MARTIN MARIETTA MATERIALS INC
Form 425
February 21, 2012

FILED BY MARTIN MARIETTA MATERIALS, INC.

PURSUANT TO RULE 425 UNDER THE SECURITIES ACT OF 1933

AND DEEMED FILED PURSUANT TO RULE 14a-12

UNDER THE SECURITIES EXCHANGE ACT OF 1934

SUBJECT COMPANY: VULCAN MATERIALS COMPANY

COMMISSION FILE NO. 001-33841

Update on Martin
Marietta's Proposed
Combination with Vulcan
Materials
February 21, 2012
Rock Solid Fundamentals.
Positioned for the Long Term.

Recent Vulcan Announcements

On February 16, 2012, Vulcan announced:

Fourth quarter and full year 2011 earnings that continue to underperform
Martin Marietta s

A
vague
Profit
Enhancement
Plan
that
Vulcan
hopes
will
result
in
$100M
cost savings by 2014

Planned Asset Sales (including low-margin assets) that Vulcan hopes will result in net proceeds of $500M over the next 12-18 months

2012 EBITDA guidance of $500M, excluding the impact of Planned Asset Sales
1
Source:
Company filings

Martin Marietta has serious reservations about the credibility of Vulcan s announced hope plans,
which appear to have been crafted solely in response
to Martin Marietta s business combination proposal
MARTIN MARIETTA MATERIALS
Vulcan s announcements confirm the compelling nature of Martin Marietta s proposed business combination

MARTIN MARIETTA MATERIALS
Vulcan Continues to Underperform
2
Earnings Summary
Q4 2011
Full Year 2011
Martin

Marietta
Vulcan
Martin
Marietta
Vulcan
Consolidated
% Y/Y growth in net sales
+8.0%
+5.3%
+3.0%
0.0%
Gross margin
18.6%
12.9%
19.9%
11.8%
Adjusted
EBITDA
margin
[1]
23.9%
15.6%
23.3%
14.0%
Adjusted
EPS
[2]
$0.52
($0.16)
$2.03
($0.48)
Aggregates segment
% Y/Y growth in net sales
+6.9%
+4.4%
+1.5%
(1.3%)
% Y/Y change in Aggregates pricing
+6.0%
+1.2%
+2.7%
+1.2%
%Y/Y change in Aggregates volume
(1.2%)
+2.6%
(3.5%)
(3.1%)
Martin Marietta, based on its demonstrated track record of superior cost management and performance, is positioned to create value in a combination
Note 1:

Please see EBITDA reconciliation in the appendix.
Note 2:
Martin Marietta adjusted EPS defined as reported EPS attributable to common shareholders *plus* gain on discontinued operatio
expenses ($0.20 in Q4, $0.25 in FY2011).
Vulcan adjusted EPS defined as reported EPS from continuing operations *plus* gain/(loss) on discontinued operations ($0.02 lo
($0.05 in Q4, $0.06 in FY2011) *plus* exchange offer costs ($0.01 in Q4 and FY2011).
Source: Company filings

MARTIN MARIETTA MATERIALS
Underwhelming Market Reaction to Vulcan s Q4 11
Earnings and Cost Savings Release
3
Despite doing better than analyst expectations for Q4 and the announcement of
Vulcan s plans, Vulcan s stock showed little reaction
(0.6%) relative

under-performance
vs. the S&P 500 for
Vulcan[3]
Q4 vs. the Street
Revenues of $615M vs.
consensus
of
$603M
[1]
Headline EPS loss of $0.14
2
vs.
consensus
estimated
loss
of
$0.37
[1]

Note 1: Based on mean analyst estimates immediately prior to Q4 earnings release as per Thomson One. EPS represents EPS f
Note 2: Headline EPS defined as EPS from continuing operations plus organizational restructuring ($0.05) plus exchange offer
Note 3: Share price return (below) S&P 500 on the day of announcement. Closing prices on 2/16/2012 vs. Closing prices on 2/
Source: FactSet, Thomson One, Company filings

MARTIN MARIETTA MATERIALS
Vulcan Management Lacks Credibility
4
Vulcan s
plans
lack details &
substance

Vulcan s poor
track record and
lack of
responsiveness
Reactive timing
of Vulcan s new
plans

Vulcan has demonstrated a history of poor responsiveness to the challenges of the last several years, and to shareholder concerns

Since 2007 Vulcan s margins have decreased every year, while SG&A as % of net sales has increased, leading to a significant decline in profitability to a loss position

Apparently Vulcan s recent dialogue with its shareholders belatedly has caused Vulcan to *understand their concerns over the last few years* related to [Vulcan s] balance sheet and to [Vulcan s] overhead cost structure. 1 (emphasis added)

The timing of Vulcan s announcements suggests that its new-found confidence exists only in response to Martin Marietta s value-enhancing proposal

On December 19, 2011, Vulcan announced $55 million of savings, $25 million of which had previously been implemented

Since then Vulcan has suddenly found another $100 million of cost savings to implement over the next three years

Vulcan initiated its ERP project in 2007 (which appears to be critical to Vulcan s new plans), yet it has taken almost 5 years to reveal the purported expected results

The absence of detail about Vulcan s plans clearly warns that they lack substance

Vulcan s plans amount to conclusory statements of what it says it will do -- without providing any details

However, repeated unqualified assertions of what it will do cannot change a hope plan into a credible business plan

Note 1:
Vulcan conference call, February 16, 2012

Source:
Company filings; Bloomberg
Martin Marietta believes:

Vulcan Management Lacks Credibility (continued)
5
Vulcan
management
lacks credibility
Vulcan s asset
sale plan

is flawed

Vulcan s asset sale plan
is not the best path --
and may not even be a good
path --
to an improved and strengthened balance sheet, a better credit profile
and restored dividends. By contrast:

A combination with Martin Marietta provides the best deleveraging
opportunity for Vulcan shareholders

Martin
Marietta
specifically
intends
to
pay
a
quarterly
dividend
20x Vulcan's
current $0.01 per share, commencing promptly after closing the business
combination

Vulcan management's asserted belief in the results promised by Vulcan s hope
plans
itself lacks credibility
Source:
Company filings
Martin Marietta believes:
MARTIN MARIETTA MATERIALS

Even when compelled to acknowledge the need for proactive steps to
produce substantial improvement, Vulcan has only been able to offer up
hope plans
supported by a trust me
approach, to be implemented
over 3 years

Given Vulcan's history, its poor response to serious challenges and
shareholder concerns, and its lack of meaningful detail to support its
statements, Vulcan shareholders should carefully consider whether they
can believe Vulcan management now

Vulcan's Organizational Realignment Program Announced
on December 19, 2011 is Flawed
6
States with Vulcan Materials locations
New regional headquarters
WA
NV

UT
WY
CO
NE
KS
OK
TX
MN
IA
MO
AR
WI
IN
OH
WV
MD
VA
NC
SC
TN
MS
AL
GA
FL
PA
KY
IL
LA
NM
AZ
CA
DE
OR
ID
MT
SD
ND
VT
CT
NY
NH
RI
ME
NJ
MA
MI
Source:
Company filings

Vulcan

management
says
it
expects
the
realignment
to
generate
an
ongoing
annualized
pre-tax
cost
savings of approximately $30 million

Key highlights of the plan include:

the consolidation of its eight divisions into four operating regions

restructuring of approximately 200 employees in mostly overhead and administrative positions

Fails to eliminate a significant number of high-paying management positions or meaningfully streamline duplicative functions
Martin Marietta believes a company with a national footprint should not locate
three
of
its
four
division
headquarters
in
the
Southeast,
within
easy
driving
distance of each other
New Operating Region HQs
Prior
divisions
New HQ
Southeast,
Mideast
East Region:
Atlanta, GA
Florida Rock,
Southwest,
Yucatan
South Region:
Jacksonville, FL

Midwest,
Midsouth,
Southern,
Gulf Coast
Central Region:
Birmingham,
AL
Western
West Region:
Los Angeles, CA
MARTIN MARIETTA MATERIALS
Yucatan
Peninsula

MARTIN MARIETTA MATERIALS
Overhead
reduction
already in place
$55M
Profit
Enhancement

Plan
$100M
Additional
opportunity
(Plant
operations)
?
Total standalone
savings
$155M+
Mr. James informed Mr. Nye that
he believed the best available
estimate of potential cost synergies
was
between
$125
million
to
$150 million, based on the report
from Mr. Sansone
(Vulcan 14D-9, December 22, 2011, as
amended)
Vulcan
Only
Arrived
at
its
Latest
Hope
Plan
Following
Announcement of Martin Marietta s Business Combination Proposal
7
Vulcan announced
$155M+ standalone
cost savings
Mr.
James
also
stated
that
he
did
not
believe that the cost synergies to be
achieved in a combination would be
greater
than
$50
million...

(Martin Marietta S-4, December 12, 2011, as
amended)
Note 1:
See Martin Marietta s Form S-4 initially filed December 12, 2011, as amended. Actual synergies will be based on future perfo
Source:
Company filings
While Martin Marietta has serious doubts as to the ability of Vulcan management to implement its cost savings plan, the announcement of the plan validates Martin Marietta s view that considerably more cost discipline can be applied to Vulcan s business
$50
60M
$50
60M
$100
130M
Martin Marietta proposal
Improved
purchasing
efficiencies from
greater scale
Duplicative
operating
functions
Duplicative SG&A
functions
$200M -
$250M
achievable synergies in a
combination
1
Vulcan plan
Vulcan commentary
Maximum $50M synergies
in a combination
FEBRUARY 16, 2012
JUNE 27, 2011
APRIL 5, 2011

MARTIN MARIETTA MATERIALS
Vulcan Management s Lack of Credibility is Underscored
by its Poor Performance
8
Adjusted EBITDA and % Margin
Given Vulcan management s lack of credibility, Martin Marietta believes shareholders
should not trust Vulcan management s ability to deliver significant cost savings over

its projected three year time horizon
Note
1:
Leverage
defined
as
total
debt
/
LTM
adjusted
EBITDA.
Please
see
EBITDA
reconciliation
in
the
appendix.
Source:
Company filings; Bloomberg
($M)
Net income
$451
$1
$30
($97)
($71)
Leverage [1]
4.0x
4.4x
5.3x
7.7x
8.3x
30%
margin
23%
margin
20%
margin
15%
margin
14%
margin
30%
margi
n

Anticipated **average annual EBITDA of** more than $2 billion over the next 3 years, enabling rapid debt reduction.

(Vulcan Investor Presentation, February 20, 2007)
What Vulcan Delivered Since 2007:
What Vulcan Said in 2007:

EBITDA has fallen by 63% and is currently
17% of the $2B goal

Stated focus on cost reduction has
yielded only a 9% reduction in SG&A costs
(excluding $50M Florida Rock synergies)

Failed to accomplish stated goals of
de-levering the balance sheet and
maintaining an investment grade rating

Vulcan has missed Street EBITDA
expectations in 16 of the last 20 quarters

A Comparison of SG&A Margins Demonstrates Superior Cost Management by Martin Marietta
9

Annual SG&A as a % of Net Sales[1]
2007
2011 SG&A as a % of Net Sales
Martin Marietta: 8.4%

Vulcan: 11.3%
Note 1:
Vulcan s SG&A excludes R&D for comparative purposes; except 2011 and 2012, where R&D information is not available. Pl
Note 2:
Please see EBITDA reconciliation in appendix.
Note 3:
Based
on
Vulcan s
2012
SG&A
guidance
of
$270M
and
2012
net
sales
based
on
Street
consensus
estimates,
adjusted
for
Delivery
revenues
based
on
actual
figures
for
2011.
Note 4:
Based on Vulcan s 2012 EBITDA guidance of $500M and 2012 net sales based on Street consensus estimates, adjusted for De
Source:
Company filings
2012E
SG&A ($M)
1
$155
$288
$151
$341
$139
$320
$133
$326
$124
$290

$270
EBITDA margin [2]
29.8%
29.8%
26.7%
23.2%
25.6%
20.3%
24.0%
14.6%
23.3%
14.0%
19.8%
4
3
8.0%
8.1%
9.3%
8.6%
8.2%
9.3%
9.9%
12.6%
13.5%
12.0%
10.7%
2007
2008
2009
2010
2011
Based on Vulcan's 2012 guidance and Martin Marietta's superior cost management track record, Martin Marietta believes Vulcan's costs would be more effectively managed within a combined Vulcan/Martin Marietta
MARTIN MARIETTA MATERIALS
1

MARTIN MARIETTA MATERIALS
Vulcan s Plan to Sell Assets is Flawed
10
Not the optimal
strategy to de-risk
balance sheet
Selling $500M of

assets could
negatively impact
future profitability
Vulcan management
confidence in its
planned asset sales
does not appear to
be well informed
Note 1:
Vulcan conference call, February 16, 2012
Source:
Company filings
Martin Marietta believes:

Vulcan is ignoring an opportunity to more quickly and more effectively strengthen its balance sheet and restore its dividend through a combination with Martin Marietta

There is absolutely no assurance that asset sales of $500M will be completed, or if completed, will improve Vulcan s credit profile

Vulcan will still be highly leveraged in any event

Given the lack of detail associated with Vulcan management s plan for asset sales, the extent of the impact on future profitability is unclear

However, Vulcan s projected performance and announced EBITDA guidance should be adjusted to reflect the impact of planned asset sales on future profitability

When asked how confident Vulcan could be that they will get the types of valuations that underpin that $500M estimate, Vulcan management answered by referencing third-party interest they have received in buying Vulcan s assets *over the last two* or three or four or five years. So there s plenty of interest in them. [1]

However, no reference was made to current interest in purchasing assets, which is clearly the most relevant in this situation

And when asked whether the valuation of assets would be impacted by competing asset sale announcements, notably CEMEX s intended sale of $2B in assets by year-end, Vulcan management stated: *I* don t know where and what CEMEX is proposing to sell. [1]

Instead, Vulcan management chose to rely on hope, stating: *we believe that* there will

be
significant
buyers
with
hopefully
significant
synergies
who
will
be
interested in our assets. [1]

MARTIN MARIETTA MATERIALS
Vulcan Has Completely Failed to Explain How, on What Basis, or When it Would Provide its So-Called Competitive
Dividend

When asked on the February 16, 2012 call to provide some color or some metrics that Vulcan's board looks at when determining a higher dividend, Vulcan management gave a decidedly vague and uninformative answer :

Our board has always looked at cash earnings as a source for dividend payments. That is a very, very important issue for our board. We would very much like to get -- restore dividend and continue to grow a dividend. We will take a look at that at the end of the first quarter. Again, we looked at it very carefully. As you know, in the fourth quarter of last year, we looked at it again in our most recent board meeting and we ll continue to look at it very carefully as we move forward. But I think our board s view is we need to restore sooner than later.
1

Contrary to Vulcan management's earlier statements on the February 16, 2012 call that planned asset sales will give the board flexibility to restore a competitive dividend, the importance of cash earnings as a source of dividends, highlighted in the quoted statement above, suggests this may not be so
11
Note 1:
Vulcan conference call, February 16, 2012

MARTIN MARIETTA MATERIALS
Vulcan Management Ignores Martin Marietta's Superior
Proposal in Favor of Their Flawed Plan
12
Vulcan wants its shareholders to
ignore the facts:
Martin Marietta's proposal provides:

History of Vulcan s poor cost management and
operational underperformance leading to a
history of net losses
Significant hurdles to reinstate meaningful
dividend
Deleveraging requires a period of years even
under announced plan
Asset sales to be used to deleverage Vulcan s
balance sheet and needed to repay debt resulting
from poor acquisitions and poor operating
performance
It is Martin Marietta s position that:
Vulcan management was unwilling to engage
during prior discussions on realistic synergy levels
Note 1:
See Martin Marietta s Form S-4 initially filed December 12, 2011, as amended. Actual synergies will be based on future perfo
Source:
Company filings
Credible plan to achieve
$200M -
$250M in synergies [1]
Deleveraging provided by Martin Marietta
balance sheet; assets only divested as part of
the proposal to build a sustainable, dynamic
enterprise
Immediate deleveraging
Intention to immediately restore dividend
Track record of superior cost management and
operational excellence leading to a
history of net earnings

MARTIN MARIETTA MATERIALS
Questions Vulcan Shareholders Should Ask Themselves
13
How
can
Vulcan s
board

offer
management's
standalone
hope
plans
as
the
basis for refusing to negotiate in good faith with Martin Marietta to reach a mutual agreement on the proposed business combination?

Why should Vulcan shareholders. . .

. . . have faith in Vulcan s ability to implement its cost-savings plan, given its history of negative earnings, bloated cost structure and high SG&A margins?

. . . trust Vulcan, given years of unresponsiveness to shareholder concerns, particularly with respect to Vulcan s balance sheet and cost structure?

. . . believe in the promised benefits of the Vulcan plan, which Vulcan asserts will be largely derived from an ERP project that was initiated in 2007? And why has it taken almost five years for Vulcan to reveal the purported expected results of this project?

. . . accept Vulcan management s asset sale plan, or the assurance that it will strengthen Vulcan s credit profile and permit restoration of a competitive dividend?

MARTIN MARIETTA MATERIALS
Bottom Line Hasn t Changed: Martin Marietta s Business
Combination Proposal is Compelling to Vulcan Shareholders
14

Significant benefits to a combination beyond synergies include:

meaningful dividend restoration (20x improvement over the current Vulcan dividend)

participation in the eventual cyclical recovery

significantly de-risked balance sheet and improved access to and credibility with capital markets

multiple benefits of:

size

scale

geographic footprint

best-in-class management

Vulcan s Board should promptly commence good-faith negotiations in a real effort to reach mutual agreement on a combination with Martin Marietta

Appendix
15

MARTIN MARIETTA MATERIALS
Martin Marietta EBITDA & EBIT Reconciliation
16
Note:
Adjusted 2011 EBITDA is preliminary and amounts may change upon finalization of Martin Marietta s Annual Report on For
Source:
Company filings

(dollars in millions)
For the
Quarter Ended
December 31,
For the Year Ended December 31,
2011
2011
2010
2009
2008
2007
Net earnings attributable to entity
$ 14.8
$ 82.4
$ 97.0
$ 85.5
$ 176.3
$ 262.7
Add back:
Interest expense
13.3
58.6
68.5
73.5
74.3
60.9
Income tax expense for controlling interests
3.0
23.1
29.3
27.4
77.3
116.6
Depreciation, depletion and amortization expense
43.3
171.8
179.9
177.7
169.8
150.4
EBITDA
$ 74.4
$ 335.9
$ 374.7
$ 364.1
$ 497.7
$ 590.6
Adjusted for:
Legal settlement
-

-
-
11.9
-
-
Reversal of excess legal reserve
-
-
(5.0)
-
-
-
Nonrecurring reduction in workforce charge
-
-
-
-
5.4
-
Charge for early retirement benefit
-
-
-
-
-
-
(Gain) loss on sales of assets
-
-
(4.5)
3.0
(12.8)
-
Transaction costs
15.1
18.6
1.2
2.2
3.6
-
Settlement expense for pension plan
-
-
3.5
-
2.8
0.7
Asset write-offs
-
-

-
-
3.3
-
Other nonoperating (income) expense
-
-
0.2
(1.1)
2.0
(7.3)
Pretax gain on discontinued operations
-
-
(0.3)
(0.5)
(10.1)
(3.7)
Income attributable to noncontrolling interests
-
-
1.7
2.8
3.7
0.9
Adjusted EBITDA
$ 89.5
$ 354.5
$ 371.5
$ 382.4
$ 495.6
$ 581.2
Less:
Depreciation, depletion and amortization expense
43.3
171.8
179.9
177.7
169.8
150.4
Adjusted EBIT
$ 46.2
$ 182.7
$ 191.6
$ 204.7
$ 325.8
$ 430.8

MARTIN MARIETTA MATERIALS
Vulcan EBITDA & EBIT Reconciliation
17
Note:
Adjusted
2011
EBITDA

is
preliminary
and
amounts
may
change
upon
finalization
of
Vulcan s
Annual
Report
on
Form
10-K.
Source:
Company filings
(dollars in millions)
For the
Quarter Ended
December 31,
For the Year Ended December 31,
2011
2011
2010
2009
2008
2007
Net (loss) earnings
$ (27.9)
$
(70.8)
$
(96.5)
$ 30.3
$ 0.9
$ 450.9
Add back:
Interest expense
53.3
217.2
180.7
173.0
169.7
41.6
Income tax (benefit) expense
(30.5)
(78.5)
(85.7)
(30.1)

70.1
197.2
Depreciation, depletion and amortization expense
88.0
361.7
382.1
394.6
389.1
271.5
Goodwill impairment
-
-
-
-
252.7
-
EBITDA
83.0
429.6
380.6
567.8
882.5
961.2
Adjusted for:
Legal settlement
-
-
40.0
-
-
-
Recovery for legal settlement
-
(46.4)
-
-
-
-
Legal expense
-
-
3.0
-
-
-
Transaction expenses
2.2
2.2
-
-

-
-
Restructuring charges
10.0
13.0
-
-
-
-
Gain on sales of assets
(2.9)
(47.8)
(59.3)
(27.1)
(94.2)
(58.7)
Asset write-offs
-
-
9.2
8.5
10.5
-
Accretion expense for asset retirement obligations
(1.9)
-
(8.6)
(8.8)
(7.1)
(5.9)
Other nonoperating (income) expense
(2.4)
(0.0)
(3.1)
(5.3)
4.4
5.3
(Earnings) loss on discontinued operations, net of tax
1.9
(4.5)
(10.0)
(19.5)
4.1
19.3
Income attributable to noncontrolling interests
-
-
-
-
-

0.2
Adjusted EBITDA
$
89.9
$ 338.1
$ 351.8
$ 515.6
$ 800.1
$ 921.5
Less:
Depreciation, depletion and amortization expense
88.0
361.7
382.1
394.6
389.1
271.5
Adjusted EBIT
$
1.9
$
(23.6)
$
(30.3)
$
121.0
$
411.0
$ 650.0

MARTIN MARIETTA MATERIALS
Vulcan SG&A Reconciliation
18
Note:
Vulcan does not provide interim disclosures of R&D in quarterly financial statements.
Source:
Company filings

(dollars in millions) For the Year Ended December 31,	2011	2010	2009	2008	2007
SG&A, as reported	$ 290.0	$ 327.5	$ 321.6	$ 342.6	$ 289.6
R&D expense, as disclosed in notes to financials	N/A	1.6	1.5	1.5	1.6
Adjusted SG&A	$ 290.0	$ 326.0	$ 320.1	$ 341.0	$ 288.0
Net Sales	$ 2,406.9	$ 2,405.9	$ 2,543.7	$ 3,453.1	$ 3,090.1
Adjusted SG&A as Percentage of Net Sales	12.0%	13.5%	12.6%	9.9%	9.3%

MARTIN MARIETTA MATERIALS
Cautionary Note Regarding Forward-Looking Statements
19
This presentation may include "forward-looking statements." Statements that include words such as "anticipate," "expect," "sho
words of similar meaning in connection with future events or future operating or financial performance are often used to identi
statements in this presentation, other than those relating to historical information or current conditions, are forward-looking sta
statements are subject to a number of risks and uncertainties, many of which are beyond Martin Marietta's control, which coul

materially from such statements. Risks and uncertainties relating to the proposed transaction with Vulcan include, but are not l accept Martin Marietta's proposal and enter into a definitive transaction agreement reasonably satisfactory to the parties; Marti shareholder, antitrust and other approvals on the proposed terms and schedule; uncertainty as to the actual premium that will be in connection with the proposed transaction; uncertainty of the expected financial performance of the combined company follo transaction; Martin Marietta's ability to achieve the cost-savings and synergies contemplated by the proposed transaction withi Marietta's ability to promptly and effectively integrate the businesses of Vulcan and Martin Marietta; the combined company amount anticipated; a downgrade of the credit rating of Vulcan's indebtedness, which could give rise to an obligation to redeem the potential implications of alternative transaction structures with respect to Vulcan, Martin Marietta and/or the combined co requiring an offer to repurchase certain of Martin Marietta's existing debt; the implications of the proposed transaction on certa Vulcan s employee benefit plans; and disruption from the proposed transaction making it more difficult to maintain relationsh suppliers. Additional risks and uncertainties include, but are not limited to: the performance of the United States economy; dec inability of the U.S. Congress to pass a successor federal highway bill; the discontinuance of the federal gasoline tax or other r construction; the level and timing of federal and state transportation funding, including federal stimulus projects; the ability of finance approved projects either with tax revenues or alternative financing structures; levels of construction spending in the ma Vulcan serve; a decline in the commercial component of the nonresidential construction market, notably office and retail space construction recovery; unfavorable weather conditions, particularly Atlantic Ocean hurricane activity, the late start to spring o impact of a drought or excessive rainfall in the markets served by Martin Marietta and Vulcan; the volatility of fuel costs, parti on the cost of other consumables, namely steel, explosives, tires and conveyor belts; continued increases in the cost of other re transportation availability, notably barge availability on the Mississippi River system and the availability of railcars and locom Martin Marietta's and Vulcan's long haul distribution markets; increased transportation costs, including increases from higher p costs to comply with tightening regulations as well as higher volumes of rail and water shipments; availability and cost of cons States; weakening in the steel industry markets served by Martin Marietta's dolomitic lime products; inflation and its effect on Martin Marietta s ability to successfully integrate acquisitions and business combinations quickly and in a cost-effective man profitability to maintain compliance with Martin Marietta's leverage ratio debt covenants; changes in tax laws, the interpretatio administrative practices that would increase Martin Marietta's and/or Vulcan's tax rate; violation of Martin Marietta's debt cov to previous levels of instability; a potential downgrade in the rating of Martin Marietta's or Vulcan s indebtedness; downward Vulcan's common stock price and its impact on goodwill impairment evaluations; the highly competitive nature of the constru of future regulatory or legislative actions; the outcome of pending legal proceedings; healthcare costs; the amount of long-term changes in interest rates; volatility in pension plan asset values which may require cash contributions to pension plans; the imp costs and liabilities relating to previously divested businesses; the ability to secure and permit aggregates reserves in strategica residential construction markets; and the impact on the combined company (after giving effect to the proposed transaction with risks, as well as other risk factors listed from time to time in Martin Marietta's and Vulcan's filings with the SEC.

The foregoing review of important factors should not be construed as exhaustive and should be read in conjunction with the ot included elsewhere, including the Risk Factors section of the Registration Statement and our most recent reports on Form 10-K documents of Martin Marietta and Vulcan filed with the SEC. Any forward-looking statements made in this presentation are q cautionary statements, and there can be no assurance that the actual results or developments anticipated by us will be realized o that they will have the expected consequences to, or effects on, us or our business or operations. Except to the extent required no obligation to update publicly or revise any forward-looking statement, whether as a result of new information, future devel

MARTIN MARIETTA MATERIALS
Important Additional Information
20
This presentation relates to the Exchange Offer by Martin Marietta to exchange each issued and outstanding share of common
of Martin Marietta common stock. This presentation is for informational purposes only and does not constitute an offer to exc
offer to exchange, shares of Vulcan common stock, nor is it a substitute for the Tender Offer Statement on Schedule TO or the
to exchange included in the Registration Statement on Form S-4 (the Registration Statement) (including the letter of transm

as amended and supplemented from time to time, the Exchange Offer Documents) initially filed by Martin Marietta on Dec
The Registration Statement has not yet become effective. The Exchange Offer will be made only through the Exchange Offer I
SECURITY HOLDERS ARE URGED TO READ THE EXCHANGE OFFER DOCUMENTS AND ALL OTHER RELEVAN
MAY FILE WITH THE SEC WHEN THEY BECOME AVAILABLE BECAUSE THEY CONTAIN OR WILL CONTAIN I

In connection with the solicitation of proxies for Vulcan s 2012 annual meeting of shareholders (the Vulcan Meeting), Mar
proxy statement on January 24, 2012 (as amended the Vulcan Meeting Preliminary Proxy Statement) with the SEC and inte
statement in connection therewith (the Vulcan Meeting Definitive Proxy Statement). When completed, the Vulcan Meeting
accompanying proxy card will be mailed to the shareholders of Vulcan. Martin Marietta also intends to file a proxy statement
relevant documents with the SEC in connection with its solicitation of proxies for a meeting of Martin Marietta shareholders (t
to approve, among other things, the issuance of shares of Martin Marietta common stock pursuant to the Exchange Offer (the
Statement). INVESTORS AND SECURITY HOLDERS ARE URGED TO READ THE VULCAN MEETING PRELIMINA
DEFINITIVE PROXY STATEMENT, THE MARTIN MARIETTA MEETING PROXY STATEMENT AND OTHER RELE
THEY WILL CONTAIN IMPORTANT INFORMATION.

All documents referred to above, if filed, will be available free of charge at the SEC s website (www.sec.gov) or by directing
at (877) 757-5404 (banks and brokers may call (800) 662-5200).

Martin Marietta, its directors and executive officers and the individuals nominated by Martin Marietta for election to Vulcan s
participants in any solicitation of proxies from Vulcan shareholders for the Vulcan Meeting or any adjournment or postponeme
directors and executive officers are participants in any solicitation of proxies from Martin Marietta shareholders for the Martin
adjournment or postponement thereof. Information about the participants, including a description of their direct and indirect in
or otherwise, is available in the Registration Statement, the proxy statement for Martin Marietta s 2011 annual meeting of sha
April 8, 2011, and the Vulcan Meeting Preliminary Proxy Statement, or will be available in the Vulcan Meeting Definitive Pro
Marietta Meeting Proxy Statement, as applicable.

Martin Marietta anticipates that some divestitures may be required in connection with the regulatory approval process. The fin
presentation reflect the combined operations of Martin Marietta and Vulcan, but do not reflect the impact of any divestitures th