CXP.

The transactions may permit our stockholders to share in any premium associated with a transfer of control of CXP, if such an event should occur. However, in the distribution agreement we have agreed that if the reclassification and distribution are completed, for a period of two years after the distribution we will not engage in certain transactions, including mergers, consolidations, liquidations, asset sales and stock repurchases, unless, before taking any such action, either Centex has obtained a ruling from the IRS (at the expense of CXP) or we have received an opinion of counsel reasonably satisfactory to Centex that the contemplated actions will not result in the distribution failing to qualify as a tax-free transaction. For a discussion of these prohibitions, please see [Tax Matters](#) [Reclassification and Distribution](#).

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The proposed transactions are expected to enhance the attractiveness of our equity-based compensation plans due to the increased public float and liquidity of our capital stock, thereby increasing our ability to attract and retain quality employees.

Economic and Financial Factors. The special committee and our board of directors considered the economic and financial factors associated with the proposed transactions, including the effect of the reclassification, the cash dividend and the distribution on the Class A common stock following the distribution, and the impact on our financial position following the distribution. In this regard the special committee and our board of directors considered the following factors:

The reclassification and the distribution are structured to be tax-free to Centex and its stockholders.

The advice of Bear Stearns that the trading characteristics of our Class A common stock, including trading volume and liquidity, institutional stock