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MARTIN MARIETTA MATERIALS INC

Form 425

March 28, 2012

FILED BY MARTIN MARIETTA MATERIALS, INC.

PURSUANT TO RULE 425 UNDER THE SECURITIES ACT OF 1933

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UNDER THE SECURITIES EXCHANGE ACT OF 1934

SUBJECT COMPANY: VULCAN MATERIALS COMPANY

COMMISSION FILE NO. 001-33841

The following is a presentation of Martin Marietta Materials, Inc. given on March 28, 2012 at the BB&T Capital Markets 6th Annual Commercial & Industrial Conference:

BB&T Capital Markets
6
th
Annual Commercial &
Industrial Conference
March 28, 2012
1

Rock Solid Fundamentals.
Positioned for the Long Term.

MARTIN MARIETTA MATERIALS

The Principles of our Strategy Remain Unchanged

Positioning

Uniquely positioned in an
attractive industry

Performance

Differentiated

performance

2

Growth

Multiple

long-term drivers

Long-term

superior performance

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Long-Term Strategic Plan

Market attractiveness

drivers

#1 or #2 market position

High population growth or
density

Synergy opportunity

MLM template

Acquisition currency

Asset swaps

Financing capacity

Joint ventures

3

Commitment to Strategy Yields Improved Positioning
Last 3-4 years, walked away from many deals
Evaluated over 30 potential transactions during 2011
Expansion of geographic footprint in Texas and Colorado
Investment of \$91.6 million in business combinations
Asset swap

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Disciplined acquisition strategy

Completed 3 acquisitions in 2011

Proposed business combination with Vulcan

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San Antonio Expansion

Acquisition of

6 aggregates quarries

2 ready mix plants

1 asphalt plant

High-growth area

Serve additional customers in a larger geographic footprint

Provides long-term reserves to replace current sites (> over 200M tons)

Integration completed

5

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Asset Exchange with Lafarge

6

Presence in Colorado

Presence in Colorado

Acquired Lafarge's Denver, CO Front

Range assets:

10 aggregates quarries

(200M tons reserves)

19 ready mix plants

12 asphalt plants

Road paving business

Swapped River business

Integration in process

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The Principles of our Strategy Remain Unchanged

Long-term

superior performance

7

Positioning

Uniquely positioned in an

attractive industry
Growth
Multiple
long-term drivers
Performance
Differentiated
performance

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Our Differentiated Performance Profile

8

1

Highly disciplined

+

2

Low cost leader

+

3

Resilient pricing
performance

+

4

Attractive Specialty
Products business

+

5

Strong financial position

Superior
performance and
returns to
shareholders

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Low Cost Leader

Declining costs
even as volume increased
2003 to 2006

Investment in new technologies
increased productivity

Low cost distribution network
30% by rail and water

9

Significant Headcount
Reduction

6,400

5,600

4,700

-27%

Note: Headcount equal to average number of employees

2003

2006

2011

Hourly

Salary

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Resilient Pricing Performance

10

Aggregates Product Line Pricing Performance

3.3%

5.3%

2.7%

Average annual

increase since

1986
Increase
since
2006
Increase in
2011

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Attractive Specialty Products Business

11

Operating Margin *

(%)

* Operating margin as % of net sales (excludes freight & delivery revenues)

41% of total 2011 operating profits

7%

29%

33%

2005

2010

2011

Investing \$53M for new lime kiln

Chemical products

(water treatment;

pulp and paper)

13% of 2011 consolidated net sales

Key end uses / Product lines

Dolomite lime

(steel manufacturing;

raw material)

28%

71%

Operating Margin *

Net Sales

33%

\$201M

Stone

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Strong Financial Position

Balanced cash deployment

acquisitions

organic capital investment

CAPEX below DD&A

dividend distributions

\$313M liquidity at
December 31, 2011

3.25X debt to EBITDA Ratio*

12

\$M

* Refer to www.martinmarietta.com
for supporting calculations.

CAPEX

\$0

\$100

\$200

\$300

\$400

2009

2010

2011

Operating cash flow +
proceeds from divestitures

Free cash flow *

2012 Ratio amendment

The Principles of our Strategy Remain Unchanged

Positioning

Uniquely positioned in an
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Performance

Differentiated

performance

13

Growth

Multiple

long-term drivers

Long-term

superior performance

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Multiple Long-Term Growth Drivers

14

Infrastructure renewal

Government funding expansion

Faster growing markets

Growth of Specialty Products

business

Powerful operating leverage

Our

long-term value

proposition

Key Drivers

Need for Infrastructure Renewal

15

Expanding transit a necessity

Feds approve state's plan for I-95 tolls

Gas tax is too low to meet current
(and future) infrastructure needs.

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16

Government Funding is Evolving

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Expired September 30, 2009

Current continuing resolution expires March 31, 2012

Likely 2013 before new bill

Introduced on Feb. 3, 2012

5-year bill
\$260 B bill for highways & transit
Financing
energy revenues
House Republicans will not take
action until mid-April
Approved on March 14, 2012
2-year bill
\$109 B bill with spending at
current funding levels (adjusted
for inflation)
Eliminates earmarks
American Energy & Infrastructure
Jobs Act of 2012
MAP 21
Moving Ahead for
Progress in the 21
st
Century
Federal Highway Bill
Senate
House

17

State budgets at healthy levels

Set to play expanding role

specific funding such as toll roads, gas taxes

examples Texas, North Carolina, Georgia

Funding at the State Level

State Departments of Transportation

Toll Roads & Alternate Financing

Tax Initiatives

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Long-Haul Distribution Network Serves Critical Markets
18
Nova Scotia
Bahamas
Jacksonville
Savannah

Morehead
City
Mobile/
Pensacola
Lake Charles
Tampa/
Pt. Manatee
Baltimore
Charleston
Cape Canaveral
Bermuda
New York City
From Nova Scotia
From Bahamas
Beaumont

MARTIN MARIETTA MATERIALS
IN SUMMARY

Rock Solid Fundamentals. Positioned for the Long Term.

Performance

Positioning

Uniquely positioned in

attractive industry

barriers, resilient

pricing, growing

market share

Growth

19

Differentiated

performance

low cost leader,

disciplined, Specialty

Products business

Multiple long-term

drivers

infrastructure

spending, powerful

leverage to volume

Long-term

superior performance

Cautionary Note Regarding Forward Looking Statements

This presentation may include "forward-looking statements." Statements that include words such as "anticipate," "expect," "show," or other words of similar meaning in connection with future events or future operating or financial performance are often used to identify forward-looking statements in this presentation, other than those relating to historical information or current conditions, are forward-looking statements. Forward-looking statements are subject to a number of risks and uncertainties, many of which are beyond Martin Marietta's control, which could

materially from such statements. Risks and uncertainties relating to the proposed transaction with Vulcan include, but are not limited to: the ability of Martin Marietta to accept Martin Marietta's proposal and enter into a definitive transaction agreement reasonably satisfactory to the parties; Martin Marietta's ability to obtain shareholder, antitrust and other approvals on the proposed terms and schedule; uncertainty as to the actual premium that will be realized in connection with the proposed transaction; uncertainty of the expected financial performance of the combined company following the proposed transaction; Martin Marietta's ability to achieve the cost-savings and synergies contemplated by the proposed transaction within the time frame anticipated; Martin Marietta's ability to promptly and effectively integrate the businesses of Vulcan and Martin Marietta; the combined company's ability to achieve the amounts anticipated; a downgrade of the credit rating of Vulcan's indebtedness, which could give rise to an obligation to redeem or refinance the debt; the potential implications of alternative transaction structures with respect to Vulcan, Martin Marietta and/or the combined company; the offer to repurchase certain of Martin Marietta's existing debt; the implications of the proposed transaction on certain of Martin Marietta's employee benefit plans; and disruption from the proposed transaction making it more difficult to maintain relationships with customers, suppliers and vendors. Other risks and uncertainties include, but are not limited to: the performance of the United States economy; decline in aggregates prices; the possibility that Congress will pass a successor federal highway bill; the discontinuance of the federal gasoline tax or other revenue related to infrastructure and timing of federal and state transportation funding, including federal stimulus projects; the ability of states and/or other entities to raise either with tax revenues or alternative financing structures; levels of construction spending in the markets that Martin Marietta and Vulcan serve, including the commercial component of the nonresidential construction market, notably office and retail space; a slowdown in residential construction; weather conditions, particularly Atlantic Ocean hurricane activity, the late start to spring or the early onset of winter and the impact of heavy rainfall in the markets served by Martin Marietta and Vulcan; the volatility of fuel costs, particularly diesel fuel, and the impact of inflation on, namely steel, explosives, tires and conveyor belts; continued increases in the cost of other repair and supply parts; transportation delays and availability on the Mississippi River system and the availability of railcars and locomotive power to move trains to supply Martin Marietta's distribution markets; increased transportation costs, including increases from higher passed-through energy and other costs to customers as well as higher volumes of rail and water shipments; availability and cost of construction equipment in the United States; weaker demand for aggregates served by Martin Marietta's dolomitic lime products; inflation and its effect on both production and interest costs; Martin Marietta's ability to complete acquisitions and business combinations quickly and in a cost-effective manner and achieve anticipated profitability to maintain its current leverage ratio debt covenants; changes in tax laws, the interpretation of such laws and/or administrative practices that would increase Vulcan's tax rate; violation of Martin Marietta's debt covenant if price and/or volumes return to previous levels of instability; a significant increase in Martin Marietta's or Vulcan's indebtedness; downward pressure on Martin Marietta's or Vulcan's common stock price and its effect on the evaluations; the highly competitive nature of the construction materials industry; the impact of future regulatory or legislative action; pending legal proceedings; healthcare costs; the amount of long-term debt and interest expense; changes in interest rates; volatility in pension plans that require cash contributions to pension plans; the impact of environmental clean-up costs and liabilities relating to previously divested assets; secure and permit aggregates reserves in strategically located areas; exposure to residential construction markets; and the impact of any giving effect to the proposed transaction with Vulcan) of any of the foregoing risks, as well as other risk factors listed from time to time in 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 other information included elsewhere, including the Risk Factors section of the Registration Statement and our most recent report on Form 10-K, as filed by Martin Marietta and Vulcan filed with the SEC. Any forward-looking statements made in this presentation are qualified in their entirety by the foregoing. There can be no assurance that the actual results or developments anticipated by us will be realized or, even if substantially realized, that they will have the consequences to, or effects on, us or our business or operations. Except to the extent required by applicable law, we undertake no obligation to revise any forward-looking statement, whether as a result of new information, future developments or otherwise.

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Important Additional Information

22

This presentation relates to the Exchange Offer by Martin Marietta to exchange each issued and outstanding share of common Vulcan for 0.50 shares of Martin Marietta common stock. This presentation is for informational purposes only and does not constitute an offer to exchange, or a solicitation of an offer to exchange, shares of Vulcan common stock, nor is it a substitute for the Tender Offer Statement on Schedule TO or the preliminary prospectus/offer to exchange included in the Registration Statement on Form S-4.

Registration Statement) (including the letter of transmittal and related documents and as amended and supplemented from time to time the Exchange Offer Documents) initially filed by Martin Marietta on December 12, 2011 with the SEC. The Registration Statement has not yet become effective. The Exchange Offer will be made only through the Exchange Offer Documents. INVESTORS AND SECURITY HOLDERS ARE URGED TO READ THE EXCHANGE OFFER DOCUMENTS AND ALL OTHER RELEVANT DOCUMENTS THAT MAY BE FILED WITH THE SEC WHEN THEY BECOME AVAILABLE BECAUSE THEY CONTAIN OR WILL CONTAIN IMPORTANT INFORMATION. In connection with the solicitation of proxies for Vulcan's 2012 annual meeting of shareholders (the Vulcan Meeting), Martin Marietta has filed a preliminary proxy statement on January 24, 2012 (as amended, the Vulcan Meeting Preliminary Proxy Statement) with the SEC. Martin Marietta intends to file a definitive proxy statement in connection therewith (the Vulcan Meeting Definitive Proxy Statement). When the Vulcan Meeting Definitive Proxy Statement and accompanying proxy card will be mailed to the shareholders of Vulcan. Martin Marietta also intends to file a proxy statement on Schedule 14A and other relevant documents with the SEC in connection with its solicitation of proxies for a meeting of Martin Marietta shareholders (the Martin Marietta Meeting) to approve, among other things, the issuance of shares of Martin Marietta common stock pursuant to the Exchange Offer (the Martin Marietta Meeting Proxy Statement). INVESTORS AND SECURITY HOLDERS ARE URGED TO READ THE VULCAN MEETING PRELIMINARY PROXY STATEMENT, THE VULCAN MEETING DEFINITIVE PROXY STATEMENT, THE MARTIN MARIETTA MEETING PROXY STATEMENT AND OTHER RELEVANT MATERIALS AS 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 inquiries to Morrow & Co., LLC 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 2012 annual meeting of shareholders are participants in any solicitation of proxies from Vulcan shareholders for the Vulcan Meeting or any adjournment or postponement thereof. Martin Marietta, its directors and executive officers are participants in any solicitation of proxies from Martin Marietta shareholders for the Martin Marietta Meeting or any adjournment or postponement thereof. Information about the parties, including a description of their direct and indirect interests, by security holdings or otherwise, is available in the Registration Statement, the proxy statement for Martin Marietta's 2011 annual meeting of shareholders, filed with the SEC on April 8, 2011, and the Vulcan Meeting Preliminary Proxy Statement, or will be available in the Vulcan Meeting Definitive Proxy Statement or the Martin Marietta Meeting Proxy Statement, as applicable.

MARTIN MARIETTA MATERIALS

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