
**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION**
Washington, D.C. 20549

Form 10-Q

(Mark One)

QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended September 30, 2011

OR

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from to

Commission file number is 000-4197

UNITED STATES LIME & MINERALS, INC.

(Exact name of registrant as specified in its charter)

TEXAS
(State or other jurisdiction of
incorporation or organization)

75-0789226
(I.R.S. Employer
Identification No.)

5429 LBJ Freeway, Suite 230, Dallas, TX
(Address of principal executive offices)

75240
(Zip Code)

(972) 991-8400
(Registrant's telephone number, including area code)

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes No

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of "large accelerated filer," "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act. (Check one):

Large accelerated filer

Accelerated filer

Non-accelerated filer
(Do not check if a smaller reporting company)

Smaller reporting company

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes No

Indicate the number of shares outstanding of each of the issuer's classes of common stock, as of the latest practicable date: As of October 31, 2011, 6,217,405 shares of common stock, \$0.10 par value, were outstanding.

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ITEM 1: FINANCIAL STATEMENTS**UNITED STATES LIME & MINERALS, INC. AND SUBSIDIARIES**
CONDENSED CONSOLIDATED BALANCE SHEETS(In thousands of dollars)
(Unaudited)

	September 30, 2011	December 31, 2010
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 46,374	\$ 36,223
Trade receivables, net	18,742	13,839
Inventories	9,503	10,600
Prepaid expenses and other current assets	1,109	1,225
Total current assets	<u>75,728</u>	<u>61,887</u>
Property, plant and equipment, at cost	234,421	229,199
Less accumulated depreciation and depletion	<u>(112,036)</u>	<u>(102,962)</u>
Property, plant and equipment, net	122,385	126,237
Other assets, net	316	374
Total assets	<u>\$ 198,429</u>	<u>\$ 188,498</u>
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Current installments of debt	\$ 5,000	\$ 5,000
Accounts payable	5,772	4,545
Accrued expenses	4,706	6,166
Total current liabilities	<u>15,478</u>	<u>15,711</u>
Debt, excluding current installments	27,917	31,666
Deferred tax liabilities, net	12,455	8,933
Other liabilities	4,304	3,894
Total liabilities	<u>60,154</u>	<u>60,204</u>
Stockholders' equity:		
Common stock	643	642
Additional paid-in capital	16,976	16,354
Accumulated other comprehensive loss	(3,066)	(3,009)
Retained earnings	132,395	114,724
Less treasury stock, at cost	<u>(8,673)</u>	<u>(417)</u>
Total stockholders' equity	<u>138,275</u>	<u>128,294</u>
Total liabilities and stockholders' equity	<u>\$ 198,429</u>	<u>\$ 188,498</u>

See accompanying notes to condensed consolidated financial statements.

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UNITED STATES LIME & MINERALS, INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS

(In thousands of dollars, except per share amounts)

(Unaudited)

	THREE MONTHS ENDED September 30,				NINE MONTHS ENDED September 30,			
	2011		2010		2011		2010	
Revenues								
Lime and limestone operations	\$ 35,658	91.0%	\$ 30,458	95.6%	\$ 99,242	91.0%	\$ 98,090	94.9%
Natural gas interests	3,524	9.0%	1,411	4.4%	9,846	9.0%	5,320	5.1%
	<u>39,182</u>	<u>100.0%</u>	<u>31,869</u>	<u>100.0%</u>	<u>109,088</u>	<u>100.0%</u>	<u>103,410</u>	<u>100.0%</u>
Cost of revenues:								
Labor and other operating expenses	23,151	59.1%	19,831	62.2%	66,494	61.0%	64,860	62.7%
Depreciation, depletion and amortization	3,492	8.9%	3,173	9.9%	10,243	9.4%	9,606	9.3%
	<u>26,643</u>	<u>68.0%</u>	<u>23,004</u>	<u>72.2%</u>	<u>76,737</u>	<u>70.4%</u>	<u>74,466</u>	<u>72.0%</u>
Gross profit	12,539	32.0%	8,865	27.8%	32,351	29.6%	28,944	28.0%
Selling, general and administrative expenses	2,297	5.9%	1,878	5.9%	6,563	6.0%	6,188	6.0%
Operating profit	<u>10,242</u>	<u>26.1%</u>	<u>6,987</u>	<u>21.9%</u>	<u>25,788</u>	<u>23.6%</u>	<u>22,756</u>	<u>22.0%</u>
Other expense (income):								
Interest expense	618	1.5%	707	2.2%	1,898	1.7%	2,027	2.0%
Other, net	(50)	(0.1)%	(14)	(0.1)%	(113)	(0.1)%	(60)	(0.1)%
	<u>568</u>	<u>1.4%</u>	<u>693</u>	<u>2.1%</u>	<u>1,785</u>	<u>1.6%</u>	<u>1,967</u>	<u>1.9%</u>
Income before income taxes	9,674	24.7%	6,294	19.8%	24,003	22.0%	20,789	20.1%
Income tax expense	2,612	6.7%	1,748	5.5%	6,332	5.8%	5,918	5.7%
Net income	<u>\$ 7,062</u>	<u>18.0%</u>	<u>\$ 4,546</u>	<u>14.3%</u>	<u>\$ 17,671</u>	<u>16.2%</u>	<u>\$ 14,871</u>	<u>14.4%</u>
Income per share of common stock:								
Basic	<u>\$ 1.12</u>		<u>\$ 0.71</u>		<u>\$ 2.77</u>		<u>\$ 2.32</u>	
Diluted	<u>\$ 1.11</u>		<u>\$ 0.71</u>		<u>\$ 2.76</u>		<u>\$ 2.32</u>	

See accompanying notes to condensed consolidated financial statements.

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UNITED STATES LIME & MINERALS, INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS

(In thousands of dollars)

(Unaudited)

	NINE MONTHS ENDED	
	September 30,	
	2011	2010
Operating Activities:		
Net income	\$ 17,671	\$ 14,871
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation, depletion and amortization	10,378	9,861
Amortization of deferred financing costs	34	23
Deferred income taxes	3,489	2,518
Gain on disposition of property, plant and equipment	102	(6)
Stock-based compensation	623	498
Changes in operating assets and liabilities:		
Trade receivables	(4,903)	(599)
Inventories	1,097	(1,291)
Prepaid expenses and other current assets	116	1,208
Other assets	9	(117)
Accounts payable and accrued expenses	101	433
Other liabilities	386	(113)
Net cash provided by operating activities	29,102	27,286
Investing Activities:		
Purchase of property, plant and equipment	(7,075)	(7,129)
Proceeds from sale of property, plant and equipment	129	32
Net cash used in investing activities	(6,946)	(7,097)
Financing Activities:		
Repayments of term loans	(3,750)	(3,750)
Purchase of treasury shares	(8,256)	(126)
Net cash used in financing activities	(12,006)	(3,876)
Net increase in cash and cash equivalents	10,151	16,313
Cash and cash equivalents at beginning of period	36,223	16,466
Cash and cash equivalents at end of period	<u>\$ 46,374</u>	<u>\$ 32,779</u>

See accompanying notes to condensed consolidated financial statements.

UNITED STATES LIME & MINERALS, INC. AND SUBSIDIARIES
Notes to Condensed Consolidated Financial Statements
(Unaudited)

1. Basis of Presentation

The condensed consolidated financial statements included herein have been prepared by the Company without independent audit. In the opinion of the Company's management, all adjustments of a normal and recurring nature necessary to present fairly the financial position, results of operations and cash flows for the periods presented have been made. Certain information and footnote disclosures normally included in financial statements prepared in accordance with accounting principles generally accepted in the United States of America have been condensed or omitted. These condensed consolidated financial statements should be read in conjunction with the consolidated financial statements and notes thereto included in the Company's Annual Report on Form 10-K for the period ended December 31, 2010. The results of operations for the three- and nine-month periods ended September 30, 2011 are not necessarily indicative of operating results for the full year.

2. Organization

The Company is headquartered in Dallas, Texas, and operates through two business segments. Through its lime and limestone operations, the Company is a manufacturer of lime and limestone products, supplying primarily the construction, steel, municipal sanitation and water treatment, oil and gas services, paper, glass, roof shingle and agriculture industries and utilities and other industries requiring scrubbing of emissions for environmental purposes. The Company operates lime and limestone plants and distribution facilities in Arkansas, Colorado, Louisiana, Oklahoma and Texas through its wholly owned subsidiaries, Arkansas Lime Company, Colorado Lime Company, Texas Lime Company, U.S. Lime Company, U.S. Lime Company — Shreveport, U.S. Lime Company — St. Clair and U.S. Lime Company — Transportation.

In addition, through its wholly owned subsidiary, U.S. Lime Company — O & G, LLC ("U.S. Lime O & G"), under a lease agreement (the "O & G Lease"), the Company has royalty interests ranging from 8.85% to 20% and a 20% non-operating working interest, resulting in an overall average revenue interest of 34.7%, with respect to oil and gas rights in the 34 wells drilled on the Company's approximately 3,800 acres of land located in Johnson County, Texas, in the Barnett Shale Formation. Through U. S. Lime O & G, the Company also has a drillsite and production facility lease agreement and subsurface easement (the "Drillsite Agreement") relating to approximately 538 acres of land contiguous to the Company's Johnson County, Texas property. Pursuant to the Drillsite Agreement, the Company receives a 3% royalty interest and a 12.5% non-operating working interest in the six wells drilled from two pad sites located on the Company's property.

3. Accounting Policies

Revenue Recognition. The Company recognizes revenue for its lime and limestone operations in accordance with the terms of its purchase orders, contracts or purchase agreements, which are upon shipment, and when payment is considered probable. The Company's returns and allowances are minimal. Revenues include external freight billed to customers with related costs in cost of revenues. External freight billed to customers included in 2011 and 2010 revenues was \$7.1 million and \$6.0 million for the three-month periods, and \$20.2 million and \$20.6 for the nine-month periods, respectively, which approximates the amount of external freight included in cost of revenues. Sales taxes billed to customers are not included in revenues. For its natural gas interests, the Company recognizes revenue in the month of production and delivery.

Successful-Efforts Method Used for Natural Gas Interests. The Company uses the successful-efforts method to account for oil and gas exploration and development expenditures. Under this method,

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drilling and completion costs for successful exploratory wells and all development well costs are capitalized and depleted using the units-of-production method. Costs to drill exploratory wells that do not find proved reserves are expensed.

Fair Values of Financial Instruments. Accounting for fair value measurements involves a single definition of fair value, along with a conceptual framework to measure fair value, with fair value defined as “the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.” The Company applies valuation techniques that (1) place greater reliance on observable inputs and less reliance on unobservable inputs and (2) are consistent with the market approach, the income approach and/or the cost approach, and includes enhanced disclosures of fair value measurements in its financial statements. The Company’s financial liabilities measured at fair value on a recurring basis at September 30, 2011 and December 31, 2010 are summarized below (in thousands):

	September 30, 2011	December 31, 2010	Significant Other Observable Inputs (Level 2)		Valuation Technique
			September 30, 2011	December 31, 2010	
Interest rate swap liabilities	<u>\$ (3,822)</u>	<u>(3,732)</u>	<u>(3,822)</u>	<u>(3,732)</u>	Cash flows approach

The primary observable inputs for valuing the Company’s interest rate swaps are LIBOR interest rates.

New Accounting Pronouncements.

In June 2011, the Financial Accounting Standards Board (the “FASB”) issued Accounting Standards Update 2011-05, Comprehensive Income (Topic 220): Presentation of Comprehensive Income (“ASU 2011-05”), which allows an entity the option to present the total of comprehensive income, the components of net income, and the components of other comprehensive income either in a single continuous statement of comprehensive income or in two separate but consecutive statements. In both choices, an entity is required to present each component of net income along with total net income, each component of other comprehensive income along with a total for other comprehensive income, and a total amount for comprehensive income. ASU 2011-05 eliminates the option to present the components of other comprehensive income as part of the statement of changes in stockholders’ equity. ASU 2011-05 does not change the items that must be reported in other comprehensive income or when an item of other comprehensive income must be reclassified to net income and are effective for fiscal years, and interim periods within those years, beginning after December 15, 2011. The adoption of ASU 2011-05 will not have a material impact on the Company’s financial condition, results of operations or cash flows.

In May 2011, the FASB issued Accounting Standards Update 2011-04, Fair Value Measurement (Topic 820): Amendments to Achieve Common Fair Value Measurement and Disclosure Requirements in U.S. GAAP and IFRSs (“ASU 2011-04”). The amendments in ASU 2011-04 generally represent clarification of Topic 820, but also include instances where a particular principle or requirement for measuring fair value or disclosing information about fair value measurements has changed. ASU 2011-04 results in common principles and requirements for measuring fair value and for disclosing information about fair value measurements in accordance with U.S. GAAP and International Financial Reporting Standards. The amendments are effective for interim and annual periods beginning after December 15, 2011 and are to be applied prospectively. Early application is not permitted. The

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Company does not expect the adoption of ASU 2011-04 will have a material impact on its financial condition, results of operations or cash flows.

4. Business Segments

The Company has two operating segments engaged in distinct business activities: Lime and Limestone Operations and Natural Gas Interests. All operations are in the United States. In evaluating the operating results of the Company's segments, management primarily reviews revenues and gross profit. The Company does not allocate interest or public company costs to its business segments.

The following table sets forth operating results and certain other financial data for the Company's two business segments (in thousands):

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2011	2010	2011	2010
Revenues				
Lime and limestone operations	\$ 35,658	30,458	\$ 99,242	98,090
Natural gas interests	3,524	1,411	9,846	5,320
Total revenues	<u>\$ 39,182</u>	<u>31,869</u>	<u>\$ 109,088</u>	<u>103,410</u>
Depreciation, depletion and amortization				
Lime and limestone operations	\$ 3,046	3,018	\$ 9,102	9,141
Natural gas interests	446	155	1,141	465
Total depreciation, depletion and amortization	<u>\$ 3,492</u>	<u>3,173</u>	<u>\$ 10,243</u>	<u>9,606</u>
Gross profit				
Lime and limestone operations	\$ 10,092	7,929	\$ 25,446	25,136
Natural gas interests	2,447	936	6,905	3,808
Total gross profit	<u>\$ 12,539</u>	<u>8,865</u>	<u>\$ 32,351</u>	<u>28,944</u>
Capital expenditures				
Lime and limestone operations	\$ 2,648	1,791	\$ 5,566	5,119
Natural gas interests	540	246	1,509	2,010
Total capital expenditures	<u>\$ 3,188</u>	<u>2,037</u>	<u>\$ 7,075</u>	<u>7,129</u>

5. Income Per Share of Common Stock

The following table sets forth the computation of basic and diluted income per common share (in thousands, except per share amounts):

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2011	2010	2011	2010
Numerator:				
Income for basic and diluted income per common share	<u>\$ 7,062</u>	<u>4,546</u>	<u>\$ 17,671</u>	<u>14,871</u>
Denominator:				
Weighted-average shares for basic income Per share	<u>6,322</u>	<u>6,402</u>	<u>6,384</u>	<u>6,400</u>
Effect of dilutive securities:				
Employee and director stock options (1)	<u>16</u>	<u>16</u>	<u>17</u>	<u>17</u>
Adjusted weighted-average shares and assumed exercises for diluted income per share	<u>6,338</u>	<u>6,418</u>	<u>6,401</u>	<u>6,417</u>
Income per share of common stock:				
Basic	\$ 1.12	0.71	\$ 2.77	2.32
Diluted	\$ 1.11	0.71	\$ 2.76	2.32

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(1) Options to acquire 9.5 and 2.0 shares of common stock were excluded from the calculation of dilutive securities for the 2011 and 2010 periods, respectively, as they were anti-dilutive because the exercise price exceeded the average per share market price for the periods presented.

6. Comprehensive Income and Accumulated Other Comprehensive Loss

The following table presents the components of comprehensive income (in thousands):

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2011	2010	2011	2010
Net income	\$ 7,062	4,546	\$ 17,671	14,871
Reclassification to interest expense	399	429	1,217	1,367
Deferred tax benefit (expense)	106	182	(33)	527
Mark-to-market of interest rate hedge	(689)	(930)	(1,307)	(2,818)
Comprehensive income	\$ 6,878	4,227	\$ 17,614	13,947

Accumulated other comprehensive loss consisted of the following (in thousands):

	September 30, 2011	December 31, 2010
Mark-to-market of interest rate hedges, net of tax benefit	\$ (2,433)	\$ (2,376)
Minimum pension liability adjustments, net of tax benefit	(633)	(633)
Accumulated other comprehensive loss	\$ (3,066)	\$ (3,009)

7. Inventories

Inventories are valued principally at the lower of cost, determined using the average cost method, or market. Costs for raw materials and finished goods include materials, labor, and production overhead. Inventories consisted of the following (in thousands):

	September 30, 2011	December 31, 2010
Lime and limestone inventories:		
Raw materials	\$ 3,340	\$ 3,669
Finished goods	992	2,087
	4,332	5,756
Service parts inventories	5,171	4,844
Total inventories	\$ 9,503	\$ 10,600

8. Banking Facilities

The Company's credit agreement includes a ten-year \$40 million term loan (the "Term Loan"), a ten-year \$20 million multiple draw term loan (the "Draw Term Loan") and a \$30 million revolving credit facility (the "Revolving Facility") (collectively, the "Credit Facilities"). At September 30, 2011, the Company had \$322 thousand of letters of credit issued, which count as draws under the Revolving Facility.

The Term Loan requires quarterly principal payments of \$833 thousand, which began on March 31, 2006, equating to a 12-year amortization, with a final principal payment of \$10.0 million due on December 31, 2015. The Draw Term Loan requires quarterly principal payments of \$417 thousand, based on a 12-year amortization, which began on March 31, 2007, with a final principal payment of \$6.7 million due on December 31, 2015. The maturity of the Term Loan, the Draw Term Loan and the Revolving Facility can be accelerated if any event of default, as defined under the Credit Facilities, occurs.

As of June 1, 2010, the Company entered into an amendment to its Credit Facilities (the "Amendment") primarily to remove or reduce certain restrictions and to extend, by more than three years, the maturity date of the Revolving Facility. In return for these improvements, the Company

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agreed to increase the commitment fee for the Revolving Facility, increase the interest rate margins on existing and new borrowings, reduce the Company's maximum Cash Flow Leverage Ratio (defined below) and pay a \$100 thousand amendment fee.

The Amendment removed from the Credit Facilities: (1) the annual \$10 million maximum non-oil and gas-related capital expenditures limitation; (2) the \$40 million maximum acquisition limitation over the life of the Credit Facilities; and (3) the annual \$1.5 million maximum dividend restriction. In addition, pursuant to the Amendment, the Company may now purchase, redeem or otherwise acquire shares of its common stock so long as its pro forma Cash Flow Leverage Ratio is less than 3.00 to 1.00 and no default or event of default exists or would exist after giving effect to such stock repurchase. The Amendment extended the maturity date of the Revolving Facility to June 1, 2015; previously, the maturity date for the Revolving Facility was April 2, 2012.

As a result of the Amendment, the Revolving Facility commitment fee was increased to a range of 0.250% (previously 0.200%) to 0.400% (previously 0.350%). In addition, the Credit Facilities now bear interest, at the Company's option, at either LIBOR plus a margin of 1.750% (previously 1.125%) to 2.750% (previously 2.125%), or the Lender's Prime Rate plus a margin of 0.000% (previously minus 0.500%) to plus 1.000% (previously plus 0.375%). The Revolving Facility commitment fee and the interest rate margins are determined quarterly in accordance with a pricing grid based upon the Company's Cash Flow Leverage Ratio, defined as the ratio of the Company's total funded senior indebtedness to earnings before interest, taxes, depreciation, depletion and amortization ("EBITDA") for the 12 months ended on the last day of the most recent calendar quarter, plus, as added by the Amendment, pro forma EBITDA from any businesses acquired during the period. Lastly, the Amendment reduced the Company's maximum Cash Flow Leverage Ratio to 3.25 to 1 (previously 3.50 to 1).

The Amendment did not amend the security agreement, dated August 25, 2004, pursuant to which the Credit Facilities continue to be secured by the Company's existing and hereafter acquired tangible assets, intangible assets and real property. The Amendment also did not amend the Company's interest rate hedges, discussed below, with respect to the outstanding balances on the Term Loan and the Draw Term Loan that the Company has entered into with Wells Fargo Bank, N.A as counterparty to the hedges.

The Company has hedges that fix LIBOR through maturity at 4.695%, 4.875% and 5.500% on the outstanding balance of the Term Loan, 75% of the outstanding balance of the Draw Term Loan and 25% of the outstanding balance of the Draw Term Loan, respectively. As a result of the Amendment, and based on the current LIBOR margin of 1.750% (1.125% prior to the Amendment), since June 1, 2010 the Company's interest rates have been: 6.445% (5.820% prior to the Amendment) on the outstanding balance of the Term Loan; 6.625% (6.000% prior to the Amendment) on 75% of the outstanding balance of the Draw Term Loan; and 7.250% (6.625% prior to the Amendment) on 25% of the outstanding balance of the Draw Term Loan.

The hedges have been effective as defined under applicable accounting rules. Therefore, changes in fair value of the interest rate hedges are reflected in comprehensive income (loss). The Company will be exposed to credit losses in the event of non-performance by the counterparty to the hedges. Due to interest rate declines, the Company's mark-to-market of its interest rate hedges at September 30, 2011 and December 31, 2010 resulted in liabilities of \$3.8 million and \$3.7 million, respectively, which are included in accrued expenses (\$1.4 and \$1.5 million, respectively) and other liabilities (\$2.4 million and \$2.2 million, respectively) on the Company's Condensed Consolidated Balance Sheets. The Company paid \$399 thousand and \$1.2 million in quarterly settlement payments pursuant to its hedges during the three- and nine-month periods ended September 30, 2011, respectively, compared to payments of \$429 thousand and \$1.4 million in the comparable prior year three- and nine-month periods, respectively. These payments were included in interest expense in the Condensed Consolidated Statements of Operations.

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A summary of outstanding debt at the dates indicated is as follows (in thousands):

	September 30, 2011	December 31, 2010
Term Loan	\$ 20,833	\$ 23,333
Draw Term Loan	12,084	13,333
Revolving Facility (1)	—	—
Subtotal	32,917	36,666
Less current installments	5,000	5,000
Debt, excluding current installments	<u>\$ 27,917</u>	<u>\$ 31,666</u>

(1) The Company had letters of credit totaling \$322 issued on the Revolving Facility at September 30, 2011 and December 31, 2010.

As the Company's debt bears interest at floating rates, the Company estimates the carrying values of its debt at September 30, 2011 and December 31, 2010 approximate fair value.

9. Income Taxes

The Company has estimated its effective income tax rate for 2011 will be approximately 26.4%. As in prior periods, the primary reason for the effective rate being below the federal statutory rate is due to statutory depletion, which is allowed for income tax purposes and is a permanent difference between net income for financial reporting purposes and taxable income. The Company's effective income tax rate for 2011 is expected to decrease compared to its 2010 rate of 28.0% primarily because of increased statutory depletion in 2011 compared to 2010, resulting from increased revenues from its Natural Gas Interests and proportionately higher depletion rates for its Lime and Limestone Operations.

ITEM 2: MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

Forward-Looking Statements. Any statements contained in this Report that are not statements of historical fact are forward-looking statements as defined in the Private Securities Litigation Reform Act of 1995. Forward-looking statements in this Report, including without limitation statements relating to the Company's plans, strategies, objectives, expectations, intentions, and adequacy of resources, are identified by such words as "will," "could," "should," "would," "believe," "expect," "intend," "plan," "schedule," "estimate," "anticipate," and "project." The Company undertakes no obligation to publicly update or revise any forward-looking statements. The Company cautions that forward-looking statements involve risks and uncertainties that could cause actual results to differ materially from expectations, including without limitation the following: (i) the Company's plans, strategies, objectives, expectations, and intentions are subject to change at any time at the Company's discretion; (ii) the Company's plans and results of operations will be affected by its ability to maintain and manage its growth; (iii) the Company's ability to meet short-term and long-term liquidity demands, including servicing the Company's debt, conditions in the credit and equity markets, and changes in interest rates on the Company's debt, including the ability of the Company's customers and the counterparty to the Company's interest rate hedges to meet their obligations; (iv) interruptions to operations and increased expenses at its facilities resulting from inclement weather conditions, natural disasters, accidents or regulatory requirements; (v) increased fuel, electricity, transportation and freight costs; (vi) unanticipated delays, difficulties in financing, or cost overruns in completing construction projects; (vii) the Company's ability to expand its Lime and Limestone Operations through acquisitions of businesses with related or similar operations, including obtaining financing for such acquisitions, and to successfully integrate acquired operations; (viii) inadequate demand and/or prices for the Company's lime and limestone products due to the state of the U.S. economy, recessionary pressures in

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particular industries, including highway and housing related construction and steel, and inability to continue to increase or maintain prices for the Company's products; (ix) the uncertainties of development, production, pipeline capacity and prices with respect to the Company's Natural Gas Interests, including reduced drilling activities pursuant to the Company's O & G Lease and Drillsite Agreement, unitization of existing wells, inability to explore for new reserves and declines in production rates; (x) on-going and possible new regulations, investigations, enforcement actions and costs, legal expenses, penalties, fines, assessments, litigation, judgments and settlements, taxes and disruptions and limitations of operations, including those related to climate change and health and safety; and (xi) other risks and uncertainties set forth in this Report or indicated from time to time in the Company's filings with the Securities and Exchange Commission (the "SEC"), including the Company's Form 10-K for the fiscal year ended December 31, 2010.

Overview.

The Company has two business segments: Lime and Limestone Operations and Natural Gas Interests.

Through its Lime and Limestone Operations, the Company is a manufacturer of lime and limestone products, supplying primarily the construction, steel, municipal sanitation and water treatment, oil and gas services, aluminum, paper, glass, roof shingle and agriculture industries and utilities and other industries requiring scrubbing of emissions for environmental purposes. The Company operates lime and limestone plants and distribution facilities in Arkansas, Colorado, Louisiana, Oklahoma and Texas through its wholly owned subsidiaries, Arkansas Lime Company, Colorado Lime Company, Texas Lime Company, U.S. Lime Company, U.S. Lime Company — Shreveport, U.S. Lime Company — St. Clair, and U.S. Lime Company — Transportation. The Lime and Limestone Operations represent the Company's principal business.

The Company's Natural Gas Interests are held through its wholly owned subsidiary, U.S. Lime Company — O & G, LLC, and consist of royalty and non-operating working interests under the O & G Lease with EOG Resources, Inc. and the Drillsite Agreement with XTO Energy Inc. related to the Company's Johnson County, Texas property, located in the Barnett Shale Formation, on which Texas Lime Company conducts its lime and limestone operations.

A \$5.2 million increase in lime and limestone revenues in the third quarter 2011 compared to the third quarter 2010 resulted in a \$1.2 million increase in lime and limestone revenues for the first nine months 2011 compared to the first nine months 2010. The increase in the third quarter 2011 revenues resulted from increased lime sales volumes, primarily due to increased demand from the Company's highway construction and steel customers, and average product price increases of approximately 1.2%. For the first nine months 2011, the \$1.2 million increase in lime and limestone revenues was primarily due to average product price increases of approximately 2.0%. The continuing soft economy presents a challenge to maintain or increase prices for its lime and limestone products. The Company's gross profit from Lime and Limestone Operations increased in the first nine months 2011, compared to the comparable 2010 period due to the increased revenues, while the gross profit margin as a percentage of revenues was the same.

Revenues and gross profit from the Company's Natural Gas Interests increased in the first nine months 2011, as increased production volumes resulting from seven new wells completed in the second half 2010 and three new wells completed at the end of June 2011 as well as increased average prices received per MCF in 2011 more than offset the normal declines in production rates on existing wells. The Company's natural gas contains liquids, for which prices normally follow crude oil prices. This accounts for the Company's average price per MCF normally exceeding natural gas prices. The number of producing wells at September 30, 2011 increased to 40 compared to 32 at September 30, 2010. In addition, in the second quarter 2011 the Company received revenues of \$487 thousand due to the resolution of certain royalty ownership issues on unitized natural gas wells. No new wells are

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currently being drilled, or scheduled to be drilled to the Company's knowledge. The Company cannot predict the number of additional wells that ultimately will be drilled, if any, or their results.

Liquidity and Capital Resources.

Net cash provided by operating activities was \$29.1 million in the nine months ended September 30, 2011, compared to \$27.3 million in the comparable 2010 period, an increase of \$1.8 million, or 6.7%. Net cash provided by operating activities is composed of net income, depreciation, depletion and amortization ("DD&A"), deferred income taxes and other non-cash items included in net income, and changes in working capital. In the first nine months 2011, cash provided by operating activities was principally composed of \$17.7 million net income, \$10.4 million DD&A and \$3.5 million deferred income taxes, compared to \$14.9 million net income, \$9.9 million DD&A and \$2.5 million deferred income taxes in the first nine months 2010. The most significant changes in working capital in the first nine months 2011 were a net increase in trade receivables of \$4.9 million and a decrease of \$1.1 million in inventories. The most significant changes in working capital items in the first nine months 2010 were an increase in inventories of \$1.3 million and a \$1.2 million decrease in prepaid expenses and other current assets. The net increase in trade receivables in the 2011 period primarily resulted from an increase in revenues in the third quarter 2011, compared to the fourth quarter 2010.

The Company invested \$7.1 million in capital expenditures in each of the first nine months 2011 and 2010. Included in capital expenditures during the first nine months 2011 and 2010 were \$1.5 million and \$2.0 million, respectively, for drilling, completion and workover costs for the Company's non-operating working interests in natural gas wells.

Net cash used in financing activities was \$12.0 million and \$3.9 million in the first nine months 2011 and 2010, respectively, including \$3.8 million for repayments of term loan debt in each period. The Company also spent \$8.3 million and \$126 thousand in the 2011 and 2010 periods, respectively, to purchase treasury shares, including \$8.1 million in the third quarter 2011 to repurchase 200,000 shares in a privately negotiated transaction. The 200,000 shares were repurchased for \$40.65 per share, a discount of 2% from the closing market price of the common stock on the date of the transaction.

The Company's credit agreement includes a ten-year \$40 million term loan (the "Term Loan"), a ten-year \$20 million multiple draw term loan (the "Draw Term Loan") and a \$30 million revolving credit facility (the "Revolving Facility") (collectively, the "Credit Facilities"). At September 30, 2011, the Company had \$322 thousand of letters of credit issued, which count as draws under the Revolving Facility.

The Term Loan requires quarterly principal payments of \$833 thousand, which began on March 31, 2006, equating to a 12-year amortization, with a final principal payment of \$10.0 million due on December 31, 2015. The Draw Term Loan requires quarterly principal payments of \$417 thousand, based on a 12-year amortization, which began on March 31, 2007, with a final principal payment of \$6.7 million due on December 31, 2015. The maturity of the Term Loan, the Draw Term Loan and the Revolving Facility can be accelerated if any event of default, as defined under the Credit Facilities, occurs.

As of June 1, 2010, the Company entered into an amendment to its Credit Facilities (the "Amendment") primarily to remove or reduce certain restrictions and to extend, by more than three years, the maturity date of the Revolving Facility. In return for these improvements, the Company agreed to increase the commitment fee for the Revolving Facility, increase the interest rate margins on existing and new borrowings, reduce the Company's maximum Cash Flow Leverage Ratio (defined below) and pay a \$100 thousand amendment fee.

The Amendment removed from the Credit Facilities: (1) the annual \$10 million maximum non-oil and gas-related capital expenditures limitation; (2) the \$40 million maximum acquisition limitation over the life of the Credit Facilities; and (3) the annual \$1.5 million maximum dividend restriction. In addition, pursuant to the Amendment, the Company may now purchase, redeem or otherwise acquire

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shares of its common stock so long as its pro forma Cash Flow Leverage Ratio is less than 3.00 to 1.00 and no default or event of default exists or would exist after giving effect to such stock repurchase. The Amendment extended the maturity date of the Revolving Facility to June 1, 2015; previously, the maturity date for the Revolving Facility was April 2, 2012.

As a result of the Amendment, the Revolving Facility commitment fee was increased to a range of 0.250% (previously 0.200%) to 0.400% (previously 0.350%). In addition, the Credit Facilities now bear interest, at the Company's option, at either LIBOR plus a margin of 1.750% (previously 1.125%) to 2.750% (previously 2.125%), or the Lender's Prime Rate plus a margin of 0.000% (previously minus 0.500%) to plus 1.000% (previously plus 0.375%). The Revolving Facility commitment fee and the interest rate margins are determined quarterly in accordance with a pricing grid based upon the Company's Cash Flow Leverage Ratio, defined as the ratio of the Company's total funded senior indebtedness to earnings before interest, taxes, depreciation, depletion and amortization ("EBITDA") for the 12 months ended on the last day of the most recent calendar quarter, plus, as added by the Amendment, pro forma EBITDA from any businesses acquired during the period. Lastly, the Amendment reduced the Company's maximum Cash Flow Leverage Ratio to 3.25 to 1 (previously 3.50 to 1).

The Amendment did not amend the security agreement, dated August 25, 2004, pursuant to which the Credit Facilities continue to be secured by the Company's existing and hereafter acquired tangible assets, intangible assets and real property. The Amendment also did not amend the Company's interest rate hedges, discussed below, with respect to the outstanding balances on the Term Loan and the Draw Term Loan that the Company has entered into with Wells Fargo Bank, N.A as counterparty to the hedges.

The Company has hedges that fix LIBOR through maturity at 4.695%, 4.875% and 5.500% on the outstanding balance of the Term Loan, 75% of the outstanding balance of the Draw Term Loan and 25% of the outstanding balance of the Draw Term Loan, respectively. As a result of the Amendment, and based on the current LIBOR margin of 1.750% (1.125% prior to the Amendment), since June 1, 2010 the Company's interest rates have been: 6.445% (5.820% prior to the Amendment) on the outstanding balance of the Term Loan; 6.625% (6.000% prior to the Amendment) on 75% of the outstanding balance of the Draw Term Loan; and 7.250% (6.625% prior to the Amendment) on 25% of the outstanding balance of the Draw Term Loan.

The hedges have been effective as defined under applicable accounting rules. Therefore, changes in fair value of the interest rate hedges are reflected in comprehensive income (loss). The Company will be exposed to credit losses in the event of non-performance by the counterparty to the hedges. Due to interest rate declines, the Company's mark-to-market of its interest rate hedges, at September 30, 2011 and December 31, 2010, resulted in liabilities of \$3.8 million and \$3.7 million, respectively, which are included in accrued expenses (\$1.4 and \$1.5 million, respectively) and other liabilities (\$2.4 million and \$2.2 million, respectively) on the Company's Condensed Consolidated Balance Sheets. The Company paid \$399 thousand and \$1.2 million in quarterly settlement payments pursuant to its hedges during the three- and nine-month periods ended September 30, 2011, respectively, compared to payments of \$429 thousand and \$1.4 million in the comparable prior year three- and nine-month periods, respectively. These payments were included in interest expense on the Company's Consolidated Statements of Operations.

The Company is not contractually committed to any planned capital expenditures for its Lime and Limestone Operations until actual orders are placed for equipment. Under the Company's O & G Lease, and pursuant to the Company's subsequent elections to participate as a 20% non-operating working interest owner, unless, within five days after receiving an AFE (authorization for expenditures) for a proposed well, the Company provides notice otherwise, the Company is deemed to have elected to participate as a 20% working interest owner. As a 20% non-operating working interest owner, the Company is responsible for 20% of the costs to drill, complete and workover the well.

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Pursuant to the Drillsite Agreement, the Company, as a 12.5% non-operating working interest owner, is responsible for 12.5% of the costs to drill, complete and workover each well. As of September 30, 2011, the Company had no material open orders or commitments that are not included in current liabilities on the Company's Condensed Consolidated Balance Sheet.

As of September 30, 2011, the Company had \$32.9 million in total debt outstanding.

Results of Operations.

Revenues in the third quarter 2011 increased to \$39.2 million from \$31.9 million in the comparable prior year quarter, an increase of \$7.3 million, or 22.9%. Revenues from the Company's Lime and Limestone Operations in the third quarter 2011 increased \$5.2 million, or 17.1%, to \$35.7 million from \$30.5 million in the comparable 2010 quarter, while revenues from its Natural Gas Interests increased \$2.1 million, or 149.8%, to \$3.5 million from \$1.4 million in the comparable prior year quarter. For the nine months ended September 30, 2011, revenues increased to \$109.1 million from \$103.4 million in the comparable 2010 period, an increase of \$5.7 million, or 5.5%. Revenues from the Company's Lime and Limestone Operations in the first nine months 2011 increased \$1.2 million, or 1.2%, to \$99.2 million from \$98.1 million in the comparable 2010 period, while revenues from its Natural Gas Interests increased \$4.5 million, or 85.1%, to \$9.8 million from \$5.3 million in the comparable prior year period. The increase in lime and limestone revenues in the third quarter 2011 as compared to last year's comparable quarter resulted from increased sales volumes of the Company's lime products due to increased demand, principally from its highway construction and steel customers, and an average price increase for its lime and limestone products of approximately 1.2%. For the first nine months 2011 compared to the first nine months 2010, the Company's lime and limestone revenues increased primarily due to a 2.0% average product price increase.

The Company's gross profit was \$12.5 million for the third quarter 2011, compared to \$8.9 million in the comparable 2010 quarter, an increase of \$3.7 million, or 41.5%. Gross profit for the first nine months 2011 was \$32.4 million, an increase of \$3.4 million, or 11.8%, from \$28.9 million in the first nine months 2010. Included in gross profit for the third quarter and first nine months 2011 were \$10.1 million and \$25.4 million, respectively, from the Company's Lime and Limestone Operations, compared to \$7.9 million and \$25.1 million, respectively, in the comparable 2010 periods. The first nine months 2010 included costs incurred and accrued in the second quarter 2010 as a result of an accident at the Company's St. Clair plant in Oklahoma. The increased gross profit for the Company's lime and limestone operations in the third quarter and first nine months 2011, compared to the comparable 2010 periods, resulted primarily from the increased revenues and, in the third quarter 2011, an increase in gross profit margin as a percentage of revenues that was primarily due to the increased volumes.

Gross profit from the Company's Natural Gas Interests increased to \$2.4 million and \$6.9 million for the third quarter and first nine months 2011, respectively, from \$936 thousand and \$3.8 million, respectively, in the comparable 2010 periods. Production volumes from the Company's Natural Gas Interests for the third quarter 2011 totaled 435 thousand MCF from 40 wells, sold at an average price of \$8.10 per MCF, compared to 220 thousand MCF from 32 wells, sold at an average price of \$6.41 per MCF, in the comparable 2010 quarter. Production volumes for the first nine months 2011 from Natural Gas Interests totaled 1.2 BCF at an average price of \$8.37 per MCF, compared to the first nine months 2010 when 635 thousand MCF was produced and sold at an average price of \$7.76 per MCF. Average price per MCF improved in the 2011 periods compared to the comparable 2010 periods primarily because of increased prices for natural gas liquids contained in the Company's natural gas, which is attributable to the increase in the price of crude oil over the same periods. In the 2011 periods, the increase in production volumes resulted from seven new wells completed during the second half 2010 and three new wells completed at the end of June 2011, partially offset by the normal declines in production rates on existing wells. Gross profit for the first nine months 2011 also included \$463 thousand from the resolution of certain royalty ownership issues on unitized natural gas wells.

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Selling, general and administrative expenses (“SG&A”) were \$2.3 million and \$1.9 million in the third quarters 2011 and 2010, respectively, an increase of \$419 thousand, or 22.3%. The increase was primarily due to increased insurance, legal and professional and personnel costs. As a percentage of revenues, SG&A was 5.9% in both the 2011 quarter and the comparable 2010 quarter. SG&A was \$6.6 million in the first nine months 2011, compared to \$6.2 million in 2010, an increase of \$375 thousand, or 6.1%. As a percentage of revenues, SG&A in both the first nine months 2011 and 2010 was 6.0%.

Interest expense in the third quarter 2011 decreased \$89 thousand, or 12.6%, to \$618 thousand from \$707 thousand in the third quarter 2010. Interest expense in the first nine months 2011 was \$1.9 million and in the comparable period 2010 was \$2.0 million, a decrease of \$129 thousand, or 6.4%. The slight decrease in interest expense in the 2011 periods primarily resulted from decreased average outstanding debt due to the repayment of \$10.0 million of debt since September 30, 2010, partially offset by increased interest rates resulting from the June 2010 Amendment to the Company’s Credit Facilities. Interest expense included payments of \$399 thousand and \$1.2 million that were made pursuant to the Company’s interest rate hedges during the three- and nine-month periods ended September 30, 2011, respectively, compared to payments of \$429 thousand and \$1.4 million in the comparable prior year three- and nine-month periods, respectively.

Income tax expense increased to \$2.6 million in the third quarter 2011 from \$1.7 million in the third quarter 2010, an increase of \$864 thousand, or 49.4%. For the first nine months 2011, income tax expense increased to \$6.3 million from \$5.9 million in the comparable 2010 period, an increase of \$414 thousand, or 7.0%. The increases in income tax expense in the 2011 periods compared to the comparable 2010 periods were primarily due to the increases in the Company’s income before income taxes, partially offset by a decrease in its estimated effective income tax rates for 2011 compared to 2010. The Company’s effective income tax rate for 2011 is expected to decrease compared to its 2010 rate primarily because of increased statutory depletion in 2011 compared to 2010, resulting from increased revenues from its Natural Gas Interests and proportionately higher depletion rates for its Lime and Limestone Operations.

The Company’s net income was \$7.1 million (\$1.11 per share diluted) in the third quarter 2011, compared to net income of \$4.5 million (\$0.71 per share diluted) in the third quarter 2010, an increase of \$2.5 million, or 55.4%. Net income in the first nine months 2011 was \$17.7 million (\$2.76 per share diluted), an increase of \$2.8 million, or 18.8%, compared to the first nine months 2010 net income of \$14.9 million (\$2.32 per share diluted). Both the third quarter and first nine months 2011 earnings per share diluted were favorably impacted by \$0.01 per share by the Company’s repurchase of 200,000 shares of its common stock in August 2011 in a privately negotiated transaction.

ITEM 3: QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

Interest Rate Risk.

The Company is exposed to changes in interest rates, primarily as a result of floating interest rates on the Revolving Facility. At September 30, 2011, the Company had \$32.9 million of indebtedness outstanding under floating rate debt. The Company has entered into interest rate hedge agreements to swap floating rates for fixed LIBOR rates at 4.695%, plus the applicable margin, through maturity on the Term Loan balance of \$20.8 million, 4.875%, plus the applicable margin, on \$9.1 million of the Draw Term Loan balance and 5.500%, plus the applicable margin, on the remaining \$3.0 million of the Draw Term Loan balance. There was no outstanding balance on the Revolving Facility subject to interest rate risk at September 30, 2011. Any future borrowings under the Revolving Facility would be subject to interest rate risk. See Note 8 of Notes to Condensed Consolidated Financial Statements.

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ITEM 4: CONTROLS AND PROCEDURES

The Company's management, with the participation of the Company's Chief Executive Officer ("CEO") and Chief Financial Officer ("CFO"), evaluated the effectiveness the Company's disclosure controls and procedures as of the end of the period covered by this Report. Based on that evaluation, the CEO and CFO concluded that the Company's disclosure controls and procedures as of the end of the period covered by this Report were effective.

No change in the Company's internal control over financial reporting occurred during the Company's most recent fiscal quarter that has materially affected, or is reasonably likely to materially affect, the Company's internal control over financial reporting.

PART II. OTHER INFORMATION

ITEM 2: UNREGISTERED SALES OF EQUITY SECURITIES AND USE OF PROCEEDS

In August 2011, the Company, in a privately negotiated transaction, repurchased 200,000 shares of its common stock at a price of \$40.65 per share, a discount of 2% from the closing market price of the common stock on the date of the transaction.

The Company's Amended and Restated 2001 Long-Term Incentive Plan allows employees and directors to pay the exercise price for stock options and the tax withholding liability for the lapse of restrictions on restricted stock by payment in cash and/or delivery of shares of the Company's common stock. In the third quarter 2011, pursuant to these provisions the Company received shares of its common stock in payment to exercise stock options. The 1,694 shares were valued at \$41.66 per share, the fair market value of one share of the Company's common stock on the date they were tendered to the Company.

ITEM 5. OTHER INFORMATION

Mine Safety Disclosures.

Under Section 1503(a) of the Dodd-Frank Wall Street Reform and Consumer Protection Act, each operator of a coal or other mine is required to include disclosures regarding certain mine safety results in its periodic reports filed with the SEC. The operation of the Company's quarries, underground mine and plants is subject to regulation by the federal Mine Safety and Health Administration ("MSHA") under the Federal Mine Safety and Health Act of 1977. The information required under Section 1503(a) regarding certain mining safety and health matters, broken down by mining complex, for the quarter ended September 30, 2011 is presented in Exhibit 99.1 to this Report.

The Company believes it is responsible to employees to provide a safe and healthy workplace environment. The Company seeks to accomplish this by: training employees in safe work practices; openly communicating with employees; following safety standards and establishing and improving safe work practices; involving employees in safety processes; and recording, reporting and investigating accidents, incidents and losses to avoid reoccurrence.

Following passage of The Mine Improvement and New Emergency Response Act of 2006, MSHA significantly increased the enforcement of mining safety and health standards on all aspects of mining operations. There has also been an increase in the dollar penalties assessed for citations and orders issued in recent years.

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ITEM 6: EXHIBITS

- 31.1 Rule 13a-14(a)/15d-14(a) Certification by the Chief Executive Officer.
- 31.2 Rule 13a-14(a)/15d-14(a) Certification by the Chief Financial Officer.
- 32.1 Section 1350 Certification by the Chief Executive Officer.
- 32.2 Section 1350 Certification by the Chief Financial Officer.
- 99.1 Mine Safety Disclosures.
- 101 Interactive Data Files.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this Report to be signed on its behalf by the undersigned thereunto duly authorized.

UNITED STATES LIME & MINERALS, INC.

November 1, 2011

By: /s/ Timothy W. Byrne
Timothy W. Byrne
President and Chief Executive Officer
(Principal Executive Officer)

November 1, 2011

By: /s/ M. Michael Owens
M. Michael Owens
Vice President and Chief Financial Officer
(Principal Financial and Accounting Officer)

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UNITED STATES LIME & MINERALS, INC.

Quarterly Report on Form 10-Q
Quarter Ended
September 30, 2011

Index to Exhibits

EXHIBIT NUMBER	DESCRIPTION
31.1	Rule 13a-14(a)/15d-14(a) Certification by the Chief Executive Officer.
31.2	Rule 13a-14(a)/15d-14(a) Certification by the Chief Financial Officer.
32.1	Section 1350 Certification by the Chief Executive Officer.
32.2	Section 1350 Certification by the Chief Financial Officer.
99.1	Mine Safety Disclosures.
101	Interactive Data Files.

RULE 13a-14(a)/15d-14(a) CERTIFICATION BY THE CHIEF EXECUTIVE OFFICER

I, Timothy W. Byrne, certify that:

1. I have reviewed this quarterly report on Form 10-Q of United States Lime & Minerals, Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize, and report financial information; and
 - b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Dated: November 1, 2011

/s/ Timothy W. Byrne

Timothy W. Byrne
President and Chief Executive Officer

RULE 13a-14(a)/15d-14(a) CERTIFICATION BY THE CHIEF FINANCIAL OFFICER

I, M. Michael Owens, certify that:

1. I have reviewed this quarterly report on Form 10-Q of United States Lime & Minerals, Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize, and report financial information; and
 - b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Dated: November 1, 2011

/s/ M. Michael Owens

M. Michael Owens

Vice President and Chief Financial Officer

SECTION 1350 CERTIFICATION BY THE CHIEF EXECUTIVE OFFICER

I, Timothy W. Byrne, Chief Executive Officer of United States Lime & Minerals, Inc. (the "Company"), hereby certify that, to my knowledge:

- (1) The Company's periodic report on Form 10-Q for the quarterly period ended September 30, 2011 (the "Form 10-Q") fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended; and
- (2) The information contained in the Form 10-Q fairly presents, in all material respects, the financial condition and results of operations of the Company.

Dated: November 1, 2011

/s/ Timothy W. Byrne
Timothy W. Byrne
President and Chief Executive Officer

SECTION 1350 CERTIFICATION BY THE CHIEF FINANCIAL OFFICER

I, M. Michael Owens, Chief Financial Officer of United States Lime & Minerals, Inc. (the "Company"), hereby certify that to my knowledge:

- (1) The Company's periodic report on Form 10-Q for the quarterly period ended September 30, 2011 (the "Form 10-Q") fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended; and
- (2) The information contained in the Form 10-Q fairly presents, in all material respects, the financial condition and results of operations of the Company.

Dated: November 1, 2011

/s/ M. Michael Owens

M. Michael Owens

Vice President and Chief Financial Officer

MINE SAFETY DISCLOSURES

The following disclosures are provided pursuant to Section 1503(a) of the Dodd-Frank Wall Street Reform and Consumer Protection Act (the “Dodd-Frank Act”), which requires certain disclosures by companies required to file periodic reports under the Securities Exchange Act of 1934, as amended, that operate mines regulated under the Federal Mine Safety and Health Act of 1977 (the “Mine Act”). Under the Dodd-Frank Act, the Securities and Exchange Commission (the “SEC”) has proposed rules to carry out the purposes of these provisions, but has not issued final rules as of the date of this Report. While we believe the following disclosures meet the requirements of the Dodd-Frank Act, it is possible that final rulemaking by the SEC will require disclosures to be presented in a form that differs from the following.

The Mine Act has been construed as authorizing the Mine Safety and Health Administration (“MSHA”) to issue citations and orders pursuant to the legal doctrine of strict liability, or liability without fault. If, in the opinion of an MSHA inspector, a condition that violates the Mine Act or regulations promulgated pursuant to it exists, then a citation or order will be issued regardless of whether the operator had any knowledge of, or fault in, the existence of that condition. Many of the Mine Act standards include one or more subjective elements, so that issuance of a citation or order often depends on the opinions or experience of the MSHA inspector involved and the frequency and severity of citations and orders will vary from inspector to inspector.

Whenever MSHA believes that a violation of the Mine Act, any health or safety standard, or any regulation has occurred, it may issue a citation or order which describes the violation and fixes a time within which the operator must abate the violation. In some situations, such as when MSHA believes that conditions pose a hazard to miners, MSHA may issue an order requiring cessation of operations, or removal of miners from the area of the mine affected by the condition until the hazards are corrected. Whenever MSHA issues a citation or order, it has authority to propose a civil penalty or fine, as a result of the violation, that the operator is ordered to pay.

The table that follows reflects citations, orders, violations and proposed assessments issued to the Company by MSHA during the quarter ended September 30, 2011 and all pending legal actions as of September 30, 2011. Due to timing and other factors, the data may not agree with the mine data retrieval system maintained by MSHA. The proposed assessments for the quarter ended September 30, 2011 were taken from the MSHA system as of [October 31, 2011.]

Additional information follows about MSHA references used in the table:

- *Section 104(a) Citations:* The total number of citations received from MSHA under section 104(a) of the Mine Act for alleged violations of health or safety standards that could significantly and substantially contribute to a serious injury if left unabated.
 - *Section 104(b) Orders:* The total number of orders issued by MSHA under section 104(b) of the Mine Act, which represents a failure to abate a citation under section 104(a) within the period of time prescribed by MSHA. This results in an order of immediate withdrawal from the area of the mine affected by the condition until MSHA determines that the violation has been abated.
 - *Section 104(d) Citations and Orders:* The total number of citations and orders issued by MSHA under section 104(d) of the Mine Act for unwarrantable failure to comply with mandatory health or safety standards.
 - *Section 110(b)(2) Violations:* The total number of flagrant violations issued by MSHA under section 110(b)(2) of the Mine Act.
 - *Section 107(a) Orders:* The total number of orders issued by MSHA under section 107(a) of the Mine Act for situations in which MSHA determined an imminent danger existed.
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Citations and orders can be contested before the Federal Mine Safety and Health Review Commission (the "Commission") and, as part of that process, are often reduced in severity and amount, and are sometimes dismissed. The Commission is an independent adjudicative agency that provides administrative trial and appellate review of legal disputes arising under the Mine Act. These cases may involve, among other questions, challenges by operators to citations, orders and penalties they have received from MSHA, or complaints of discrimination by miners under section 105 of the Mine Act.

Mine(1)	Section 104(a) Citations	Section 104(b) Orders	Section 104(d) Citations and Orders	Section 110(b)(2) Violations	Section 107(a) Orders	Proposed MSHA Assessments(2) (\$ in thousands)	Fatalities	Pending Legal Actions(3)
Texas Lime Company	2	—	—	—	—	—	—	6
Arkansas Lime Company								
Plant	1	—	—	—	—	.4	—	—
Limedale Quarry	—	—	—	—	—	1.4	—	—
Colorado Lime Company								
Monarch Quarry	—	—	—	—	—	.1	—	—
Salida Plant	—	—	—	—	—	.1	—	—
Delta Plant	—	—	—	—	—	—	—	—
U.S. Lime Company - St. Clair	1	—	—	—	—	1.1	—	15

(1) The definition of a mine under section 3 of the Mine Act includes the mine, as well as other items used in, or to be used in, or resulting from, the work of extracting and processing limestone, such as roads, land, structures, facilities, equipment, machines, tools, kilns, and other property. These other items associated with a single mine have been aggregated in the totals for that mine.

(2) The proposed MSHA assessments issued during the reporting period do not necessarily relate to the citations or orders issued by MSHA during the reporting period or to the pending contests reported above.

(3) Includes any pending legal action before the Commission involving such mine as of September 30, 2011. All pending legal actions were initiated by the Company and may include multiple citations or orders. The pending legal actions may relate to the citations or orders issued by MSHA during the reporting period or to citations or orders issued in prior periods.

Pattern or Potential Pattern of Violations. During the quarter ended September 30, 2011, none of the mines operated by the Company received written notice from MSHA of either (a) a pattern of violations of mandatory health or safety standards that are of such nature as could have significantly and substantially contributed to mine health or safety hazards under section 104(e) of the Mine Act or (b) the potential to have such a pattern.

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uslm-20110930_def.xml

uslm-20110930_lab.xml

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