Filed 02/25/15 for the Period Ending 02/25/15

Address 1200 URBAN CENTER DRIVE
          BIRMINGHAM, AL 35242
Telephone  2052983000
CIK       0001396009
Symbol    VMC
SIC Code  1400 - Mining & Quarrying of Nonmetallic Minerals (No Fuels)
Industry  Construction - Raw Materials
Sector    Capital Goods
Fiscal Year 12/31
UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549  
   
FORM 8-K  
   
CURRENT REPORT  
Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934  
   
Date of Report (Date of earliest event reported): February 25, 2015  
VULCAN MATERIALS COMPANY  
(Exact name of registrant as specified in its charter)  
   
New Jersey 001-33841 20-8579133  
(State or other jurisdiction of incorporation) (Commission File Number) (IRS 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:  
   
Not Applicable  
(Former name or former address if changed since last report)  
   
Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligations of the registrant under any of the following provisions:  
   
☐ Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)  
☐ Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)  
☐ Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))  
☐ Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))
On February 25, 2015, Vulcan Materials Company (the “Company”) will use a slide presentation at its Investor Day in Washington, D.C. A copy of the presentation is furnished as Exhibit 99.1 to this Form 8-K. Exhibit 99.1 shall not be deemed “filed” for purposes of Section 18 of the Securities Exchange Act of 1934, as amended (the “Exchange Act”), or otherwise subject to the liabilities under that Section and shall not be deemed to be incorporated by reference into any filing of the Company under the Securities Act of 1933, as amended, or the Exchange Act.

Item 7.01. Regulation FD Disclosure.

Item 9.01. Financial Statements and Exhibits.

(d) Exhibits

<table>
<thead>
<tr>
<th>Exhibit No.</th>
<th>Description</th>
</tr>
</thead>
</table>
SIGNATURES

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

Vulcan Materials Company

Date: February 25, 2015

By: /s/ Michael R. Mills

Name: Michael R. Mills

Title: Sr. Vice President and General Counsel
This document contains forward-looking statements. Statements that are not historical fact, including statements about Vulcan’s beliefs and expectations, are forward-looking statements. Generally, these statements relate to future financial performance, results of operations, business plans or strategies, projected or anticipated revenues, expenses, earnings (including EBITDA and other measures), dividend policy, shipment volumes, pricing, level of capital expenditures, intended cost reductions and cost savings, anticipated profit improvements and/or planned divestitures and asset sales. These forward-looking statements are sometimes identified by the use of terms and phrases such as “believe,” “should,” “would,” “expect,” “project,” “estimate,” “anticipate,” “intend,” “plan,” “will,” “can,” “may” or similar expressions elsewhere in this document. These statements are subject to numerous risks, uncertainties, and assumptions, including but not limited to general business conditions, competitive factors, pricing, energy costs, and other risks and uncertainties discussed in the reports Vulcan periodically files with the SEC.

Forward-looking statements are not guarantees of future performance and actual results, developments, and business decisions may vary significantly from those expressed in or implied by the forward-looking statements. The following risks related to Vulcan’s business, among others, could cause actual results to differ materially from those described in the forward-looking statements: those associated with general economic and business conditions; the timing and amount of federal, state and local funding for infrastructure; changes in Vulcan’s effective tax rate that can adversely impact results; the increasing reliance on information technology infrastructure for Vulcan’s lifeting, procurement, financial statements and other processes could adversely affect operations in the event such infrastructure does not work as intended or experiences technical difficulties or is subjected to cyber attacks; the impact of the state of the global economy on Vulcan’s businesses and financial condition and access to capital markets; changes in the level of spending for private residential and private nonresidential construction; the highly competitive nature of the construction materials industry; the impact of future regulatory or legislative actions; the outcome of pending legal proceedings; pricing of Vulcan’s products; weather and other natural phenomena; energy costs; costs of hydrocarbon-based raw materials; healthcare costs; the amount of long-term debt and interest expense incurred by Vulcan; changes in interest rates; the impact of Vulcan’s below investment grade debt rating on Vulcan’s cost of capital; volatility in pension plan asset values and liabilities which may require cash contributions to the pension plans; the impact of environmental clean-up costs and other liabilities relating to previously divested businesses; Vulcan’s ability to secure and permit aggregates reserves in strategically located areas; changes in our management team and our new divisional structure; Vulcan’s ability to manage and successfully integrate acquisitions; the potential of goodwill or long-lived asset impairment; the potential impact of future legislation or regulations relating to climate change or greenhouse gas emissions or the definition of minerals; and other assumptions, risks and uncertainties detailed from time to time in the reports filed by Vulcan with the SEC. All forward-looking statements in this communication are qualified in their entirety by this cautionary statement. Vulcan disclaims and does not undertake any obligation to update or revise any forward-looking statement in this document except as required by law.
Vulcan’s aggregates focus

**Gross profit** (% of total)

- **Aggregates**: 93%
- **Other Segments**: 7%

*Source: 2014 company financials*
The most basic of materials
Long history of price increases

Vulcan +5.1%/yr
PPI +4.4%/yr
Vulcan’s uniquely valuable asset base ...
... and logistics network
Vulcan’s aggregates gross profit per ton

<table>
<thead>
<tr>
<th>Year</th>
<th>Gross Profit per Ton</th>
<th>Tons</th>
</tr>
</thead>
<tbody>
<tr>
<td>2005</td>
<td>$2.50</td>
<td>260M</td>
</tr>
<tr>
<td>2012</td>
<td>$2.50</td>
<td>141M</td>
</tr>
<tr>
<td>2013</td>
<td>$2.83</td>
<td>146M</td>
</tr>
<tr>
<td>2014</td>
<td>$3.35</td>
<td>162M</td>
</tr>
</tbody>
</table>
Focus for remainder of this presentation

1. Unchanging values
2. The past as a challenge to the future
3. Earnings power at normal demand
4. Execution focus
5. Capital allocation and structure
6. Conclusion and Q&A
Unchanging values
Unchanging values

- Safety, health and environmental leadership
- Positive impact on the communities in which we operate
- Respect for our people
- Fair dealing with customers, suppliers and competitors
Safety

**MSHA Injury rate**

<table>
<thead>
<tr>
<th>Year</th>
<th>Industry</th>
<th>Vulcan</th>
</tr>
</thead>
<tbody>
<tr>
<td>2009</td>
<td>2.3</td>
<td>1.4</td>
</tr>
<tr>
<td>2010</td>
<td>2.2</td>
<td>1.4</td>
</tr>
<tr>
<td>2011</td>
<td>2.2</td>
<td>1.3</td>
</tr>
<tr>
<td>2012</td>
<td>2.1</td>
<td>1.6</td>
</tr>
<tr>
<td>2013</td>
<td>2.1</td>
<td>1.2</td>
</tr>
<tr>
<td>2014</td>
<td>(1)</td>
<td>1.4</td>
</tr>
</tbody>
</table>

1 Not available

Source: MSHA and Internal safety data, injury rate per 200,000 hours worked
MSHA Noise % Overstandard Samples

MSHA Dust % Overstandard Samples

1 = 0.3%
2 = 0.1%
Environmental Citations

Number of citations:

- 2010: 25
- 2011: 17
- 2012: 11
- 2013: 7
- 2014: 6

99.7% of Inspections are Citation-free
Contents

1 2 3 4 5 6

The past as a challenge to the future
Looking back to look forward

The Past as a Challenge to the Future

W. HOUSTON BLOUNT
Reflecting on where we’ve been

Decline

~300 M tons

Turnaround

~140 M tons

Early Recovery

160+ M tons

Pro forma based on current footprint
## Decline stage: Volumes dropped by >50%

<table>
<thead>
<tr>
<th>What happened</th>
<th>Perspectives reinforced</th>
</tr>
</thead>
<tbody>
<tr>
<td>▸ Unprecedented drop in demand</td>
<td>▸ Match capital allocation and structure to point in cycle</td>
</tr>
<tr>
<td>▸ High-operating leverage and high financial leverage</td>
<td>▸ Maintain lean and flexible G&amp;A structure</td>
</tr>
<tr>
<td>▸ High overheads and ERP implementation</td>
<td>▸ Uphold pricing discipline and leadership</td>
</tr>
<tr>
<td>▸ Negative earnings</td>
<td></td>
</tr>
<tr>
<td>▸ Dividend reduced</td>
<td></td>
</tr>
</tbody>
</table>
## Turnaround stage: Volumes stabilized at historic lows

### What happened
- EBITDA improved >$100 million
- $1 billion in non-core assets divested, including cement
- Debt reduced $800 million
- Demand recovery finally began in 2nd half of '13

### Perspectives reinforced
- Focus on what we can control
- Set bold targets; organize to meet them
- Challenge our own portfolio

---

See Appendix for reconciliation Non-GAAP measures
## Early recovery stage: Small step toward normal demand

### What happened

- Adjusted EBITDA up $131 million in 2014, on 16m tons growth in legacy aggregates shipments
- Gross profit per ton up 18 pct despite modest price growth
- Accretive bolt-on acquisitions and swaps
- New team inherits strong momentum

### Perspectives reinforced

- Drive profit enhancement continuously; fully capitalize on recovery at whatever pace it comes
- Maintain flexibility for smart acquisitions at all points in cycle
- Leverage scale and focus of "One Vulcan"

See Appendix for reconciliation Non-GAAP measures
Strong momentum with early recovery ...

**Adjusted EBITDA, $M**

- 2012: 411 million tons
- 2013: 146 million tons
- 2014: 162 million tons
- 2015P: ~180 million tons

See Appendix for reconciliation Non-GAAP measures
... but still a ways to go

Adjusted EBITDA, $M

- 2012: $411
- 2013: $468
- 2014: $600
- 2015P: $775-825

$7.6 B Capital Base

See Appendix for reconciliation of Non-GAAP measures
Earnings power at normal demand
The figures in this section reflect Vulcan’s current long-range goals.

Actual future results will depend on many factors, including the ultimate pace of recovery in demand for construction aggregates.

The company believes a full recovery in aggregates demand may take several years.

The company is not laying out a specific timetable for recovery to normal demand.
Vulcan in the recovery phase

EBITDA > $2 Billion at Normal Demand

Tons in millions

360
320
300
280
260
240
220
200
180
160
140
120
100
80
60
40
20
0

Peak
Trough
2014
Normal Demand

Pro forma Sales Volume
Illustrative Shipment Growth
Normal Demand

300
146
165
~255
Illustrative drivers of EBITDA growth during recovery

- 2014 Adjusted EBITDA: $600 million
- Aggregates Volume and Margin Expansion: $1,300 million
- Other Segments Volume and Margin Expansion: $175 million
- SAG/Other Cost Increases: -$60 million
- EBITDA Goal at Normal Demand: > $2 Billion

See Appendix for reconciliation Non-GAAP measures
Aggregates volume drivers during recovery phase

2014
165 million tons\(^1\)

\(+\)

Demand Recovery
~ 60 million tons

\(+\)

Share Recovery
~ 30 million tons

\(\rightarrow\)

Expected Shipments at Normal Demand
~255 million tons

\(^1\) Pro forma based on current footprint
Historic per capita demand for aggregates in Vulcan-served markets

Total tons per person

- 7.4 in 70's
- 7.2 in 80's
- 7.5 in 90's
- 8.6 in 2000's
- 5.1 today

40-year average = 7.3 tons per person

- 31% below 40-year average
- 40% below prior decade
- High single digit growth required for ~5 years to get to normal levels
- Multiple years of recovery ahead
What is normal demand?

<table>
<thead>
<tr>
<th>Private Demand</th>
<th>Public Demand</th>
</tr>
</thead>
<tbody>
<tr>
<td>‣ 1.4 million housing starts, versus 45-year trend of 1.45 million starts</td>
<td>‣ Mid-single digit growth in public highway funding (local, state and federal)</td>
</tr>
<tr>
<td>‣ 1.2 billion square feet of annual non-residential construction, versus 45-year average of 1.3 billion</td>
<td>‣ Continued modest growth in infrastructure spending driven by state and local tax revenue</td>
</tr>
</tbody>
</table>

- Expectation does not assume the next cyclical peak in private construction
- Expectation does not assume new, extraordinary commitments to investing in the nation's infrastructure
Share recovery expectation consistent with past cycles

Share lost while maintaining price and margin discipline during downturn

~3%

Share recovery as demand mix normalizes

~3%

Expectation: share gained in recovery phase will match share lost during downturn
Longer-term view of the aggregates demand cycle

- Actual Demand
- Normal Demand

Exact pace and duration of recovery unknown
Potential unit profit improvement through the recovery

Cash Gross Profit per ton

- 2011: $4.01
- 2014: $4.75
- At Normal Demand: ~$8.25

Consistent with fair returns on capital
Consistent with ~60% flow-through on incremental revenue

Volume
Million Tons
- 2011: 143
- 2014: 162
- At Normal Demand: ~255

See Appendix for reconciliation Non-GAAP measures
Drivers of aggregates gross profit expansion

2014 Year-over-Year Improvement

Sales and Production Mix

Effective Management Drives Growth in Unit Profitability

Gross Profit $3.35 / Ton +18%

Operating Efficiency and Leverage

Recovery serves as a tailwind for all 3 drivers
Price for service

Sales and Production Mix

Operating Efficiency and Leverage

Price for Service

>7%

2002-2007 Recovery

Assumption for Current Recovery

>5%

Pace and duration of recovery will impact pace and degree of pricing changes.
Variable costs benefit from:
- Return to more normal production schedules
- Continued inventory management and production planning discipline

Fixed cost leverage continues through recovery phase.
- Recovery to normal more profitable product mix
- Improved balance between market demand and plant yields
- Greater portion of new construction
- Growth weighted toward more profitable geographies
Gross profit flow through on incremental aggregates revenue

Trailing 12 months

<table>
<thead>
<tr>
<th></th>
<th>Q4 13</th>
<th>Q1 14</th>
<th>Q2 14</th>
<th>Q3 14</th>
<th>Q4 14</th>
</tr>
</thead>
<tbody>
<tr>
<td>58%</td>
<td>63%</td>
<td>61%</td>
<td>65%</td>
<td>66%</td>
<td></td>
</tr>
</tbody>
</table>

Targeting >60% flow through during the recovery

See Appendix for reconciliation Non-GAAP measures
Other segments

Cash Gross Profit

- 2014: $76 M
- Assumed Profitability at Normal Demand: ~$250 M

- Impact of recent acquisitions, divestitures and swaps
- Recovery in volumes
- Recovery in material margins

See Appendix for reconciliation Non-GAAP measures
SAG leverage

Percent of revenues

- Leverage to sales growth
- Further productivity gains

2014: ~9%
Target: ~6%
Recap: Drivers of EBITDA growth during recovery

- $1,300 million
- $175 million
- -$60 million
- > $2 Billion

2014 Adjusted EBITDA
Aggregates Volume and Margin Expansion
Other Segments Volume and Margin Expansion
SAG/Other Cost Increases
EBITDA Goal at Normal Demand

See Appendix for reconciliation Non-GAAP measures
## Past and expected return on capital deployed

<table>
<thead>
<tr>
<th></th>
<th>2006</th>
<th>2015</th>
<th>Expectation at Normal Demand</th>
</tr>
</thead>
<tbody>
<tr>
<td>EBITDA ($ millions)</td>
<td>894</td>
<td>775-825</td>
<td>2,000</td>
</tr>
<tr>
<td>Capital base ($ billions)</td>
<td>3.0</td>
<td>7.6</td>
<td>~8.0</td>
</tr>
<tr>
<td>EBITDA Return on Capital</td>
<td>30%</td>
<td>~10%</td>
<td>~25%</td>
</tr>
</tbody>
</table>

See Appendix for reconciliation Non-GAAP measures
Execution focus
“What is the quality of your earnings ... what are you doing to improve?”
## 5 core disciplines we focus on every day

<table>
<thead>
<tr>
<th></th>
<th>Sales and marketing excellence</th>
<th>Operational excellence</th>
<th>SAG productivity</th>
<th>Capital productivity</th>
<th>Portfolio management</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Grow shipments and revenues faster than the market as a whole</td>
<td>Achieve 60% flow through of incremental aggregates revenue</td>
<td>Drive SAG expenses to 6% of sales</td>
<td>Significantly increase capital turnover while enhancing the efficiency of our operations</td>
<td>Improve <em>both</em> longer-term growth and returns on capital already in place</td>
</tr>
<tr>
<td>What we are going to accomplish</td>
<td>How we are executing</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>--------------------------------</td>
<td>----------------------</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Remain the market’s supplier of choice...</td>
<td>▸ Extending our lead in sales and service to become our customers’ supplier of choice.</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>... to grow shipments and revenue faster than the market ...</td>
<td>▸ Leveraging Vulcan’s scale and strength with existing and new clients</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>... while earning full and fair value for our products and services</td>
<td>▸ Focusing on covering large general contractor business</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>▸ Winning more than our fair share of large project bids</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>▸ Deploying tools and technology to stop margin leakage</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>▸ Making our company easier to do business with</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
Sales and Marketing Example: Large project solution provider

1 Mega-Projects typically are at least $200 million or 250,000 tons
Sales and Marketing Example: Enterprise-wide tools
### What we are going to accomplish

Lead the market’s safest and most efficient operations ...

... delivering the right quality of products at the right time ...

... by successfully leveraging and driving cost efficiencies ...

... to achieve 60% flow through of incremental aggregates revenue

### How we are executing

- Leveraging our >$1 billion of third party spend in procurement negotiations
- Continuing plant-by-plant benchmarking and operating reviews
- Driving an enterprise-wide program for mobile equipment
- Better managing inventory levels with production planning tools
- Leveraging our multi-modal logistic network
- Accelerating the development of our plant managers of the future
Operational Excellence Example: Key operating metrics

- Tons per man hour
- Tons per gallon diesel
- Tons per kilowatt hour
- Tons per pound of explosive
- Repair dollars per ton

= 76% of controllable production costs
<table>
<thead>
<tr>
<th>What we are going to accomplish</th>
<th>How we are executing</th>
</tr>
</thead>
<tbody>
<tr>
<td>Continue to leverage SAG to sales to reach 6% ...</td>
<td>▸ Leveraging central shared services for administrative support</td>
</tr>
<tr>
<td>... while maintaining our close-to-market model and enabling continued growth ...</td>
<td>▸ Maintaining tight hiring controls</td>
</tr>
<tr>
<td>... as we capture all efficiencies while servicing our internal and external customers</td>
<td>▸ Continuing the commitment to reducing waste and running lean</td>
</tr>
<tr>
<td></td>
<td>▸ Capturing full benefits of common ERP platform</td>
</tr>
<tr>
<td></td>
<td>▸ Enabling rapid integration of acquired operations</td>
</tr>
</tbody>
</table>
## Capital Productivity

### What we are going to accomplish

Drive further improvement in capital turnover ...

... while maintaining the longer term health and productivity of our asset base ...

... and ensuring that the right projects are executed the right way

### How we are executing

- Maximizing lifecycle value of land holdings
- Embedding capital accountability at all levels of the organization
- Optimizing working capital and inventory levels
- Fleet planning and optimization
- Management processes fostering appropriate competition for capital
- Maintaining the right balance of owned vs. controlled reserve positions
Capital Productivity Example: Land Management
<table>
<thead>
<tr>
<th>What we are going to accomplish</th>
<th>How we are executing</th>
</tr>
</thead>
<tbody>
<tr>
<td>Continue to pursue attractive bolt-on acquisitions ...</td>
<td>- Making bolt-on acquisitions that complement current operations in California, Arizona, Texas and Delaware</td>
</tr>
<tr>
<td>... selectively enter new markets that meet our growth profile, eg. New Mexico ...</td>
<td>- Entering the New Mexico market by acquiring the #1 position in the market</td>
</tr>
<tr>
<td>... divest non-core businesses or geographies where we are not the natural owner, eg. Florida cement/ready mix ...</td>
<td>- Divesting non-core ready mix and cement facilities in Florida</td>
</tr>
<tr>
<td>... and negotiate swaps that benefit both parties, eg. California ready mix and Arizona asphalt</td>
<td>- Completed swap of ready mix plants for asphalt plants in California and Arizona</td>
</tr>
</tbody>
</table>
Vulcan’s uniquely valuable asset base

- North Troy Acquisition & Yards
- Existing Rail Distribution Facilities
- Other Vulcan Texas Aggregate Facilities
Portfolio Management Example: New Mexico Acquisition

[Map showing locations of aggregates facilities and RMC & HMA facilities in the New Mexico region]
Portfolio Management Example: Recent Acquisitions and Divestitures

- Facilities Acquired 2012 - present
- Facilities Divested 2012 - present
"We decided what we wanted to do and we concentrated on doing it better than anyone else."
Capital allocation and structure
Four topics for discussion

- Current & projected credit position
- Capital allocation during the recovery phase
- Near term and potential capital structure actions
- Capital allocation and structure through the cycle
Rapidly improving credit metrics

Our credit metrics should reach investment grade levels during 2015.

Debt/Adjusted EBITDA

<table>
<thead>
<tr>
<th>Year</th>
<th>2012</th>
<th>13</th>
<th>14</th>
<th>2015P</th>
<th>2016P</th>
<th>2017P</th>
</tr>
</thead>
<tbody>
<tr>
<td>Value</td>
<td>6.8</td>
<td>4.3</td>
<td>3.4</td>
<td>2.5</td>
<td>2.0</td>
<td>1.6</td>
</tr>
</tbody>
</table>

Figures for 2015-17 assume ~$2 billion of debt outstanding and consensus EBITDA estimates.

Note: FYE 13 is pro forma for the $506 million debt purchase completed Q1 14.

See Appendix for reconciliation Non-GAAP measures
Increasing flexibility through the recovery phase

Growing Excess Cash + Additional Debt Capacity

Ability to Fund Both Growth & Return of Capital
Capital allocation priorities during recovery phase

Operating CAPEX

Financial strength and flexibility

Progressive dividend growth with earnings

Bolt-on acquisitions

Current intent: Return remaining excess cash to shareholders, primarily via share repurchases
Anticipated approach to share repurchases

- Review excess cash position and outlook quarterly
- Utilize open market repurchases: mix of opportunistic and time-period averaging
- Assess and adjust authorization periodically
- Report on activity quarterly
Planned and potential capital structure

**Planned action:**

- Refinance approximately $700M of nearer-term maturities
- Additional detail on next slide

**Potential future action:**

- Subject to investment-grade parameters and market conditions
- Likely longer-dated maturities consistent with longer-lived assets
- Proceeds could be used for:
  - Financing of bolt-on acquisitions
  - Further refinancing of nearer-term maturities
  - Repurchase of additional shares
Planned refinancing of near-term securities

**Expected actions**
- Issue new note(s), likely 8-10 year term
- Increase size of 5-year revolving credit facility
- Use proceeds to tender or call portion of notes due in '16, '17 and '18
- Use proceeds and/or available cash to pay maturity due in 2015

**Expected outcomes**
- Overall debt level remains at ~$2 billion
- Reduce maturities due over next 5 years by approximately $700 million
- Better match average debt duration and fix/floating mix to our business and asset base
- Lower weighted average coupon rate
- Maintain strong liquidity
Illustrative approach to capital allocation through the cycle

**Recovery Phase**
- Accelerate dividend growth consistent with earnings
- Return excess cash with preference for share repurchases
- Fund growth preferably with debt

**Expansion Phase**
- Maintain dividend
- Strengthen balance sheet; prudently manage financial leverage
- Return excess cash with preference for regular or special dividends
- Fund growth preferably with equity

Maintain investment grade metrics/ratings and access to capital markets at all points in the cycle.
Conclusion and Q&A
Conclusion: What we aim to offer investors (1 of 4)

1. A domestic Aggregates business with several years of double-digit revenue growth potential
   - Shipment growth with recovery in construction activity to long-term trend levels
   - Pricing growth as seen in past recovery cycles
   - Eventually, growth toward next cyclical peak

2. Earnings leverage at each stage in the P&L
   - Gross profit margins expanding
   - SAG leverage
   - Financial leverage

3. Significant return of capital
   - A progressive dividend growing with earnings
   - Excess cash focused on share repurchase

4. An investment-grade balance sheet
   - Debt amount and structure appropriate to the asset base and point in the cycle
   - Adequate cushion against external shocks
5. **An advantaged aggregates asset base and franchise of lasting value**

- A ‘pure play’ aggregates business
- A compelling portfolio of market positions
  - Most profitable market mix (as evidenced by margins per ton shipped)
  - Higher growth rate in recovery; today still > 30% below normal demand
  - Higher long-term growth rate; serving nearly all key growth corridors and most rapidly growing population centers
  - Excellent multi-modal logistics capabilities, plus the inherent advantages of our Yucatan quarry and port facilities
  - Complementary downstream operations, where they matter
  - Over 85% of revenues from markets where we hold a #1 or #2 position
- A sector with a decades-long record of real-price gains; a natural inflation hedge
- Over 15.8 billion tons of owned and leased reserves
- 119,000 acres of owned land, with significant unrecognized value
6. Disciplined portfolio management to improve capital returns and longer-term growth expectations
   - Accretive bolt-on acquisitions, appropriately financed
   - Swaps, divestitures, and excess land sales to enhance cash flows and returns

7. Front-line management worthy of a recognized industry leader; in a fragmented industry, execution advantages tied to scale and collective know-how
   - Safety and environmental compliance
   - Fair dealing with employees, communities, customers, suppliers and competitors
   - Commercial and operational excellence
   - Financial and capital disciplines
   - Aligned management incentives
8. **Significant upside exposure to eventual growth in US infrastructure investment**

- Well positioned vs. nearer-term improvements in funding (local/state level, federal level, P3s)
- Well positioned vs. specific intermediate term investment trends (e.g., port expansions, petrochemical facilities, inter-modal transport facilities, water treatment, etc.)
- Well positioned vs. necessary longer-term ‘catch-up’ on overall US infrastructure capacity and quality

9. **Potential for further reductions in cost of capital**

- Longer-dated debt, consistent with long-lived assets
- Prudent management of debt through the cycle
Appendix-Reconciliation of Non-GAAP Financial Measures

**EBITDA**

EBITDA is an acronym for Earnings Before Interest, Taxes, Depreciation, and Amortization and excludes discontinued operations. GAAP does not define EBITDA. Thus, it should not be considered as an alternative to any earnings measure defined by GAAP. We present this metric for the convenience of investment professionals who use this metric in their analysis and for shareholders who want to understand the metrics we use to assess performance. The investment community often uses this metric to assess the operating performance of a company’s business. We use EBITDA to assess the operating performance of our various business units and the consolidated company. Additionally, we adjust EBITDA for certain items to provide a more consistent comparison of performance from period to period. Reconciliations of this metric to its nearest GAAP measure is presented below:

<table>
<thead>
<tr>
<th>EBITDA and Adjusted EBITDA</th>
<th>2014</th>
<th>2013</th>
<th>2012</th>
<th>2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net earnings</td>
<td>$465</td>
<td>$254</td>
<td>$(53)</td>
<td>$(476)</td>
</tr>
<tr>
<td>Provision for (benefit from) income taxes</td>
<td>82</td>
<td>(24)</td>
<td>(97)</td>
<td>223</td>
</tr>
<tr>
<td>Interest expense, net</td>
<td>242</td>
<td>202</td>
<td>212</td>
<td>20</td>
</tr>
<tr>
<td>Discontinued operations, net of tax</td>
<td>2</td>
<td>(4)</td>
<td>(1)</td>
<td>16</td>
</tr>
<tr>
<td>EBIT</td>
<td>541</td>
<td>3196</td>
<td>391</td>
<td>1223</td>
</tr>
<tr>
<td>Depreciation, depletion, accretion and amortization</td>
<td>280</td>
<td>307</td>
<td>332</td>
<td>225</td>
</tr>
<tr>
<td>EBITDA</td>
<td>821</td>
<td>506</td>
<td>423</td>
<td>644</td>
</tr>
<tr>
<td>Gain on sale of real estate and businesses</td>
<td>(238)</td>
<td>(97)</td>
<td>(95)</td>
<td>(23)</td>
</tr>
<tr>
<td>Changes in working capital associated with acquisitions and divestitures</td>
<td>21</td>
<td>0</td>
<td>0</td>
<td>(39)</td>
</tr>
<tr>
<td>Amortization of deferred revenue</td>
<td>(5)</td>
<td>(2)</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Exchange (gain) from foreign currency transactions</td>
<td>0</td>
<td>0</td>
<td>43</td>
<td>0</td>
</tr>
<tr>
<td>Restructuring charges</td>
<td>1</td>
<td>2</td>
<td>10</td>
<td>0</td>
</tr>
<tr>
<td>Adjusted EBITDA</td>
<td>860</td>
<td>468</td>
<td>411</td>
<td>604</td>
</tr>
</tbody>
</table>

**Segment Cash Gross Profit**

Segment cash gross profit adds back noncash charges for depreciation, depletion, accretion and amortization to gross profit.

<table>
<thead>
<tr>
<th>Aggregate Segment Cash Gross Profit</th>
<th>2014</th>
<th>2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Aggregate segment gross profit</td>
<td>$844.1</td>
<td>$362.2</td>
</tr>
<tr>
<td>Aggregate segment cash gross profit per ton</td>
<td>577.1</td>
<td>305.7</td>
</tr>
<tr>
<td>Aggregate segment cash gross profit per ton</td>
<td>$4.75</td>
<td>$6.07</td>
</tr>
</tbody>
</table>

**Other Segments (Asphalt Mix, Conveyer, Calcinium)**

<table>
<thead>
<tr>
<th>Cash Gross Profit</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>Other segments gross profit</td>
<td>$13.6</td>
</tr>
<tr>
<td>Depreciation, depletion, accretion and amortization</td>
<td>32.2</td>
</tr>
<tr>
<td>Other segments cash gross profit</td>
<td>$76.7</td>
</tr>
</tbody>
</table>
Appendix—Reconciliation of Non-GAAP Financial Measures

Aggregates segment gross profit margin as a percentage of freight-adjusted revenues

Aggregates segment gross profit margin as a percentage of freight-adjusted revenues is not a GAAP measure. We present Aggregates segment gross profit margin as a percentage of freight-adjusted revenues as it is consistent with the basis by which we review our operating results. We believe that this presentation is more meaningful to our investors as it excludes related transportation revenues (a pass-through activity) and other service-related revenues, such as landfill tipping fees. Reconciliation of this metric to its nearest GAAP measure is presented below.

<table>
<thead>
<tr>
<th>Aggregates</th>
<th>Q1</th>
<th>Q2</th>
<th>Q3</th>
<th>Q4</th>
<th>Q4</th>
<th>Q4</th>
<th>Q4</th>
<th>2014</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>Gross profit</td>
<td>$34.0</td>
<td>$111.6</td>
<td>$124.9</td>
<td>$81.3</td>
<td>$24.8</td>
<td>$127.1</td>
<td>$149.8</td>
<td>$111.6</td>
<td>$38.5</td>
</tr>
<tr>
<td>Volume</td>
<td>29.5</td>
<td>36.7</td>
<td>39.4</td>
<td>33.4</td>
<td>27.9</td>
<td>39.0</td>
<td>42.0</td>
<td>35.7</td>
<td>29.6</td>
</tr>
<tr>
<td>Freight-adjusted sales price</td>
<td>$10.25</td>
<td>$10.38</td>
<td>$10.63</td>
<td>$10.46</td>
<td>$10.72</td>
<td>$10.75</td>
<td>$10.89</td>
<td>$10.92</td>
<td>$10.94</td>
</tr>
<tr>
<td>Freight-adjusted revenues</td>
<td>$301.9</td>
<td>$402.0</td>
<td>$418.6</td>
<td>$349.1</td>
<td>$208.6</td>
<td>$425.3</td>
<td>$465.7</td>
<td>$386.7</td>
<td>$324.1</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Aggregates</th>
<th>Q3</th>
<th>Q4</th>
</tr>
</thead>
<tbody>
<tr>
<td>(In millions)</td>
<td>2014</td>
<td>2014</td>
</tr>
<tr>
<td>Gross profit</td>
<td>$186.0</td>
<td>$156.0</td>
</tr>
<tr>
<td>Gross profit excluding 2014 acquisitions</td>
<td>(0.6)</td>
<td>(0.2)</td>
</tr>
<tr>
<td>Volume</td>
<td>47.8</td>
<td>41.3</td>
</tr>
<tr>
<td>Freight-adjusted sales price</td>
<td>$11.12</td>
<td>$11.03</td>
</tr>
<tr>
<td>Freight-adjusted revenues</td>
<td>$531.6</td>
<td>$455.1</td>
</tr>
<tr>
<td>Freight-adjusted revenues for 2014 acquisitions</td>
<td>6.2</td>
<td>11.7</td>
</tr>
<tr>
<td>Freight-adjusted revenues excluding 2014 acquisitions</td>
<td>$525.4</td>
<td>$443.4</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Trailing 12 Months</th>
<th>Q4</th>
<th>Q1</th>
<th>Q2</th>
<th>Q3</th>
<th>Q4</th>
</tr>
</thead>
<tbody>
<tr>
<td>Change in gross profit</td>
<td>$61.2</td>
<td>$84.2</td>
<td>$103.5</td>
<td>$117.5</td>
<td>$131.8</td>
</tr>
<tr>
<td>Change in freight-adjusted revenues</td>
<td>104.8</td>
<td>133.5</td>
<td>168.5</td>
<td>181.1</td>
<td>203.5</td>
</tr>
<tr>
<td>Change in gross profit margin as a percentage of freight-adjusted revenues</td>
<td>56%</td>
<td>63%</td>
<td>61%</td>
<td>65%</td>
<td>60%</td>
</tr>
</tbody>
</table>