Vulcan Materials CO
Form 10-Q
August 04, 2010

**Table of Contents**

**UNITED STATES**
**SECURITIES AND EXCHANGE COMMISSION**
**WASHINGTON, D.C. 20549**
**FORM 10-Q**

(Mark One)

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

For the quarterly period ended **June 30, 2010**

OR

o 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 **001-33841**

**VULCAN MATERIALS COMPANY**

(Exact name of registrant as specified in its charter)

| | |
|---|---|
| **New Jersey** | **20-8579133** |
| (State or other jurisdiction of incorporation) | (I.R.S. Employer Identification No.) |
| **1200 Urban Center Drive, Birmingham, Alabama** | **35242** |
| (Address of principal executive offices) | (zip code) |

**(205) 298-3000** (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 x No o

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 during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes x No o

Indicate by check mark whether 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 x Accelerated filer o Non-accelerated filer o Smaller reporting company o
(Do not check if a 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 o No x

Indicate the number of shares outstanding of each of the issuer s classes of common stock, as of the latest practicable date:

| Class | Shares outstanding at June 30, 2010 |
|---|---|
| Common Stock, $1 Par Value | 128,269,559 |

**VULCAN MATERIALS COMPANY**
**FORM 10-Q**
**QUARTER ENDED June 30, 2010**

Contents

**Table of Contents**

## PART I FINANCIAL INFORMATION

### Item 1 Financial Statements

### Condensed Consolidated Balance Sheets

*Vulcan Materials Company and Subsidiary Companies*

| Unaudited, except for December 31<br>Amounts in thousands, except per share data | **June 30 2010** | December 31 2009 | June 30 2009 As restated see Note 1 |
|---|---|---|---|
| **Assets** | | | |
| Cash and cash equivalents | **$42,173** | $22,265 | $43,711 |
| Restricted cash | **3,746** | 0 | 0 |
| Medium-term investments | **3,910** | 4,111 | 6,755 |
| Accounts and notes receivable | | | |
| Accounts and notes receivable, gross | **398,613** | 276,746 | 394,938 |
| Less: Allowance for doubtful accounts | **(9,290)** | (8,722) | (9,437) |
| Accounts and notes receivable, net | **389,323** | 268,024 | 385,501 |
| Inventories | | | |
| Finished products | **246,956** | 261,752 | 290,451 |
| Raw materials | **23,114** | 21,807 | 32,035 |
| Products in process | **3,784** | 3,907 | 5,133 |
| Operating supplies and other | **37,486** | 37,567 | 35,964 |
| Inventories | **311,340** | 325,033 | 363,583 |
| Deferred income taxes | **59,525** | 57,967 | 69,080 |
| Prepaid expenses | **42,422** | 50,817 | 58,425 |
| Assets held for sale | **14,864** | 15,072 | 0 |
| Total current assets | **867,303** | 743,289 | 927,055 |
| Investments and long-term receivables | **34,078** | 33,283 | 30,614 |
| Property, plant & equipment | | | |
| Property, plant & equipment, cost | **6,632,580** | 6,653,261 | 6,672,394 |
| Reserve for depr., depl. & amort. | **(2,915,565)** | (2,778,590) | (2,644,146) |
| Property, plant & equipment, net | **3,717,015** | 3,874,671 | 4,028,248 |
| Goodwill | **3,093,979** | 3,093,979 | 3,093,979 |
| Other intangible assets, net | **681,059** | 682,643 | 683,092 |
| Other assets | **101,610** | 105,085 | 87,339 |
| Total assets | **$8,495,044** | $8,532,950 | $8,850,327 |
| **Liabilities** | | | |
| Current maturities of long-term debt | **$425,300** | $385,381 | $60,417 |
| Short-term borrowings | **320,000** | 236,512 | 412,300 |
| Trade payables and accruals | **168,269** | 121,324 | 145,744 |
| Other current liabilities | **160,151** | 113,109 | 130,103 |
| Liabilities of assets held for sale | **409** | 369 | 0 |

| | | | |
|---|---|---|---|
| Total current liabilities | **1,074,129** | 856,695 | 748,564 |
| Long-term debt | **2,001,180** | 2,116,120 | 2,521,190 |
| Deferred income taxes | **836,702** | 887,268 | 928,687 |
| Other noncurrent liabilities | **538,929** | 620,845 | 617,651 |
| Total liabilities | **4,450,940** | 4,480,928 | 4,816,092 |
| Other commitments and contingencies (Notes 13 & 19) | | | |
| **Shareholders equity** | | | |
| Common stock, $1 par value | **128,270** | 125,912 | 124,989 |
| Capital in excess of par value | **2,477,672** | 2,368,228 | 2,316,507 |
| Retained earnings | **1,625,620** | 1,752,240 | 1,774,113 |
| Accumulated other comprehensive loss | **(187,458)** | (194,358) | (181,374) |
| Shareholders equity | **4,044,104** | 4,052,022 | 4,034,235 |
| Total liabilities and shareholders equity | **$8,495,044** | $8,532,950 | $8,850,327 |

See accompanying Notes to Condensed Consolidated Financial Statements

**3**

Table of Contents

**Condensed Consolidated Statements of Earnings**
*Vulcan Materials Company and Subsidiary Companies*

| | Three Months Ended June 30 | | Six Months Ended June 30 | |
|---|---|---|---|---|
| Unaudited | **2010** | 2009 | **2010** | 2009 |
| Amounts and shares in thousands, except per share data | | | | |
| Net sales | **$692,758** | $681,380 | **$1,157,293** | $1,249,275 |
| Delivery revenues | **43,394** | 40,479 | **72,122** | 72,878 |
| Total revenues | **736,152** | 721,859 | **1,229,415** | 1,322,153 |
| Cost of goods sold | **570,423** | 535,546 | **1,034,063** | 1,025,834 |
| Delivery costs | **43,394** | 40,479 | **72,122** | 72,878 |
| Cost of revenues | **613,817** | 576,025 | **1,106,185** | 1,098,712 |
| Gross profit | **122,335** | 145,834 | **123,230** | 223,441 |
| Selling, administrative and general expenses | **83,376** | 79,353 | **169,872** | 159,070 |
| Gain on sale of property, plant & equipment and businesses, net | **1,362** | 654 | **49,734** | 3,157 |
| Charge for legal settlement | **40,000** | 0 | **40,000** | 0 |
| Other operating income (expense), net | **889** | (1,451) | **1,347** | (3,170) |
| Operating earnings (loss) | **1,210** | 65,684 | **(35,561)** | 64,358 |
| Other income (expense), net | **(1,233)** | 2,895 | **144** | 1,820 |
| Interest income | **481** | 687 | **971** | 1,482 |
| Interest expense | **44,204** | 44,073 | **87,987** | 87,992 |
| Earnings (loss) from continuing operations before income taxes | **(43,746)** | 25,193 | **(122,433)** | (20,332) |
| Provision (benefit) for income taxes | **(21,231)** | 9,632 | **(55,444)** | (3,638) |
| Earnings (loss) from continuing operations | **(22,515)** | 15,561 | **(66,989)** | (16,694) |
| Earnings (loss) on discontinued operations, net of tax (Note 2) | **(1,477)** | 6,651 | **4,250** | 6,125 |
| Net earnings (loss) | **($23,992)** | $22,212 | **($62,739)** | ($10,569) |
| Basic earnings (loss) per share | | | | |
| Continuing operations | **($0.18)** | $0.14 | **($0.53)** | ($0.15) |
| Discontinued operations | **(0.01)** | 0.06 | **0.04** | 0.06 |
| Net earnings (loss) per share | **($0.19)** | $0.20 | **($0.49)** | ($0.09) |

| | | | | |
|---|---|---|---|---|
| Diluted earnings (loss) per share | | | | |
| Continuing operations | **($0.18)** | $0.14 | **($0.53)** | ($0.15) |
| Discontinued operations | **(0.01)** | 0.06 | **0.04** | 0.06 |
| Net earnings (loss) per share | **($0.19)** | $0.20 | **($0.49)** | ($0.09) |
| Weighted-average common shares outstanding | | | | |
| Basic | **128,168** | 113,477 | **127,452** | 112,045 |
| Assuming dilution | **128,168** | 113,829 | **127,452** | 112,045 |
| Cash dividends declared per share of common stock | **$0.25** | $0.49 | **$0.50** | $0.98 |
| Depreciation, depletion, accretion and amortization | **$97,280** | $99,600 | **$191,476** | $198,915 |
| Effective tax rate from continuing operations | **48.5%** | 38.2% | **45.3%** | 17.9% |

See accompanying Notes to Condensed Consolidated Financial Statements

**Table of Contents**

**Condensed Consolidated Statements of Cash Flows**
*Vulcan Materials Company and Subsidiary Companies*

| | Six Months Ended June 30 | |
|---|---|---|
| Unaudited | **2010** | 2009 |
| Amounts in thousands | | |
| **Operating Activities** | | |
| Net loss | **($62,739)** | ($10,569) |
| Adjustments to reconcile net loss to net cash provided by operating activities | | |
| Depreciation, depletion, accretion and amortization | **191,476** | 198,915 |
| Net gain on sale of property, plant & equipment and businesses | **(58,527)** | (3,880) |
| Contributions to pension plans | **(21,075)** | (2,242) |
| Share-based compensation | **10,524** | 14,010 |
| Deferred tax provision | **(54,755)** | 5,671 |
| Changes in assets and liabilities before initial effects of business acquisitions and dispositions | **2,585** | (35,850) |
| Other, net | **11,167** | 3,347 |
| Net cash provided by operating activities | **18,656** | 169,402 |
| **Investing Activities** | | |
| Purchases of property, plant & equipment | **(42,158)** | (60,101) |
| Proceeds from sale of property, plant & equipment | **3,224** | 4,051 |
| Proceeds from sale of businesses, net of transaction costs | **50,954** | 11,537 |
| Payment for businesses acquired, net of acquired cash | **0** | (36,980) |
| Increase in restricted cash | **(3,746)** | 0 |
| Redemption of medium-term investments | **22** | 30,590 |
| Other, net | **(305)** | 714 |
| Net cash provided by (used for) investing activities | **7,991** | (50,189) |
| **Financing Activities** | | |
| Net short-term borrowings (payments) | **83,488** | (672,176) |
| Payment of current maturities and long-term debt | **(75,188)** | (281,461) |
| Proceeds from issuance of long-term debt, net of discounts | **0** | 397,660 |
| Debt issuance costs | **0** | (3,033) |
| Proceeds from issuance of common stock | **35,314** | 578,237 |
| Dividends paid | **(63,600)** | (108,752) |
| Proceeds from exercise of stock options | **12,597** | 3,697 |
| Other, net | **650** | 132 |
| Net cash used for financing activities | **(6,739)** | (85,696) |
| Net increase in cash and cash equivalents | **19,908** | 33,517 |

| | | |
|---|---|---|
| Cash and cash equivalents at beginning of year | **22,265** | 10,194 |
| Cash and cash equivalents at end of period | **$42,173** | $43,711 |

See accompanying Notes to Condensed Consolidated Financial Statements

Table of Contents

**Notes to Condensed Consolidated Financial Statements**
***Vulcan Materials Company and Subsidiary Companies***
**Note 1 Basis of Presentation**
Our accompanying unaudited condensed consolidated financial statements were prepared in compliance with the instructions to Form 10-Q and Article 10 of Regulation S-X and thus do not include all of the information and footnotes required by accounting principles generally accepted in the United States of America for complete financial statements. In the opinion of our management, the statements reflect all adjustments, including those of a normal recurring nature, necessary to present fairly the results of the reported interim periods. Operating results for the three and six month periods ended June 30, 2010 are not necessarily indicative of the results that may be expected for the year ended December 31, 2010. For further information, refer to the consolidated financial statements and footnotes included in our most recent Annual Report on Form 10-K.
We disaggregated our asphalt mix and concrete operating segments for reporting purposes as of January 1, 2010 (see Note 17).
Due to the 2005 sale of our Chemicals business as presented in Note 2, the operating results of the Chemicals business are presented as discontinued operations in the accompanying Condensed Consolidated Statements of Earnings.
**Restricted Cash** We identified a portion of the proceeds from the disposition of three aggregates facilities during the first quarter of 2010 (see Note 14) for potential use in IRS Section 1031 like-kind exchange transactions. This cash is restricted from withdrawal or usage as of June 30, 2010. The restriction expires in the third quarter of 2010.
**Correction of Prior Period Financial Statements** During the third quarter of 2009, we completed a comprehensive analysis of our deferred income tax balances and concluded that our deferred income tax liabilities were overstated. The errors arose during the fourth quarter of 2008 and during periods prior to January 1, 2006, and were not material to previously issued financial statements. However, correcting the errors in 2009 would have materially impacted that year s deferred tax provision. As a result, we restated all affected prior period financial statements in our Annual Report on Form 10-K for the year ended December 31, 2009 and our Quarterly Report on Form 10-Q for the quarterly period ended September 30, 2009.
A summary of the effects of the correction of the errors on our Condensed Consolidated Balance Sheet as of June 30, 2009 is presented in the table below (in thousands of dollars):

| | June 30, 2009 | | |
|---|---|---|---|
| | As Reported | Corrections | As Restated |
| Goodwill | $3,091,524 | $2,455 | $3,093,979 |
| Total assets | $8,847,872 | $2,455 | $8,850,327 |
| Deferred income taxes | $957,248 | ($28,561) | $928,687 |
| Total liabilities | $4,844,653 | ($28,561) | $4,816,092 |
| Retained earnings | $1,743,097 | $31,016 | $1,774,113 |
| Shareholders equity | $4,003,219 | $31,016 | $4,034,235 |
| | $8,847,872 | $2,455 | $8,850,327 |

Total liabilities and
shareholders equity

**Note 2 Discontinued Operations**

In June 2005, we sold substantially all the assets of our Chemicals business to Basic Chemicals, a subsidiary of Occidental Chemical Corporation. In addition to the initial cash proceeds, Basic Chemicals was required to make payments under two earn-out agreements subject to certain conditions. During 2007, we received the final payment under the ECU (electrochemical unit) earn-out, bringing cumulative cash receipts to its $150,000,000 cap.

Table of Contents

Proceeds under the second earn-out agreement are determined based on the performance of the hydrochlorocarbon product HCC-240fa (commonly referred to as 5CP) from the closing of the transaction through December 31, 2012 (5CP earn-out). Under this earn-out agreement, cash plant margin for 5CP, as defined in the Asset Purchase Agreement, in excess of an annual threshold amount is shared equally between Vulcan and Basic Chemicals. The primary determinant of the value for this earn-out is the level of growth in 5CP sales volume. At the June 7, 2005 closing date, the value assigned to the 5CP earn-out was limited to an amount that resulted in no gain on the sale of the business, as the gain was contingent in nature. A gain on disposal of the Chemicals business is recognized to the extent cumulative cash receipts under the 5CP earn-out exceed the initial value recorded.

In March 2010, we received a payment of $8,794,000 (recorded as gain on disposal of discontinued operations) under the 5CP earn-out related to performance during the year ended December 31, 2009. Any future payments received pursuant to the 5CP earn-out will be recorded as additional gain on disposal of discontinued operations. During 2009, we received $11,625,000 under the 5CP earn-out related to the year ended December 31, 2008. These 2009 receipts resulted in a gain on disposal of discontinued operations of $812,000 for 2009. Through June 30, 2010, we have received a total of $42,707,000 under the 5CP earn-out, a total of $9,606,000 in excess of the receivable recorded on the date of disposition.

We are liable for a cash transaction bonus payable to certain former key Chemicals employees. This transaction bonus is payable if cash receipts realized from the two earn-out agreements described above exceed an established minimum threshold. The bonus is payable annually based on the prior year s results. We expect the 2010 payout will be approximately $882,000 and have accrued this amount as of June 30, 2010. In comparison, we had accrued approximately $728,000 as of June 30, 2009.

There were no net sales or revenues from discontinued operations during the six month periods ended June 30, 2010 or 2009. Results from discontinued operations are as follows (in thousands of dollars):

| | **Three Months Ended June 30** | | **Six Months Ended June 30** | |
|---|---|---|---|---|
| | **2010** | 2009 | **2010** | 2009 |
| **Discontinued operations** | | | | |
| Earnings (loss) from results | **($1,821)** | $11,121 | **($860)** | $9,721 |
| Gain on disposal, net of transaction bonus | **(2)** | (28) | **7,912** | 495 |
| Income tax (provision) benefit | **346** | (4,442) | **(2,802)** | (4,091) |
| Earnings (loss) on discontinued operations, net of tax | **($1,477)** | $6,651 | **$4,250** | $6,125 |

The 2010 pretax losses from results of discontinued operations of ($1,821,000) for the second quarter and ($860,000) for the six months ended June 30, 2010 are due primarily to general and product liability costs, including legal defense costs, and environmental remediation costs associated with our former Chemicals business. The pretax earnings from results of discontinued operations in 2009 of $11,121,000 for the second quarter and $9,721,000 for the six months ended June 30, 2009 relate primarily to a settlement during the second quarter with one of our insurers in the Modesto case (lawsuit settled in October 2007 involving the perchloroethylene product) resulting in a $12,238,000 pretax gain, after deducting legal fees and other expenses. The insurance proceeds and associated gain represent a partial recovery of legal and settlement costs recognized in prior periods.

Table of Contents

**Note 3 Earnings Per Share (EPS)**

We report two earnings per share numbers: basic and diluted. These are computed by dividing net earnings (loss) by the weighted-average common shares outstanding (basic EPS) or weighted-average common shares outstanding assuming dilution (diluted EPS) as set forth below (in thousands of shares):

| | Three Months Ended June 30 | | Six Months Ended June 30 | |
|---|---|---|---|---|
| | **2010** | 2009 | **2010** | 2009 |
| Weighted-average common shares outstanding | **128,168** | 113,477 | **127,452** | 112,045 |
| Dilutive effect of | | | | |
| Stock options/SOSARs | **0** | 144 | **0** | 0 |
| Other stock compensation plans | **0** | 208 | **0** | 0 |
| Weighted-average common shares outstanding, assuming dilution | **128,168** | 113,829 | **127,452** | 112,045 |

All dilutive common stock equivalents are reflected in our earnings per share calculations. Antidilutive common stock equivalents are not included in our earnings per share calculations. Because we operated at a loss for the three and six month periods ended June 30, 2010 and the six month period ended June 30, 2009, 513,000 shares, 533,000 shares and 464,000 shares, respectively, that otherwise would have been included in our diluted weighted-average common shares outstanding computation, were excluded.

The number of antidilutive common stock equivalents for which the exercise price exceeds the weighted-average market price, are as follows (in thousands of shares):

| | Three Months Ended June 30 | | Six Months Ended June 30 | |
|---|---|---|---|---|
| | **2010** | 2009 | **2010** | 2009 |
| Antidilutive common stock equivalents | **4,067** | 5,104 | **4,254** | 3,823 |

**Note 4 Income Taxes**

Our effective tax rate is based on expected income, statutory tax rates and tax planning opportunities available in the various jurisdictions in which we operate. For interim financial reporting, except in circumstances as described in the following paragraph, we estimate the annual tax rate based on projected taxable income for the full year and record a quarterly tax provision in accordance with the anticipated annual rate. As the year progresses, we refine the estimates of the year s taxable income as new information becomes available, including year-to-date financial results. This continual estimation process often results in a change to our expected effective tax rate for the year. When this occurs, we adjust the income tax provision during the quarter in which the change in estimate occurs so that the year-to-date provision reflects the expected annual tax rate. Significant judgment is required in determining our effective tax rate and in evaluating our tax positions.

When application of the estimated annual effective tax rate distorts the financial results of an interim period, we calculate the income tax provision or benefit using an alternative methodology as prescribed by accounting standards. This alternative methodology results in an income tax provision or benefit based solely on the year-to-date pretax loss as adjusted for permanent differences on a pro rata basis.

We recognize a tax benefit associated with an uncertain tax position when, in our judgment, it is more likely than not that the position will be sustained upon examination by a taxing authority. For a tax position that meets the more-likely-than-not recognition threshold, we initially and subsequently measure the tax benefit as the largest amount that we judge to have a greater than 50% likelihood of being realized upon ultimate settlement with a taxing authority. Our liability associated with unrecognized tax benefits is adjusted periodically due to changing circumstances, such as the progress of tax audits, case

Table of Contents

law developments and new or emerging legislation. Such adjustments are recognized entirely in the period in which they are identified. Our effective tax rate includes the net impact of changes in the liability for unrecognized tax benefits and subsequent adjustments as we consider appropriate.

We applied the alternative methodology discussed above in the determination of the income tax benefit from continuing operations for the three and six month periods ending June 30, 2010. We recognized a tax benefit from continuing operations of $21,231,000 for the second quarter and $55,444,000 for the six months ended June 30, 2010. In 2009, we recognized tax expense from continuing operations of $9,632,000 for the second quarter and a tax benefit from continuing operations of $3,638,000 for the six months ended June 30, 2009. The increase in our income tax benefit, after recording the effect of the pretax loss at the statutory rate, resulted largely from applying the alternative methodology in 2010.

**Note 5 Medium-term Investments**

We held investments in money market and other money funds at The Reserve, an investment management company specializing in such funds, as follows: June 30, 2010 $5,532,000, December 31, 2009 $5,554,000 and June 30, 2009 $8,247,000. The substantial majority of our investment was held in the Reserve International Liquidity Fund, Ltd. On September 15, 2008, Lehman Brothers Holdings Inc. filed for bankruptcy protection. In the following days, The Reserve announced that it was closing all of its money funds, some of which owned Lehman Brothers securities, and was suspending redemptions from and purchases of its funds, including the Reserve International Liquidity Fund. As a result of the temporary suspension of redemptions and the uncertainty as to the timing of such redemptions, we changed the classification of our investments in The Reserve funds from cash and cash equivalents to medium-term investments and reduced the carrying value of our investment to its estimated fair value, as follows: June 30, 2010 $3,910,000, December 31, 2009 $4,111,000 and June 30, 2009 $6,755,000. See Note 7 for further discussion of the fair value determination.

The Reserve redeemed $22,000 of our investment during the six months ended June 30, 2010 and $30,590,000 during the six months ended June 30, 2009. Based on public statements issued by The Reserve and the maturity dates of the underlying investments, we believe that proceeds from the liquidation of the money funds in which we have investments will be received within twelve months of June 30, 2010, and therefore, such investments are classified as current.

**Note 6 Derivative Instruments**

During the normal course of operations, we are exposed to market risks including fluctuations in interest rates, fluctuations in foreign currency exchange rates and changes in commodity pricing. From time to time, and consistent with our risk management policies, we use derivative instruments to hedge against these market risks. We do not utilize derivative instruments for trading or other speculative purposes. The interest rate swap agreements described below were designated as cash flow hedges of future interest payments.

In December 2007, we issued $325,000,000 of 3-year floating (variable) rate notes that bear interest at 3-month London Interbank Offered Rate (LIBOR) plus 1.25% per annum. Concurrently, we entered into a 3-year interest rate swap agreement in the stated (notional) amount of $325,000,000. Under this agreement, we pay a fixed interest rate of 5.25% and receive 3-month LIBOR plus 1.25% per annum. Concurrent with each quarterly interest payment, the portion of this swap related to that interest payment is settled and the associated realized gain or loss is recognized. The pretax loss of $5,614,000 accumulated in Other Comprehensive Income (OCI) related to this interest rate swap will be reclassified to earnings by the end of the current year in conjunction with the retirement of the related debt.

Additionally, during 2007, we entered into fifteen forward starting interest rate swap agreements for a total notional amount of $1,500,000,000. On December 11, 2007, upon the issuance of the related fixed-rate debt, we terminated and settled for a cash payment of $57,303,000 a portion of these forward starting swaps with an aggregate notional amount of $900,000,000 ($300,000,000 5-year, $350,000,000

10-year and $250,000,000 30-year). In December 2007, the remaining forward starting swaps on an aggregate notional amount of $600,000,000 were extended to August 29, 2008. On June 20, 2008, upon the issuance of $650,000,000 of related fixed-rate debt, we terminated and settled for a cash payment of $32,474,000 the remaining forward starting swaps. Amounts accumulated in other comprehensive loss are being amortized to interest expense over the term of the related debt. For the 12-month period ending June 30, 2011, we estimate that $7,908,000 of the pretax loss accumulated in OCI will be reclassified to earnings.

Derivative instruments are recognized at fair value in the accompanying Condensed Consolidated Balance Sheets. Fair values of derivative instruments designated as hedging instruments are as follows (in thousands of dollars):

| | | Fair Value[1] | | |
|---|---|---|---|---|
| | Balance Sheet Location | **June 30 2010** | December 31 2009 | June 30 2009 |
| **Liability derivatives** | | | | |
| Interest rate derivatives | Other current liabilities | **$5,614** | $11,193 | $0 |
| Interest rate derivatives | Other noncurrent liabilities | **0** | 0 | 14,069 |
| Total derivatives liability | | **$5,614** | $11,193 | $14,069 |

1 See Note 7 for further discussion of the fair value determination.

The effects of the cash flow hedge derivative instruments on the accompanying Condensed Consolidated Statements of Earnings for the three and six months ended June 30 are as follows (in thousands of dollars):

| | Location on Statement | **Three Months Ended June 30 2010** | 2009 | **Six Months Ended June 30 2010** | 2009 |
|---|---|---|---|---|---|
| **Interest rate derivatives** | | | | | |
| Gain (loss) recognized in OCI (effective portion) | Note 8 | **$234** | ($871) | **($574)** | ($1,670) |
| Loss reclassified from Accumulated OCI (effective portion) | Interest expense | **(4,997)** | (3,957) | **(9,895)** | (7,327) |

**Note 7 Fair Value Measurements**

Fair value is 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 fair value hierarchy prioritizes the inputs to valuation techniques used to measure fair value into three broad levels as described below:

Level 1: Quoted prices in active markets for identical assets or liabilities;

Level 2: Inputs that are derived principally from or corroborated by observable market data;
Level 3: Inputs that are unobservable and significant to the overall fair value measurement.

Our assets and liabilities that are subject to fair value measurements on a recurring basis are summarized below (in thousands of dollars):

| | Level 1 | | |
|---|---|---|---|
| | **June 30 2010** | December 31 2009 | June 30 2009 |
| **Fair value recurring** | | | |
| Rabbi Trust | | | |
| Mutual funds | **$10,787** | $10,490 | $9,245 |
| Equities | **7,236** | 8,472 | 6,562 |
| Net asset | **$18,023** | $18,962 | $15,807 |

**Table of Contents**

| | Level 2 | | |
|---|---|---|---|
| | **June 30 2010** | December 31 2009 | June 30 2009 |
| **Fair value recurring** | | | |
| Medium-term investments | **$3,910** | $4,111 | $6,755 |
| Interest rate derivative | **(5,614)** | (11,193) | (14,069) |
| Rabbi Trust | | | |
| Common/collective trust funds | **3,185** | 4,084 | 3,816 |
| Net asset (liability) | **$1,481** | ($2,998) | ($3,498) |

The fair values of the Rabbi Trust investments are estimated using a market approach. The Level 1 investments include mutual funds and equity securities for which quoted prices in active markets are available. Investments in common/collective trust funds are stated at estimated fair value based on the underlying investments in those funds. The underlying investments are comprised of short-term, highly liquid assets in commercial paper, short-term bonds and treasury bills.

The medium-term investments are comprised of money market and other money funds, as more fully described in Note 5. Using a market approach, we estimated the fair value of these funds by applying our historical distribution ratio to the liquidated value of investments in The Reserve funds. Additionally, we estimated a discount against our investment balances to allow for the risk that legal and accounting costs and pending or threatened claims and litigation against The Reserve and its management may reduce the principal available for distribution.

The interest rate derivative consists of an interest rate swap agreement applied to our $325,000,000 3-year notes issued December 2007 and is more fully described in Note 6. This interest rate swap is measured at fair value using a market approach based on the prevailing market interest rate as of the measurement date.

The carrying values of our cash equivalents, restricted cash, accounts and notes receivable, current maturities of long-term debt, trade payables, accrued expenses and short-term borrowings approximate their fair values because of the short-term nature of these instruments. Additional disclosures for derivative instruments and interest-bearing debt are presented in Notes 6 and 11, respectively.

**Note 8 Comprehensive Income**

Comprehensive income (loss) includes charges and credits to equity from nonowner sources and comprises two subsets: net earnings (loss) and other comprehensive income (loss). Total comprehensive income (loss) comprises the following (in thousands of dollars):

| | **Three Months Ended June 30** | | **Six Months Ended June 30** | |
|---|---|---|---|---|
| | **2010** | 2009 | **2010** | 2009 |
| Net earnings (loss) | **($23,992)** | $22,212 | **($62,739)** | ($10,569) |
| Other comprehensive income (loss) | | | | |
| Fair value adjustments to cash flow hedges, net of tax | **124** | (519) | **(320)** | (995) |
| Reclassification adjustment for cash flow hedges included in net income (loss), net of tax | **2,645** | 2,352 | **5,498** | 4,334 |
| Amortization of pension and postretirement plan actuarial loss and prior service cost, net of tax | **823** | 294 | **1,722** | 569 |
| Total comprehensive income (loss) | **($20,400)** | $24,339 | **($55,839)** | ($6,661) |

Table of Contents

Amounts accumulated in other comprehensive loss, net of tax, are as follows (in thousands of dollars):

| | **June 30 2010** | December 31 2009 | June 30 2009 |
|---|---|---|---|
| Cash flow hedges | **($44,187)** | ($49,365) | ($53,180) |
| Pension and postretirement plans | **(143,271)** | (144,993) | (128,194) |
| Accumulated other comprehensive loss | **($187,458)** | ($194,358) | ($181,374) |

**Note 9 Shareholders Equity**

In March 2010, we issued 1,190,000 shares of common stock to our qualified pension plan (par value of $1 per share) as described in Note 10. The transaction increased shareholders equity by $53,864,000 (common stock $1,190,000 and capital in excess of par $52,674,000).

In June 2009, we completed a public offering of common stock (par value of $1 per share) resulting in the issuance of 13,225,000 common shares at a price of $41.00 per share. The total number of shares issued through the offering included 1,725,000 shares issued upon full exercise of the underwriters option to purchase additional shares. We received net proceeds of $519,993,000 (net of commissions and transaction costs of $22,232,000) from the sale of the shares. The net proceeds from the offering were used for debt reduction and general corporate purposes. The transaction increased shareholders equity by $519,993,000 (common stock $13,225,000 and capital in excess of par $506,768,000).

We periodically issue shares of common stock to the trustee of our 401(k) savings and retirement plan to satisfy the plan participants elections to invest in our common stock. The resulting cash proceeds provide a means of improving cash flow, increasing shareholders equity and reducing leverage. Under this arrangement, the stock issuances and resulting cash proceeds were as follows: six months ended June 30, 2010 issued 768,735 shares for cash proceeds of $35,314,000 and a receivable of $1,453,000; six months ended June 30, 2009 issued 561,529 shares for cash proceeds of $24,295,000.

On November 16, 2007, pursuant to the terms of the agreement to acquire Florida Rock, all treasury stock held immediately prior to the close of the transaction was canceled. Our Board of Directors resolved to carry forward the existing authorization to purchase common stock. As of June 30, 2010, 3,411,416 shares remained under the current authorization.

There were no shares purchased during the six month periods ended June 30, 2010 and 2009, and there were no shares held in treasury as of June 30, 2010, December 31, 2009 and June 30, 2009.

**Note 10 Benefit Plans**

The following tables set forth the components of net periodic benefit cost (in thousands of dollars):

| **PENSION BENEFITS** | **Three Months Ended June 30** | | **Six Months Ended June 30** | |
|---|---|---|---|---|
| | **2010** | 2009 | **2010** | 2009 |
| **Components of net periodic benefit cost** | | | | |
| Service cost | **$4,800** | $4,658 | **$9,608** | $9,319 |
| Interest cost | **10,406** | 10,485 | **20,811** | 20,970 |
| Expected return on plan assets | **(12,526)** | (11,582) | **(25,061)** | (23,252) |
| Amortization of prior service cost | **115** | 115 | **230** | 230 |
| Amortization of actuarial loss | **1,540** | 426 | **2,876** | 826 |
| Net periodic pension benefit cost | **$4,335** | $4,102 | **$8,464** | $8,093 |

| | | | | |
|---|---|---|---|---|
| Pretax reclassification from OCI included in net periodic pension benefit cost | **$1,655** | $541 | **$3,106** | $1,056 |

Table of Contents

| OTHER POSTRETIREMENT BENEFITS | Three Months Ended June 30 | | Six Months Ended June 30 | |
|---|---|---|---|---|
| | **2010** | 2009 | **2010** | 2009 |
| **Components of net periodic benefit cost** | | | | |
| Service cost | **$1,067** | $978 | **$2,133** | $1,956 |
| Interest cost | **1,662** | 1,761 | **3,325** | 3,522 |
| Amortization of prior service credit | **(182)** | (206) | **(364)** | (412) |
| Amortization of actuarial loss | **222** | 150 | **444** | 299 |
| Net periodic postretirement benefit cost | **$2,769** | $2,683 | **$5,538** | $5,365 |
| Pretax reclassification from OCI included in net periodic postretirement benefit cost | **$40** | ($56) | **$80** | ($113) |

The reclassifications from other comprehensive income (OCI) noted in the tables above are related to amortization of prior service costs or credits and actuarial losses.

In March 2010, we contributed $72,500,000 ($18,636,000 in cash and $53,864,000 in stock 1,190,000 shares valued at $45.26 per share) to our qualified pension plans for the 2009 plan year. This contribution, along with the existing funding credits, should be sufficient to cover expected required contributions to the qualified plans through 2012. During the six months ended June 30, 2010 and 2009, contributions of $74,938,000 and $2,242,000, respectively, were made to our pension plans (qualified and nonqualified).

**Note 11 Credit Facilities, Short-term Borrowings and Long-term Debt**

Short-term borrowings are summarized as follows (in thousands of dollars):

| | **June 30 2010** | December 31 2009 | June 30 2009 |
|---|---|---|---|
| **Short-term borrowings** | | | |
| Bank borrowings | **$0** | $0 | $46,000 |
| Commercial paper | **320,000** | 236,512 | 366,300 |
| Total short-term borrowings | **$320,000** | $236,512 | $412,300 |
| Bank borrowings | | | |
| Maturity | **n/a** | n/a | 1 day |
| Weighted-average interest rate | **n/a** | n/a | 0.62% |
| Commercial paper | | | |
| Maturity | **1 to 2 days** | 42 days | 1 to 43 days |
| Weighted-average interest rate | **0.70%** | 0.39% | 0.72% |

We utilize our bank lines of credit as liquidity back-up for outstanding commercial paper or draw on the bank lines to access LIBOR-based short-term loans to fund our borrowing requirements. Periodically, we issue commercial paper

for general corporate purposes, including working capital requirements.
Our policy is to maintain committed credit facilities at least equal to our outstanding commercial paper. Unsecured bank lines of credit totaling $1,500,000,000 were maintained at June 30, 2010, all of which expire November 16, 2012. As of June 30, 2010, there were no borrowings under the lines of credit. Interest rates referable to borrowings under these lines of credit are determined at the time of borrowing based on current market conditions. Pricing of bank loans, if any lines were drawn, would be 30 basis points (0.3%) over LIBOR based on our long-term debt ratings at June 30, 2010.
All lines of credit extended to us in 2010 and 2009 were based solely on a commitment fee; no compensating balances were required. In the normal course of business, we maintain balances for which

Table of Contents

we are credited with earnings allowances. To the extent the earnings allowances are not sufficient to fully compensate banks for the services they provide, we pay the fee equivalent for the differences.

As of June 30, 2010, $3,636,000 of our long-term debt, including current maturities, was secured. This secured debt was assumed with the November 2007 acquisition of Florida Rock. All other debt obligations, both short-term borrowings and long-term debt, are unsecured.

In February 2009, we issued $400,000,000 of long-term notes in two related series (tranches), as follows: $150,000,000 of 10.125% coupon notes due December 2015 and $250,000,000 of 10.375% coupon notes due December 2018. The proceeds were used primarily to repay outstanding borrowings. The notes are presented in the table below net of unamortized discounts from par. Discounts and debt issuance costs are being amortized using the effective interest method over the respective lives of the notes.

Long-term debt is summarized as follows (in thousands of dollars):

| | **June 30 2010** | December 31 2009 | June 30 2009 |
|---|---|---|---|
| **Long-term debt** | | | |
| 10.125% 2015 notes issued 2009[1] | **$149,567** | $149,538 | $149,511 |
| 10.375% 2018 notes issued 2009[2] | **248,329** | 248,270 | 248,213 |
| 3-year floating loan issued 2008 | **100,000** | 175,000 | 255,000 |
| 6.30% 5-year notes issued 2008[3] | **249,680** | 249,632 | 249,587 |
| 7.00% 10-year notes issued 2008[4] | **399,641** | 399,625 | 399,610 |
| 3-year floating notes issued 2007 | **325,000** | 325,000 | 325,000 |
| 5.60% 5-year notes issued 2007[5] | **299,719** | 299,666 | 299,615 |
| 6.40% 10-year notes issued 2007[6] | **349,844** | 349,837 | 349,829 |
| 7.15% 30-year notes issued 2007[7] | **249,321** | 249,317 | 249,314 |
| Private placement notes | **15,181** | 15,243 | 15,309 |
| Medium-term notes | **21,000** | 21,000 | 21,000 |
| Industrial revenue bonds | **17,550** | 17,550 | 17,550 |
| Other notes | **1,648** | 1,823 | 2,069 |
| Total debt excluding short-term borrowings | **$2,426,480** | $2,501,501 | $2,581,607 |
| Less current maturities of long-term debt | **425,300** | 385,381 | 60,417 |
| Total long-term debt | **$2,001,180** | $2,116,120 | $2,521,190 |
| Estimated fair value of total long-term debt | **$2,240,447** | $2,300,522 | $2,499,454 |

[1] Includes decreases for unamortized discounts, as follows: June 30, 2010 - $433 thousand, December 31, 2009 - $462 thousand and June 30, 2009 -

$489 thousand. The effective interest rate for these 2015 notes is 10.305%.

[2] Includes decreases for unamortized discounts, as follows: June 30, 2010 - $1,671 thousand, December 31, 2009 - $1,730 thousand and June 30, 2009 - $1,787 thousand. The effective interest rate for these 2018 notes is 10.584%.

[3] Includes decreases for unamortized discounts, as follows: June 30, 2010 - $320 thousand, December 31, 2009 - $368 thousand and June 30, 2009 - $413 thousand. The effective interest rate for these 5-year notes is 7.47%.

[4] Includes decreases for unamortized discounts, as follows: June 30, 2010 - $359 thousand, December 31, 2009 - $375

thousand and June 30, 2009 - $390 thousand. The effective interest rate for these 10-year notes is 7.86%.

[5] Includes decreases for unamortized discounts, as follows: June 30, 2010 - $281 thousand, December 31, 2009 - $334 thousand and June 30, 2009 - $385 thousand. The effective interest rate for these 5-year notes is 6.58%.

[6] Includes decreases for unamortized discounts, as follows: June 30, 2010 - $156 thousand, December 31, 2009 - $163 thousand and June 30, 2009 - $171 thousand. The effective interest rate for these 10-year notes is 7.39%.

[7] Includes decreases for unamortized discounts, as follows: June 30, 2010 - $679 thousand, December 31, 2009 - $683

thousand and June 30, 2009 - $686 thousand. The effective interest rate for these 30-year notes is 8.04%.

The estimated fair values of long-term debt presented in the table above were determined by discounting expected future cash flows based on credit-adjusted interest rates on U.S. Treasury bills, notes or bonds, as appropriate. The fair value estimates were based on information available to us as of the respective balance sheet dates. Although we are not aware of any factors that would significantly affect the estimated fair value amounts, such amounts have not been comprehensively revalued since those dates.

Table of Contents

Our debt agreements do not subject us to contractual restrictions with regard to working capital or the amount we may expend for cash dividends and purchases of our stock. The percentage of consolidated debt to total capitalization (total debt as a percentage of total capital), as defined in our bank credit facility agreements, must be less than 65%. Our total debt as a percentage of total capital was 40.4% as of June 30, 2010; 40.3% as of December 31, 2009; and 42.6% as of June 30, 2009.

**Note 12 Asset Retirement Obligations**

Asset retirement obligations are legal obligations associated with the retirement of long-lived assets resulting from the acquisition, construction, development and/or normal use of the underlying assets.

Recognition of a liability for an asset retirement obligation is required in the period in which it is incurred at its estimated fair value. The associated asset retirement costs are capitalized as part of the carrying amount of the underlying asset and depreciated over the estimated useful life of the asset. The liability is accreted through charges to operating expenses. If the asset retirement obligation is settled for other than the carrying amount of the liability, we recognize a gain or loss on settlement.

We record all asset retirement obligations for which we have legal obligations for land reclamation at estimated fair value. Essentially all these asset retirement obligations relate to our underlying land parcels, including both owned properties and mineral leases. For the three and six month periods ended June 30, we recognized asset retirement obligation (ARO) operating costs related to accretion of the liabilities and depreciation of the assets as follows (in thousands of dollars):

| | **Three Months Ended June 30** | | **Six Months Ended June 30** | |
|---|---|---|---|---|
| | **2010** | 2009 | **2010** | 2009 |
| **ARO operating costs** | | | | |
| Accretion | **$2,255** | $2,333 | **$4,444** | $4,605 |
| Depreciation | **3,157** | 3,288 | **6,340** | 6,891 |
| Total | **$5,412** | $5,621 | **$10,784** | $11,496 |

ARO operating costs for our continuing operations are reported in cost of goods sold. Asset retirement obligations are reported within other noncurrent liabilities in our accompanying Condensed Consolidated Balance Sheets.

Reconciliations of the carrying amounts of our asset retirement obligations are as follows (in thousands of dollars):

| | **Three Months Ended June 30** | | **Six Months Ended June 30** | |
|---|---|---|---|---|
| | **2010** | 2009 | **2010** | 2009 |
| **Asset retirement obligations** | | | | |
| Balance at beginning of period | $163,931 | $173,774 | $167,757 | $173,435 |
| Liabilities incurred | 1,441 | 0 | 1,441 | 334 |
| Liabilities settled | (1,740) | (3,326) | (4,117) | (5,925) |
| Accretion expense | 2,255 | 2,333 | 4,444 | 4,605 |
| Revisions down | (3,719) | (4,306) | (7,357) | (3,974) |
| Balance at end of period | **$162,168** | $168,475 | **$162,168** | $168,475 |

Downward revisions to our asset retirement obligations during 2010 relate primarily to changes in the estimated settlement dates at select sites.

Table of Contents

**Note 13 Standby Letters of Credit**

We provide certain third parties with irrevocable standby letters of credit in the normal course of business. We use commercial banks to issue standby letters of credit to back our obligations to pay or perform when required to do so pursuant to the requirements of an underlying agreement. The standby letters of credit listed below are cancelable only at the option of the beneficiaries who are authorized to draw drafts on the issuing bank up to the face amount of the standby letter of credit in accordance with its terms. Since banks consider letters of credit as contingent extensions of credit, we are required to pay a fee until they expire or are canceled. Substantially all of our standby letters of credit have a one-year term and are renewable annually at the option of the beneficiary.

Our standby letters of credit as of June 30, 2010 are summarized in the table below (in thousands of dollars):

| | **June 30 2010** |
|---|---|
| **Standby letters of credit** | |
| Risk management requirement for insurance claims | **$40,411** |
| Payment surety required by utilities | **133** |
| Contractual reclamation/restoration requirements | **11,803** |
| Financial requirement for industrial revenue bond | **14,230** |
| Total | **$66,577** |

Of the total $66,577,000 outstanding letters of credit, $63,386,000 is backed by our $1,500,000,000 bank credit facility which expires November 16, 2012.

**Note 14 Acquisitions and Divestitures**

During the first quarter of 2010, we sold three aggregates facilities located in rural Virginia for cash proceeds of approximately $42,750,000.

Assets held for sale and liabilities of assets held for sale as presented in the accompanying Condensed Consolidated Balance Sheets as of June 30, 2010 and December 31, 2009, relate to an aggregates production facility and ready-mixed concrete operation located outside the United States. We expect the transaction to close within the 12-month period ending June 30, 2011. There were no pending divestitures as of June 30, 2009. The major classes of assets and liabilities of assets classified as held for sale are as follows (in thousands of dollars):

| | June 30 2010 | December 31 2009 |
|---|---|---|
| Current assets | $3,695 | $3,799 |
| Property, plant & equipment, net | 11,016 | 11,117 |
| Intangible assets | 93 | 96 |
| Other assets | 60 | 60 |
| Total assets held for sale | $14,864 | $15,072 |
| Current liabilities | $409 | $369 |
| Total liabilities of assets held for sale | $409 | $369 |

During the six months ended June 30, 2009, we acquired the following assets for approximately $38,955,000 (total note and cash consideration), net of acquired cash:

leasehold interest in a rail yard
two aggregates production facilities

Table of Contents

**Note 15 Goodwill**

Changes in the carrying amount of goodwill by reportable segment from December 31, 2009 to June 30, 2010 are summarized below (in thousands of dollars):

**Goodwill**

| | **Aggregates** | **Concrete** | **Asphalt mix** | **Cement** | **Total** |
|---|---|---|---|---|---|
| **Gross carrying amount** | | | | | |
| Total as of December 31, 2009 | $3,002,346 | $0 | $91,633 | $252,664 | $3,346,643 |
| Purchase price allocation adjustment | 0 | 0 | 0 | 0 | 0 |
| **Total as of June 30, 2010** | **$3,002,346** | **$0** | **$91,633** | **$252,664** | **$3,346,643** |
| **Accumulated impairment losses** | | | | | |
| Total as of December 31, 2009 | $0 | $0 | $0 | ($252,664) | ($252,664) |
| Goodwill impairment loss | 0 | 0 | 0 | 0 | 0 |
| **Total as of June 30, 2010** | **$0** | **$0** | **$0** | **($252,664)** | **($252,664)** |
| **Goodwill, net of accumulated impairment losses** | | | | | |
| Total as of December 31, 2009 | $3,002,346 | $0 | $91,633 | $0 | $3,093,979 |
| **Total as of June 30, 2010** | **$3,002,346** | **$0** | **$91,633** | **$0** | **$3,093,979** |

**Note 16 New Accounting Standards**

**Recently Adopted**

**Enhanced disclosures for fair value measurements** As of and for the interim period ended March 31, 2010, we adopted Accounting Standards Update (ASU) No. 2010-6, Improving Disclosures about Fair Value Measurements (ASU 2010-6) as it relates to disclosures about transfers into and out of Level 1 and 2. Our adoption of this standard had no impact on our financial position, results of operations or liquidity. We will adopt ASU 2010-6 as it relates to separate disclosures about purchases, sales, issuances and settlements relating to Level 3 measurements as of and for the interim period ended March 31, 2011.

**Note 17 Segment Reporting - Continuing Operations**

We have four operating segments organized around our principal product lines: aggregates, asphalt mix, concrete and cement. For reporting purposes, we historically combined our Asphalt mix and Concrete operating segments into one reporting segment as the products are similar in nature and the businesses exhibited similar economic characteristics, production processes, types and classes of customer, methods of distribution and regulatory environments. We routinely received inquiries from our investors specific to these individual operating segments. In an effort to provide more meaningful information to the public, these two segments are now reported separately. We have recast our 2009 data to reflect this change in reportable segments to conform to the current period s presentation.

The majority of our activities are domestic. We sell a relatively small amount of aggregates outside the United States. Transactions between our reportable segments are recorded at prices approximating market levels. Management reviews earnings from the product line reporting units principally at the gross profit level.

**17**

**Table of Contents**

| **Segment Financial Disclosure** | **Three Months Ended June 30** | | **Six Months Ended June 30** | |
|---|---|---|---|---|
| | **2010** | 2009 | **2010** | 2009 |
| Amounts in millions | | | | |
| **TOTAL REVENUES** | | | | |
| Aggregates | | | | |
| Segment revenues | **$513.9** | $497.6 | **$855.2** | $899.4 |
| Intersegment sales | **(42.4)** | (42.9) | **(74.5)** | (80.0) |
| Net sales | **471.5** | 454.7 | **780.7** | 819.4 |
| Concrete | | | | |
| Segment revenues | **105.0** | 114.6 | **188.0** | 229.4 |
| Intersegment sales | **0.0** | 0.0 | **0.0** | (0.1) |
| Net sales | **105.0** | 114.6 | **188.0** | 229.3 |
| Asphalt mix | | | | |
| Segment revenues | **103.5** | 103.7 | **166.5** | 182.1 |
| Intersegment sales | **0.0** | 0.0 | **0.0** | 0.0 |
| Net sales | **103.5** | 103.7 | **166.5** | 182.1 |
| Cement | | | | |
| Segment revenues | **22.9** | 16.9 | **40.8** | 36.6 |
| Intersegment sales | **(10.1)** | (8.5) | **(18.7)** | (18.1) |
| Net sales | **12.8** | 8.4 | **22.1** | 18.5 |
| Total | | | | |
| Net sales | **692.8** | 681.4 | **1,157.3** | 1,249.3 |
| Delivery revenues | **43.4** | 40.5 | **72.1** | 72.9 |
| Total revenues | **$736.2** | $721.9 | **$1,229.4** | $1,322.2 |
| **GROSS PROFIT** | | | | |
| Aggregates | **$122.0** | $126.8 | **$137.4** | $190.4 |
| Concrete | **(5.6)** | (2.2) | **(21.7)** | |