

# Vulcan

Materials Company

## Well Positioned

*We provide the basic materials for the infrastructure investments needed to rebuild the American economy*



# Vulcan is the nation's leading producer of construction aggregates

*In 2008 and for the eighth year, named to Fortune magazine's list of the World's Most Admired Companies*

- ❑ Largest U.S. Aggregates Producer
  - crushed stone, sand & gravel
  - used in virtually all forms of construction
- ❑ Major producer of asphalt and ready-mixed concrete
- ❑ Leading cement producer in Florida
- ❑ S&P 500 company listed and traded on the NYSE under the symbol VMC
- ❑ Approximately 9,000 employees
- ❑ Sales of approximately \$3.5 billion



## Strategic objectives to add value begins with an aggregates focus

### ❑ Leverage coast-to-coast footprint

- Large, high-growth markets
- Strategically located aggregates reserves
- Diversified regional exposure

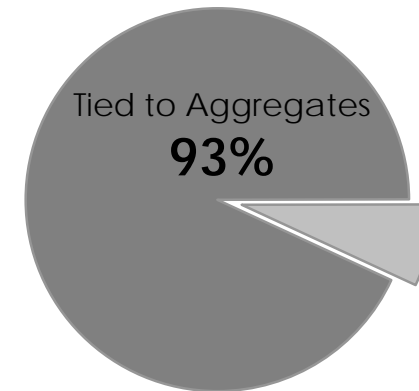
### ❑ Profitable growth

- Quality top-line growth
- Execute strategic acquisitions
- Tightly manage costs
- Reinvest in high-return projects

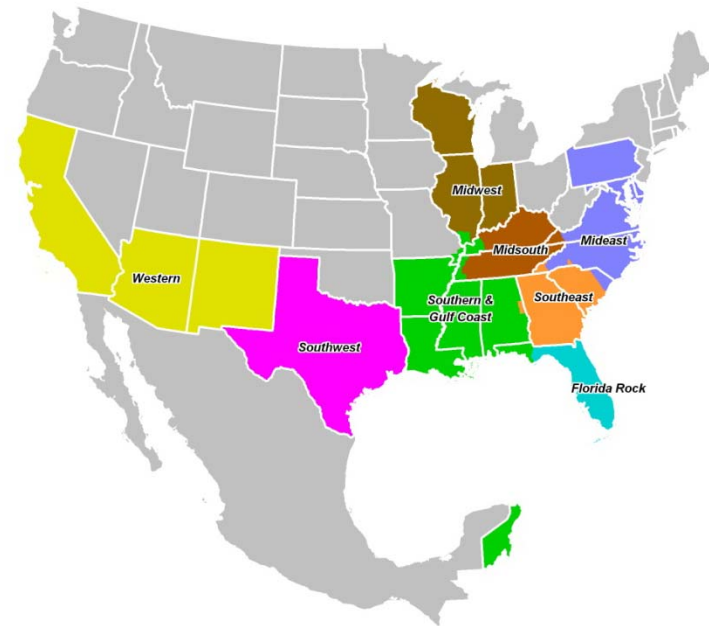
### ❑ Effective land management

### ❑ Strong cash generation and balance sheet

2008 Net Sales



Operating Divisions & States Served





## Commitment to excellence in social responsibility

- ❑ **Safety, Health & Environmental Stewardship**
- ❑ **Community Relations**
  - 255 adopted schools
    - 28 in Georgia
  - 40,000 plant visitors
    - Approximately 17,000 in the Southeast Division, with over 7,000 at Kennesaw
  - 40 certified wildlife habitats
    - 7 in Georgia
  - Norcross Quarry has certified Corporate Lands for Learning
  - Employee involvement in the community
  - Contributions from the Vulcan Materials Company Foundation



## Land Management

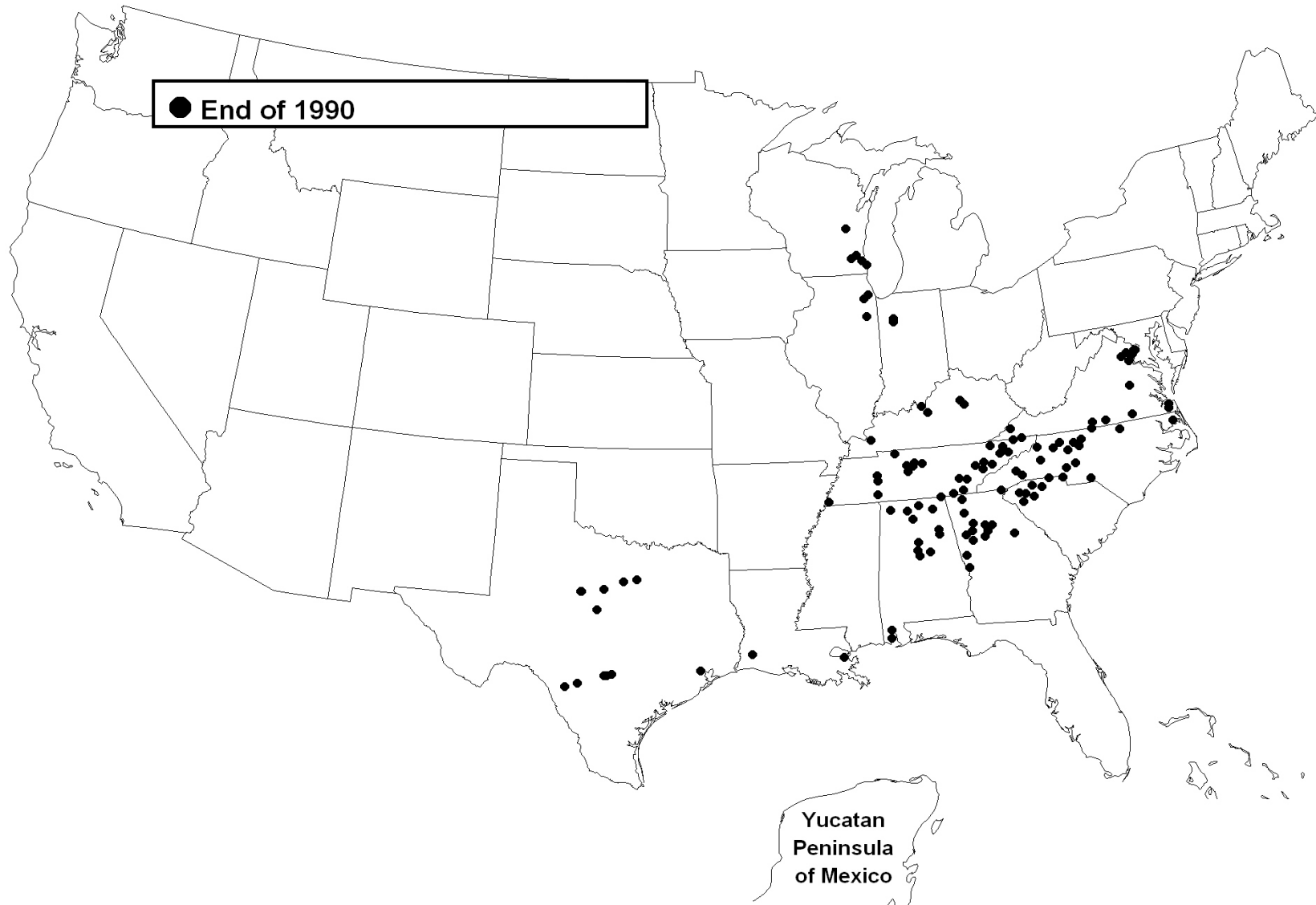


### ❑ Bellwood Quarry

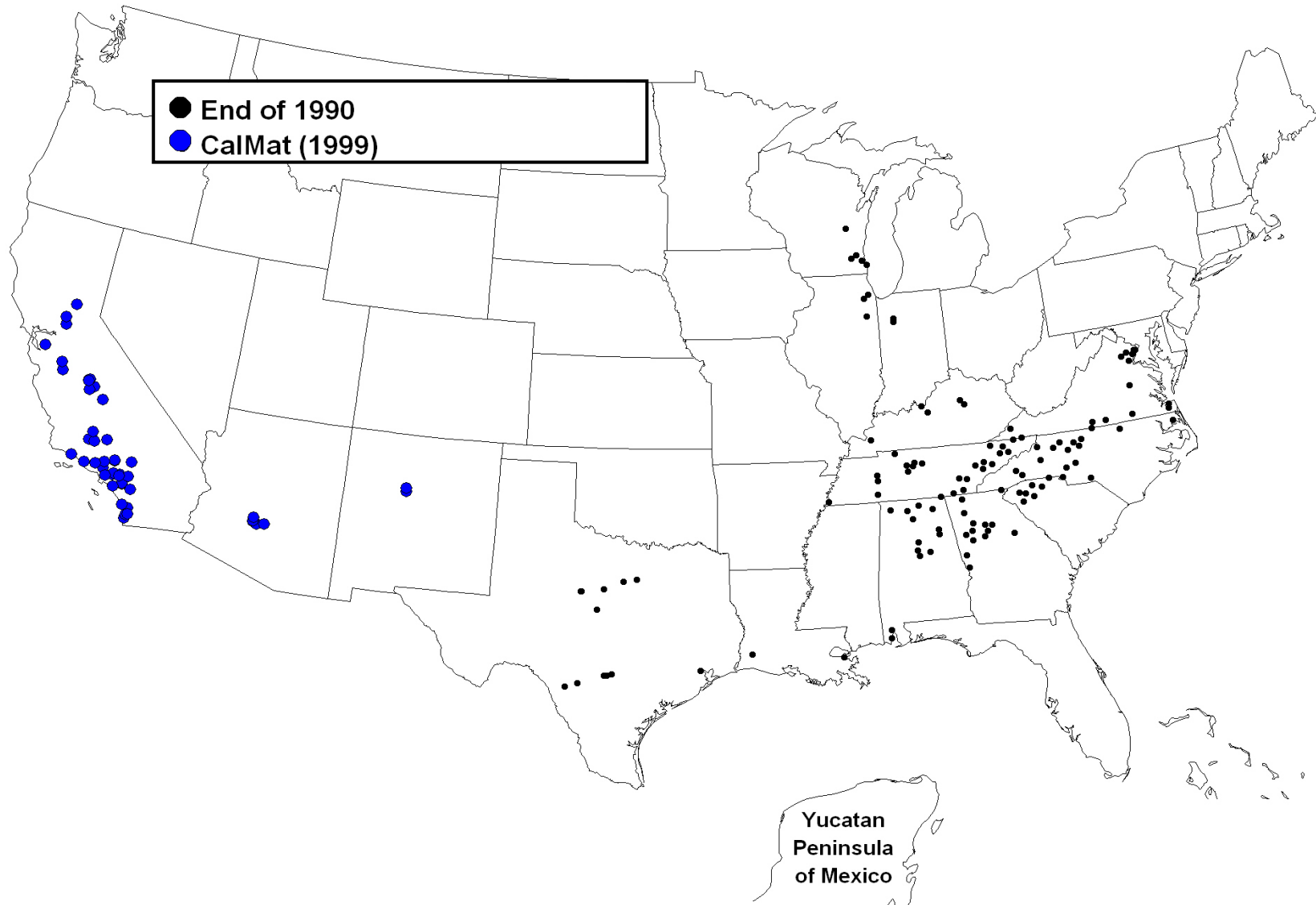
- Part of Belt Line Project
- Reclamation
- Water storage for Atlanta



## Acquisitions contribute to growth and regional diversification

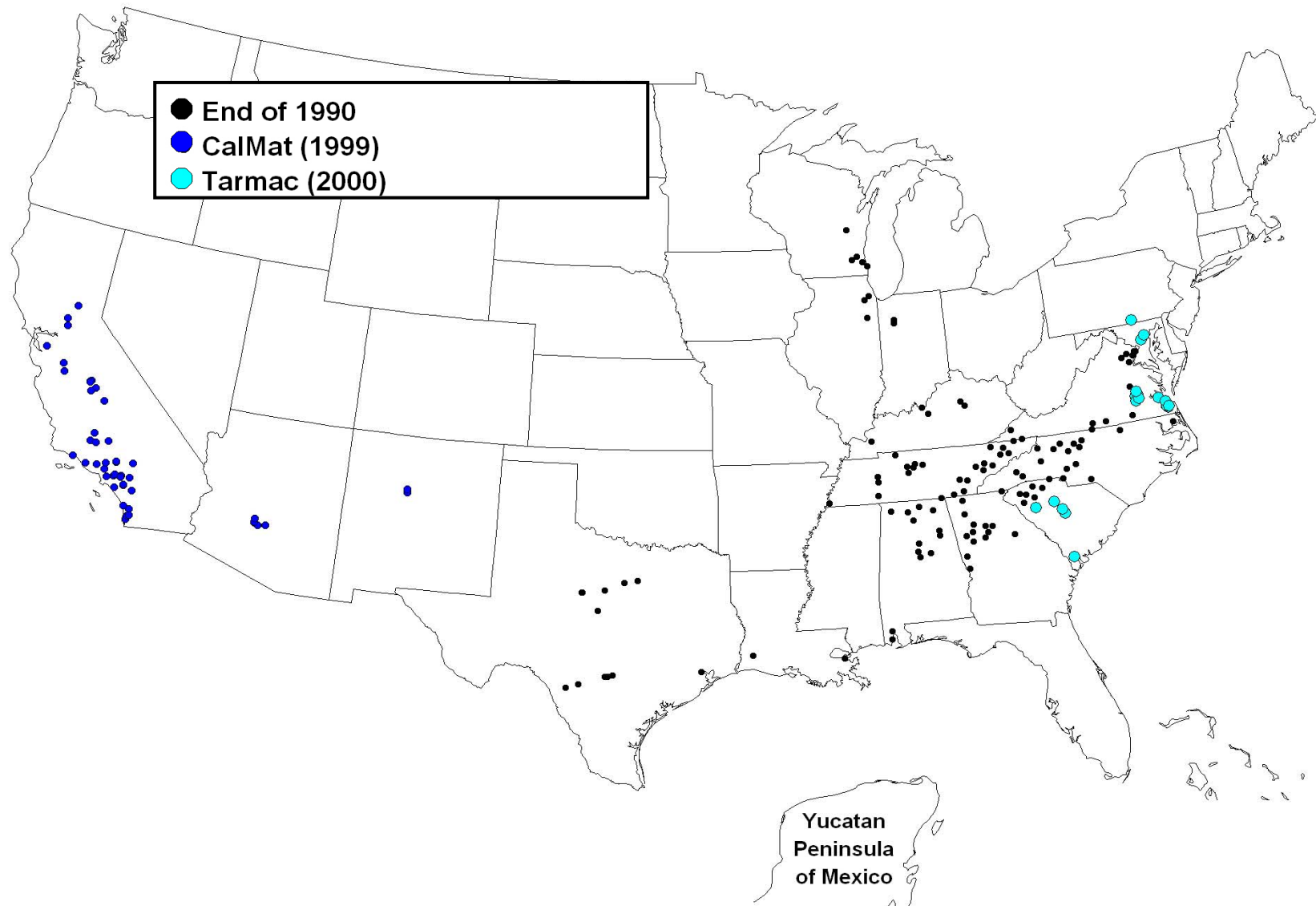


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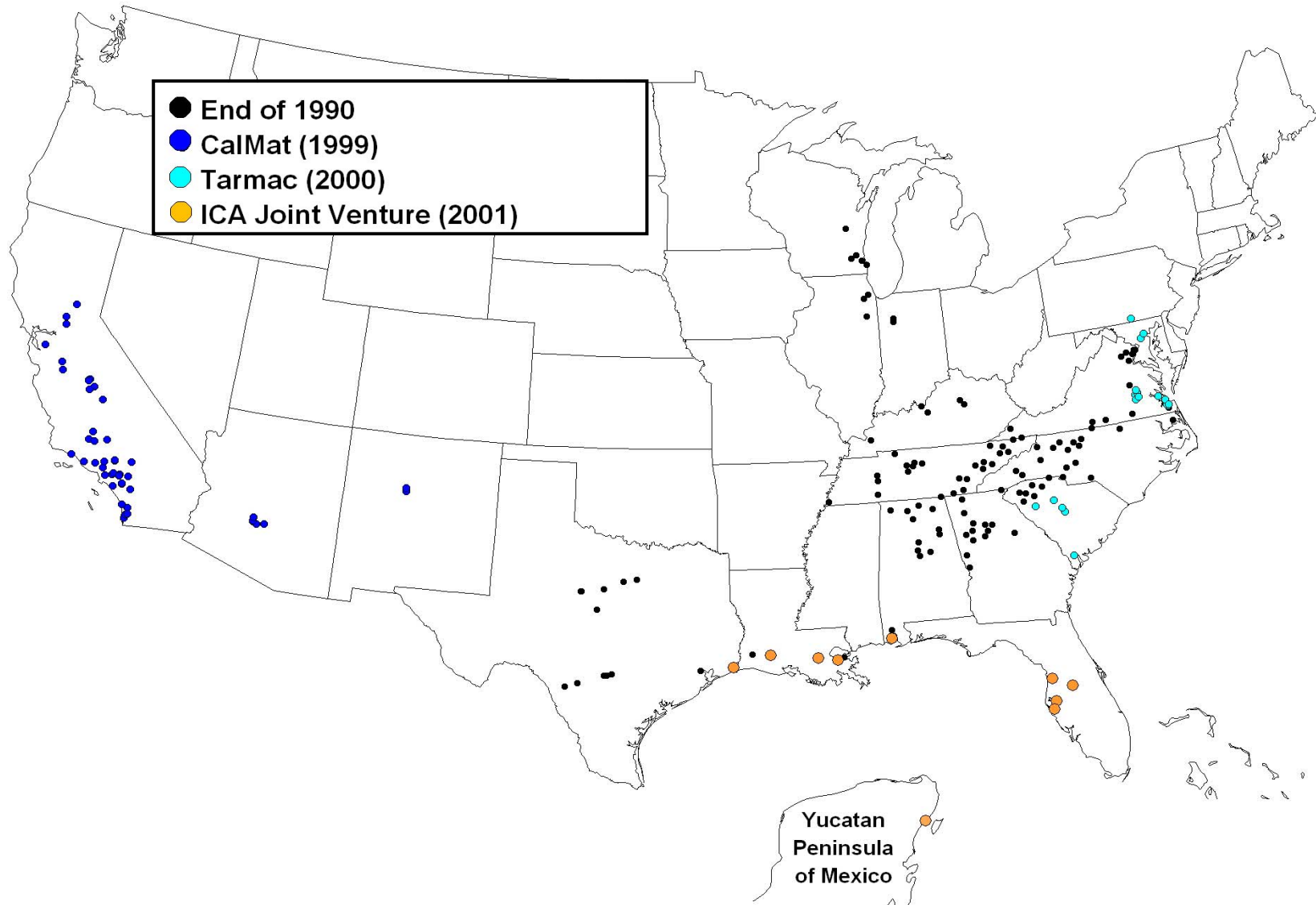


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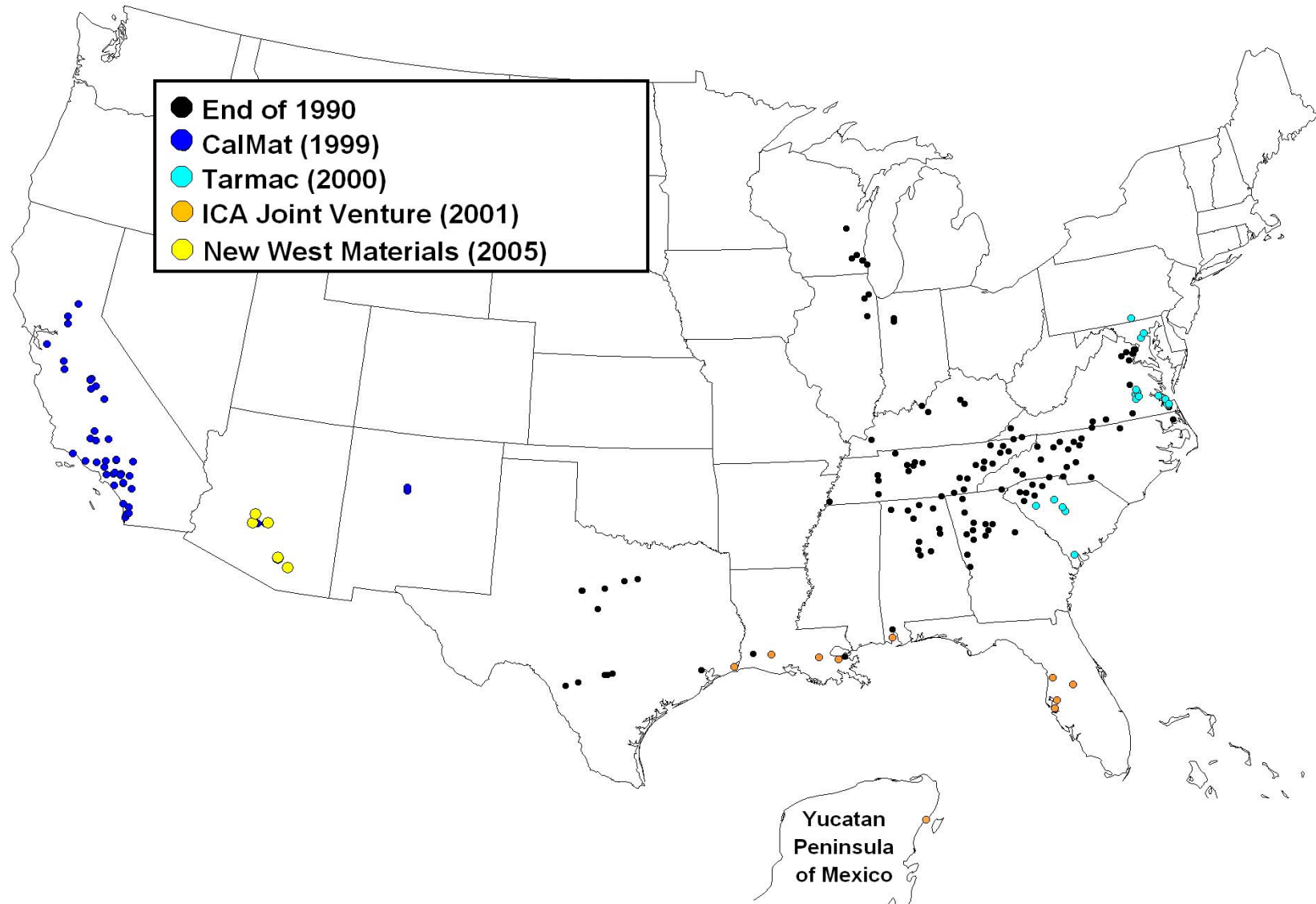




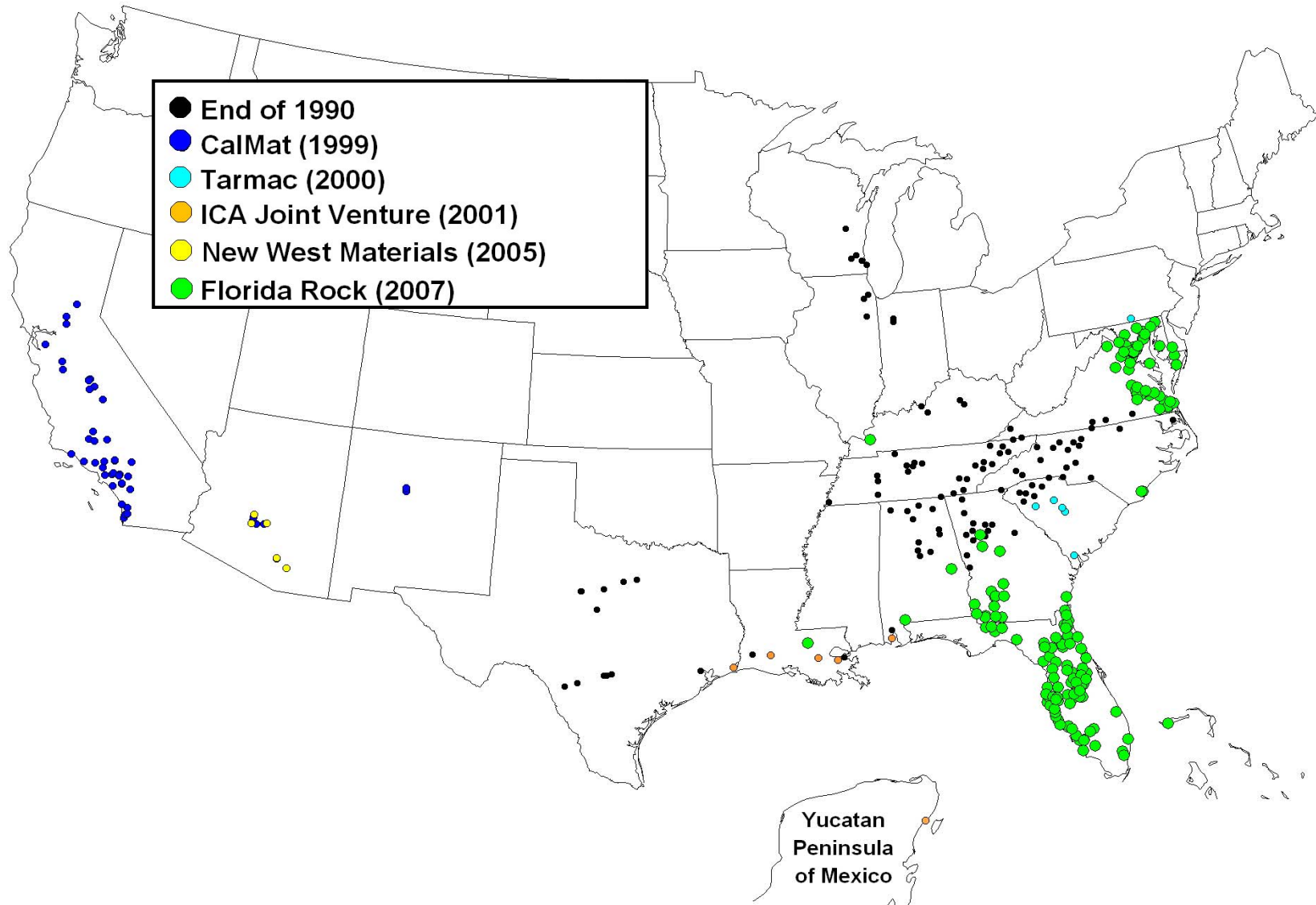
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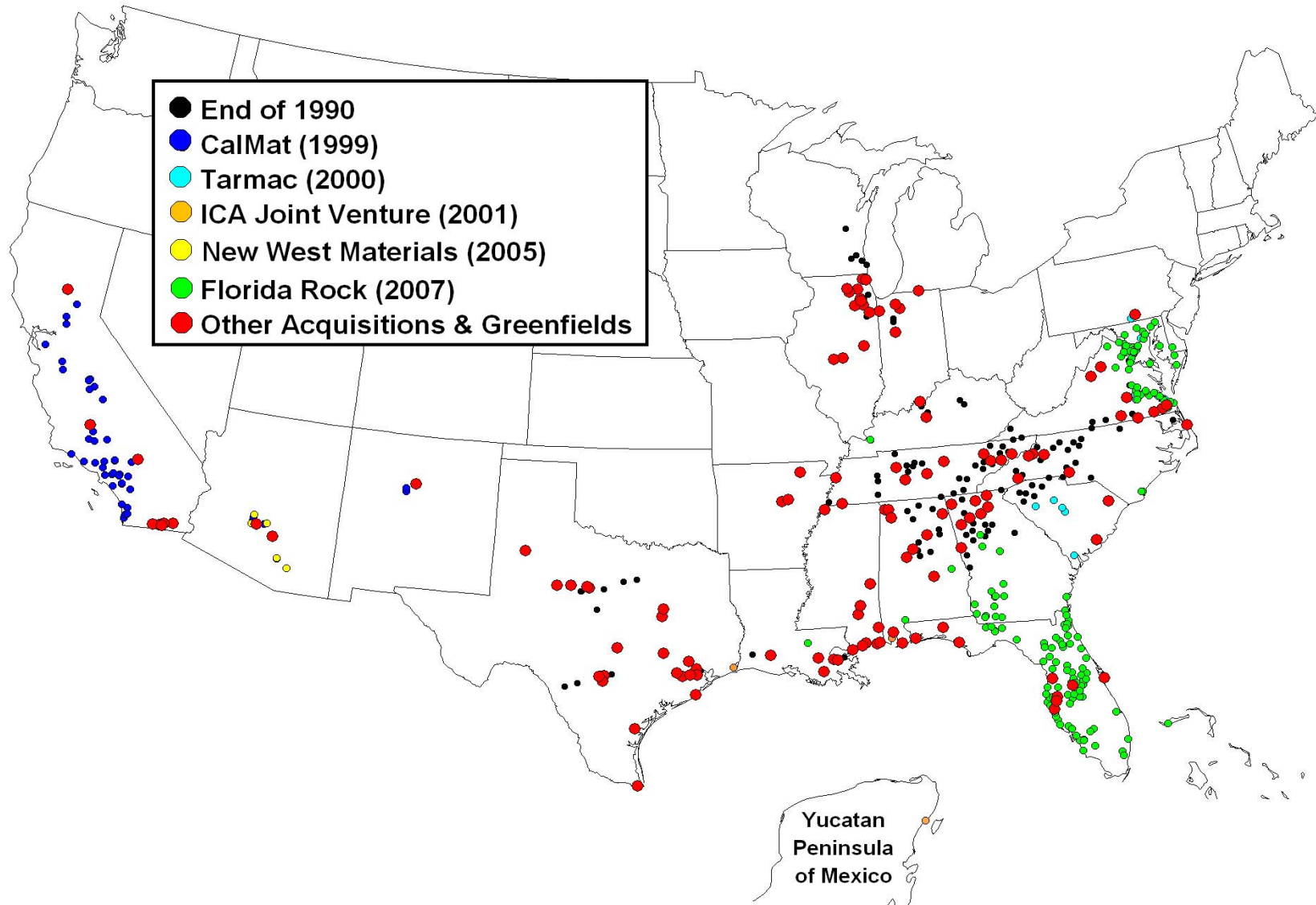
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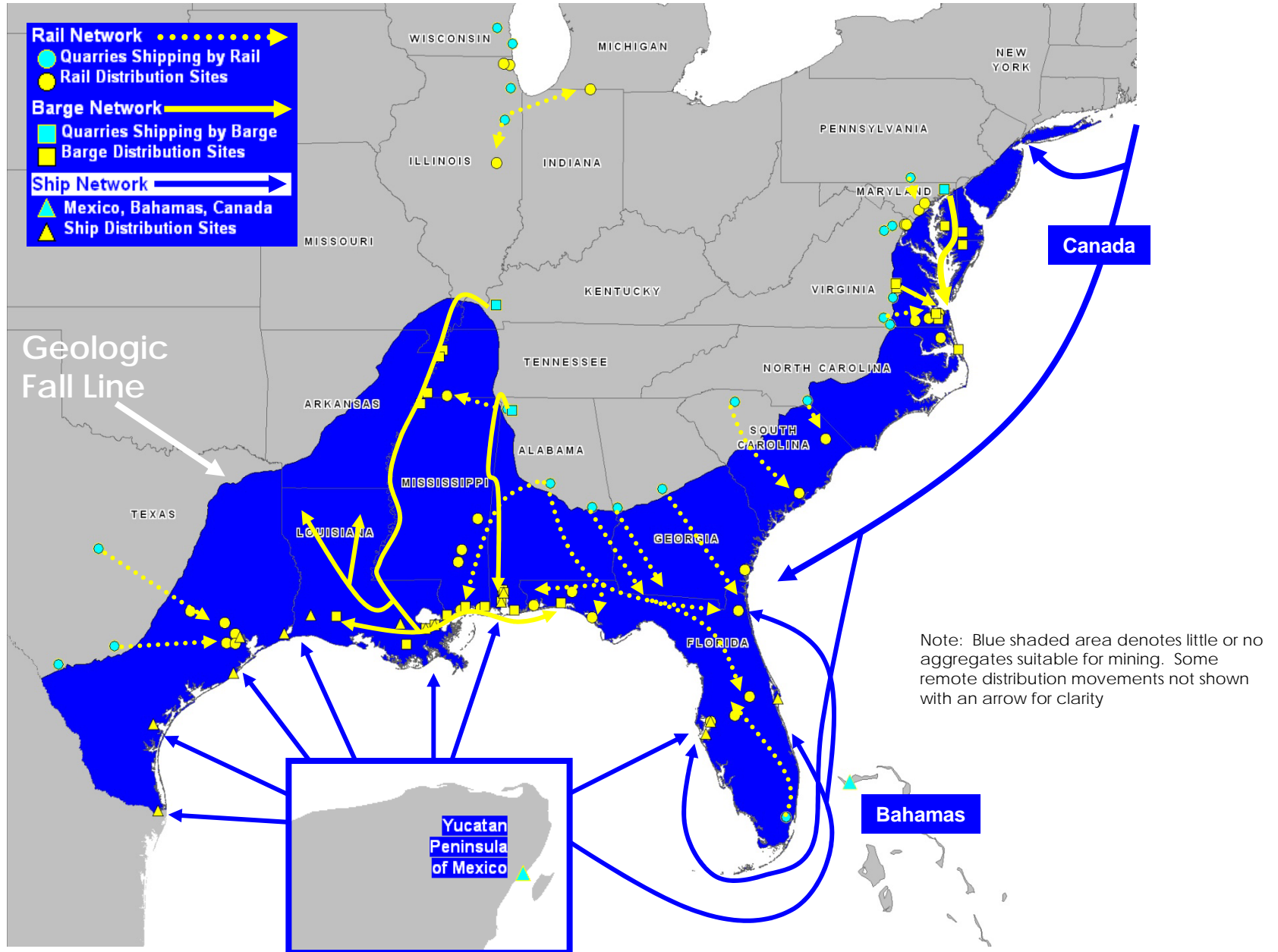


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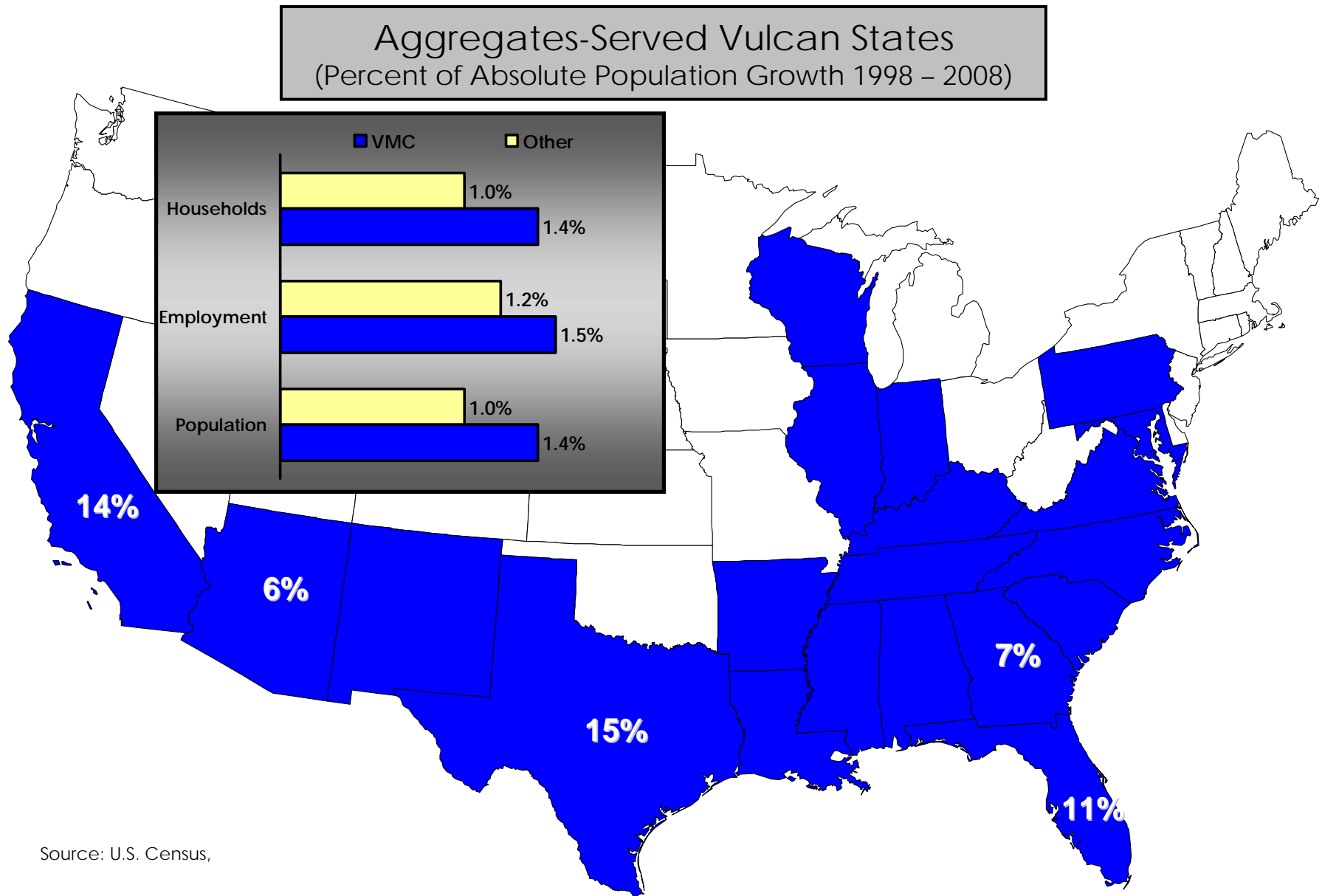




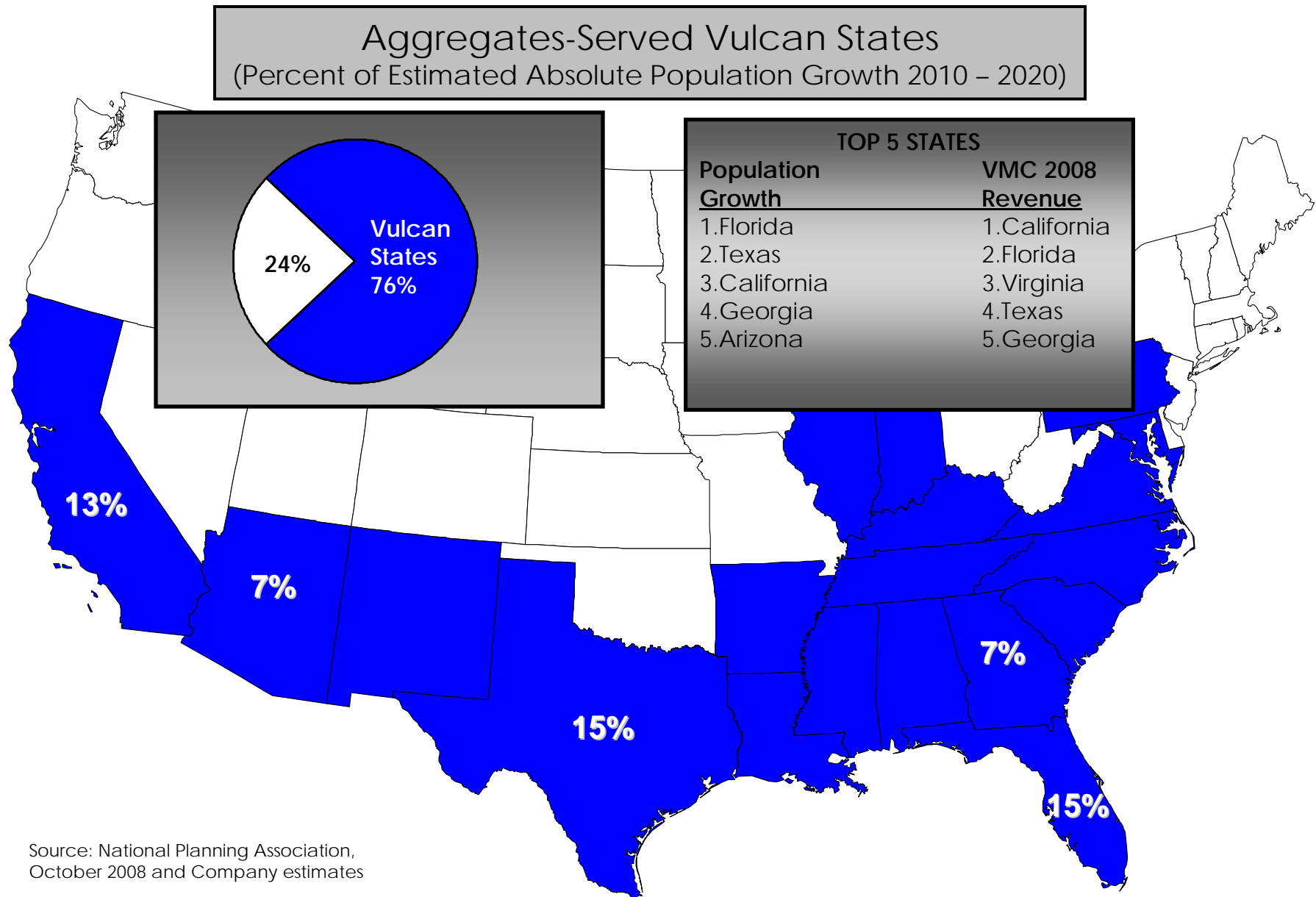
## Comprehensive distribution network to serve high-growth markets



## Advantage of Location – Vulcan states led in population growth during last 10 years

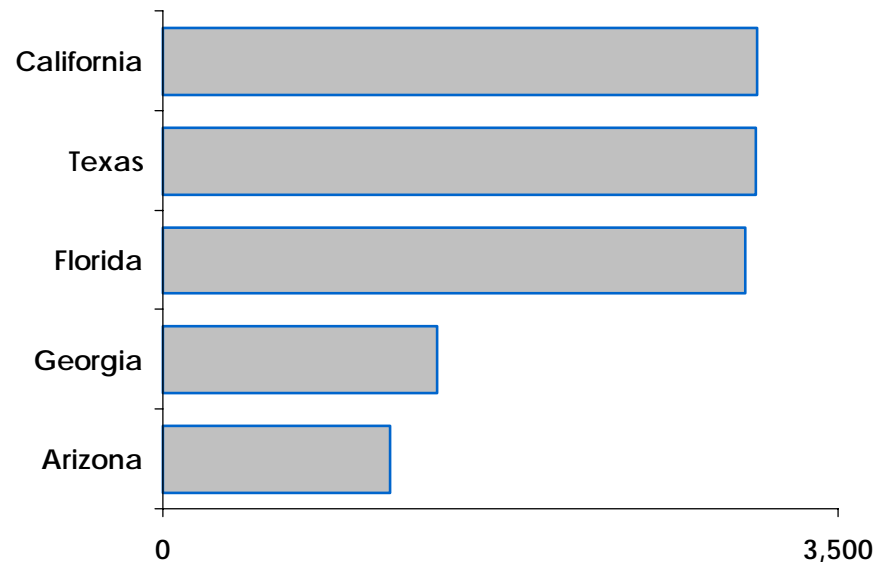


## Advantage of Location – Key states projected to lead in population growth again

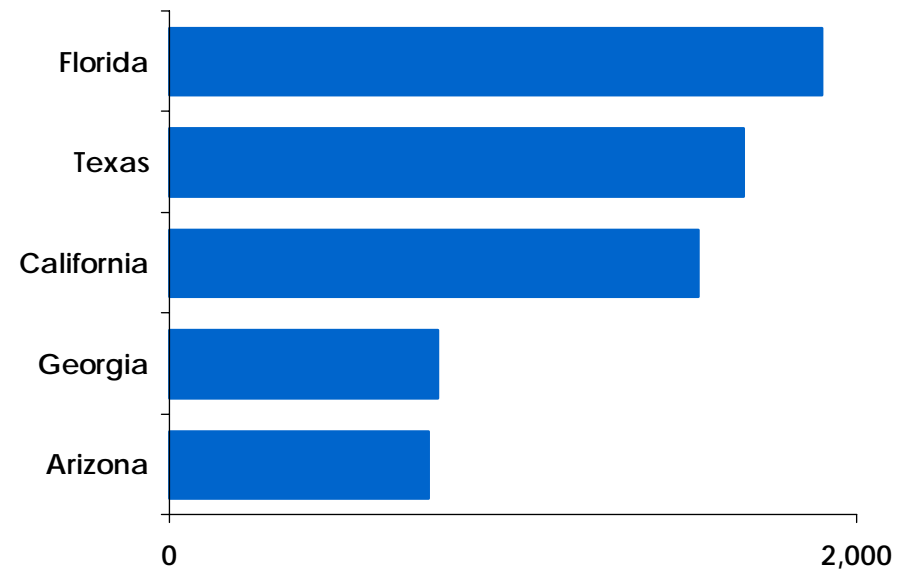


## Advantage of Location – Favorable demographics drive demand (2010 – 2020)

### Employment Growth – Top 5



### Household Formation – Top 5

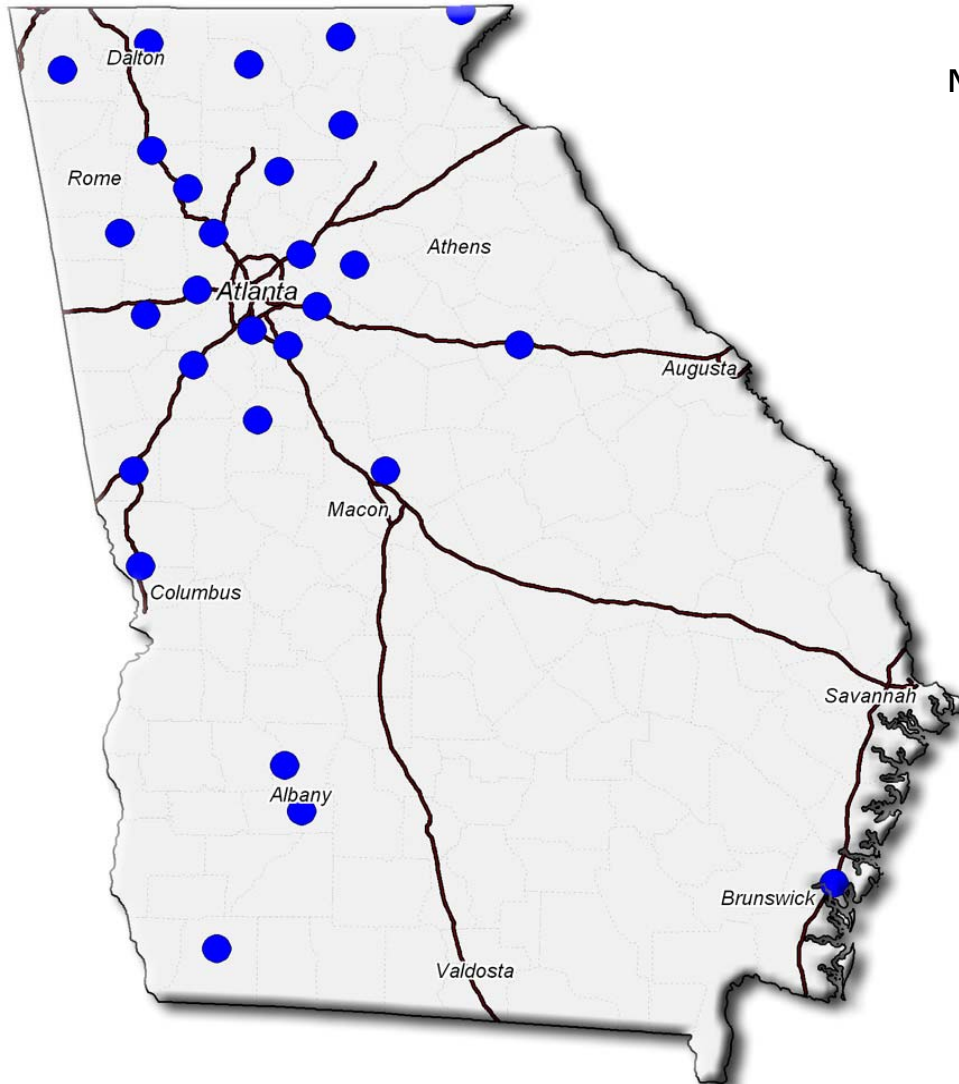


Source: National Planning Association, October 2008. Figures are in 000's



# Georgia operational footprint

*Concentrated in major metropolitan markets*

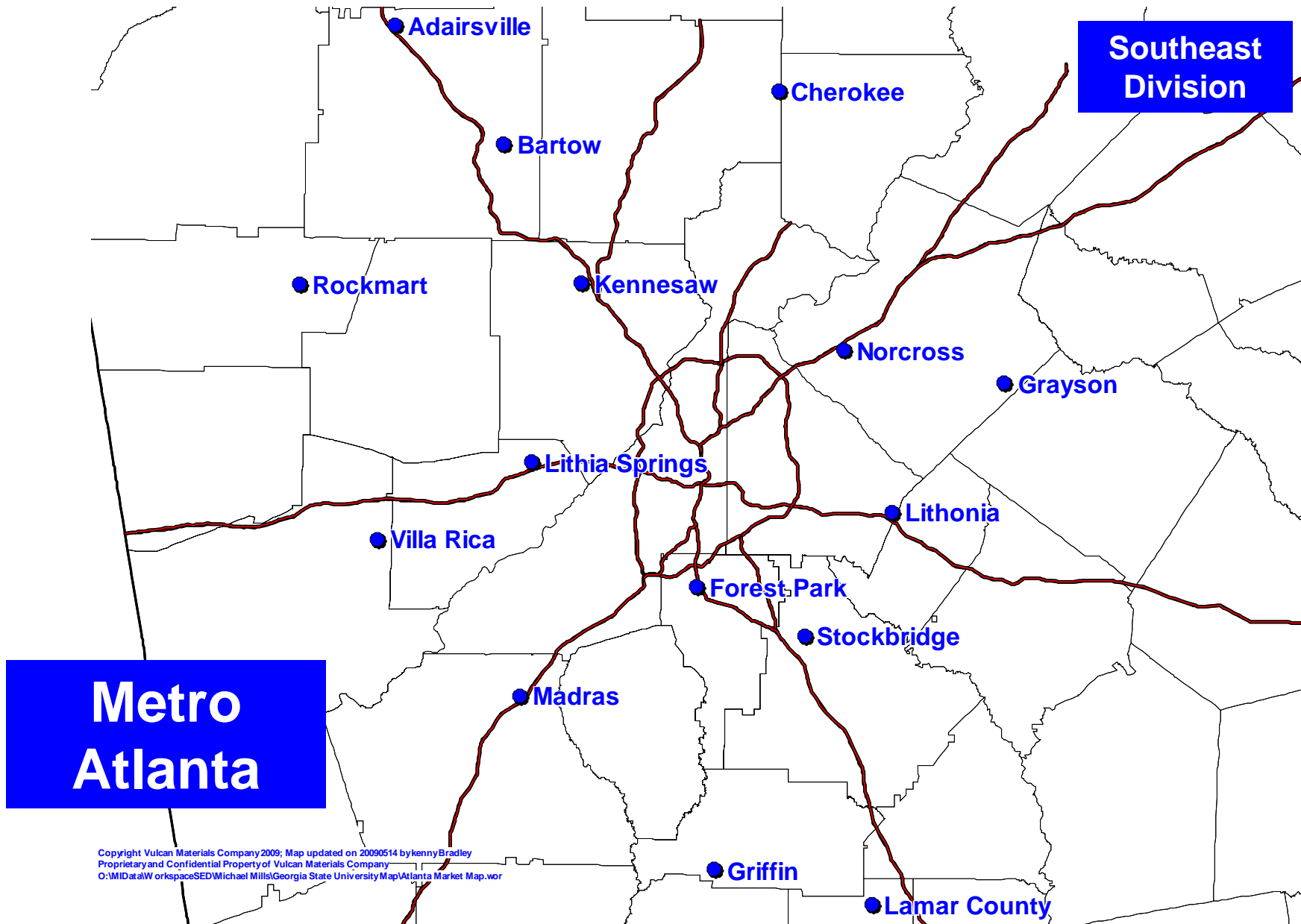


Norcross Quarry -- Largest Granite Quarry in U.S.



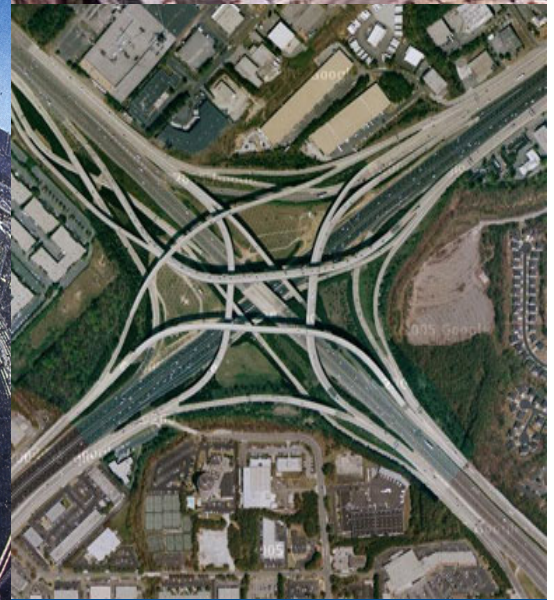
- 25 aggregates operations
- 56 Years of proven and probable reserves
- Approximately 800 employees

## Vulcan facilities serving Atlanta





Vulcan products used to construct these projects that contribute to the Atlanta economy



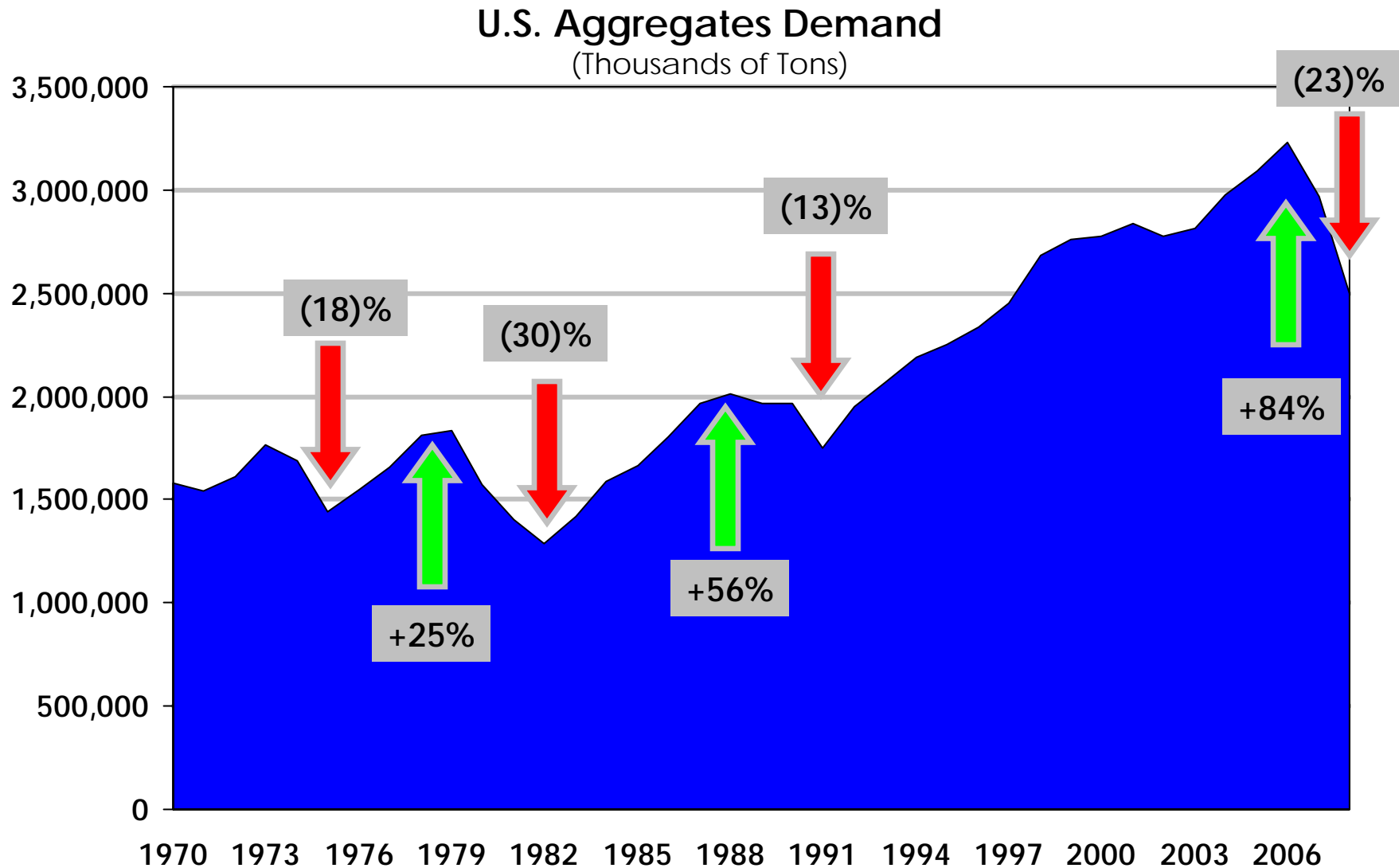
## Differing characteristics of the major end uses for aggregates

Major End Market	Aggregate Intensity	Demand Drivers	Examples of Aggregate Use
Highways	High	Federal and State Funding	Paving, concrete structures, site infrastructure
Airports, sewer, water and utilities	Medium	State and local funding, population	Paving for runways, foundations, site work
Non-residential buildings	Low/Medium	Employment, income, interest rates, vacancy rates	Parking lots, foundations, site work, concrete structures
Residential	Low	Employment, interest rates	Streets and other infrastructure, foundation, driveways

Source: Company estimates.



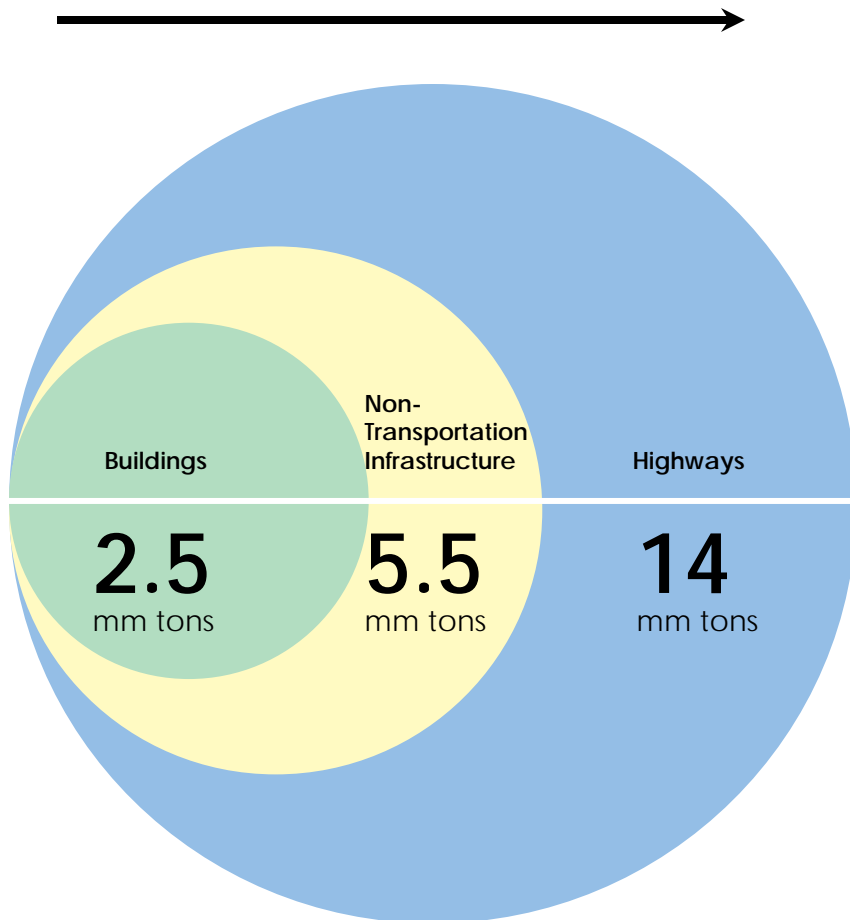
## Construction cycles characterized by short, steep declines followed by solid recovery



Note; Red arrows denote peak-to-trough decline in demand. Green arrows denote trough-to-peak growth in demand.  
Source: USGS and Company estimates.

## American Recovery and Reinvestment Act (ARRA)

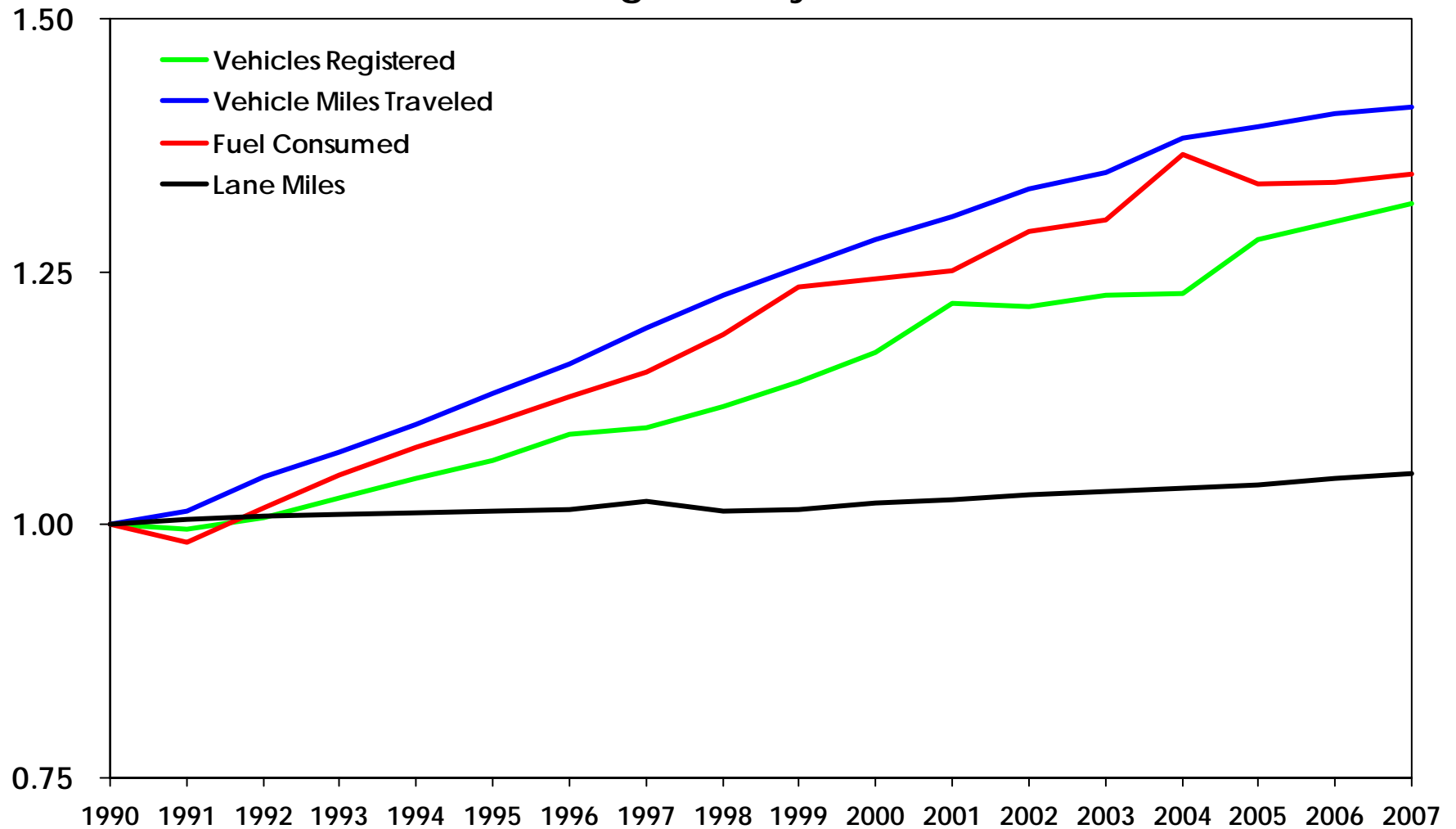
Aggregates Consumption  
Estimated Average per \$1 billion invested



- ❑ Signed into law February 17, 2009
  - \$575 billion of Federal spending
  - \$212 billion of tax relief
  - Apportioned to the states March 3, 2009
- ❑ Approximately \$50 to \$60 billion of infrastructure-related construction identified
  - 54% transportation
  - 26% buildings
  - 20% other infrastructure
- ❑ Vulcan-served states will receive 60% of the \$27.5 billion stimulus funds for highways
  - California, Texas and Florida will receive 23% of the total
  - Georgia will receive \$931 million, which is 3.4% of the total
- ❑ Build American Bonds Program
  - Provides funding at lower borrowing costs
  - Successful bond sales in several states including California and Virginia

## Infrastructure Investment - Growth in highway capacity has lagged growth in demand

Driving Intensity Index



Source: USDOT Federal Highway Statistics.

## Infrastructure Investment – Studies Confirm The Need is Great

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**30,000**

jobs supported per \$1 billion of highway spending

**\$5.40**

economic benefits for each \$1 invested in the highway system

**33%**

major roads in poor or mediocre condition

**1 in 4**

bridges that are structurally deficient or functionally obsolete

### **National Surface Transportation Policy & Revenue Study Commission (2007)**

- ❑ Spend at least \$225 billion annually for transportation infrastructure for the next 50 years

### **American Association of State Highway and Transportation Officials and the American Public Transportation Association (2009)**

- ❑ Spend \$830 billion, or \$166 billion per year, over the next 6 years to adequately meet the nation's highway needs

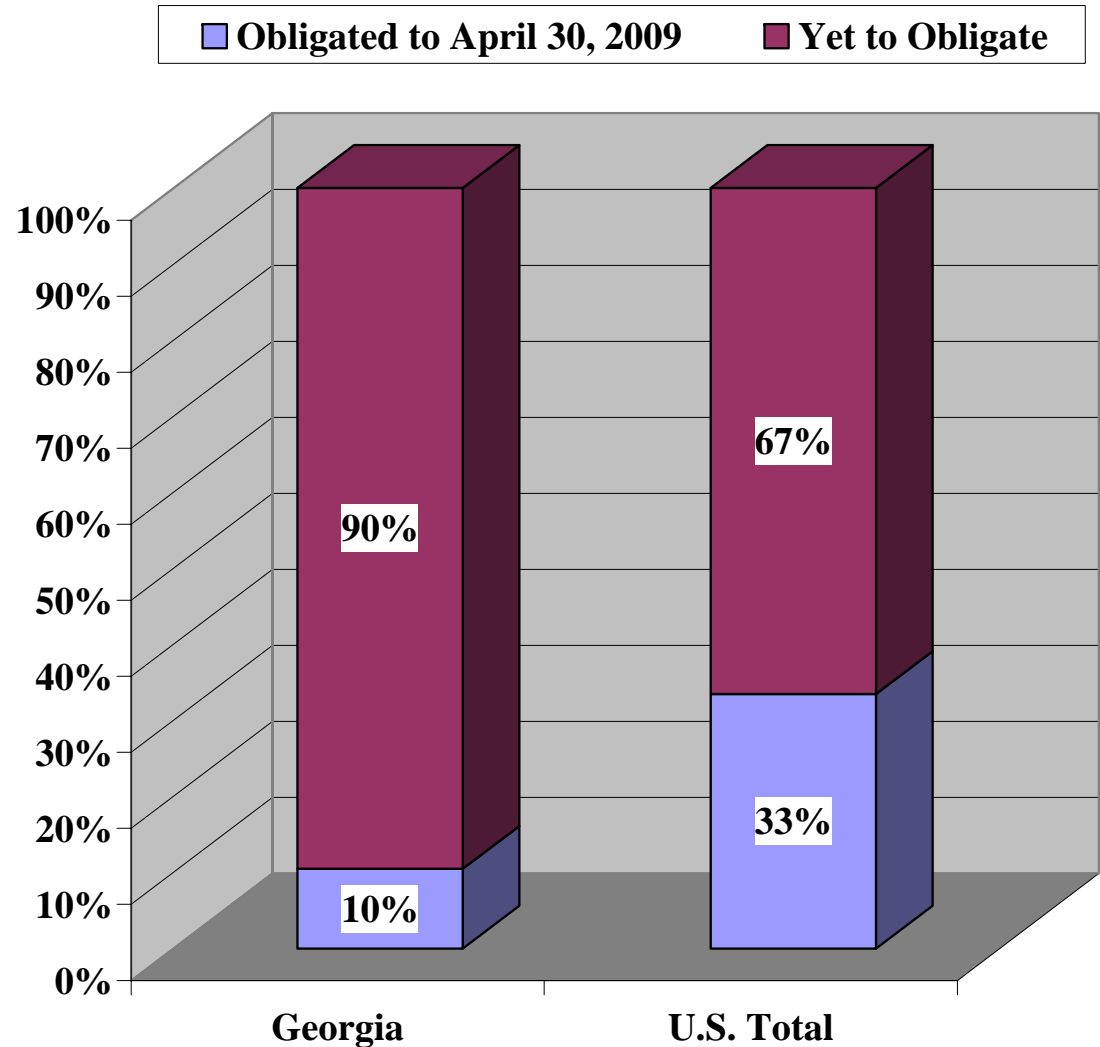
### **American Society of Civil Engineers (2009)**

- ❑ Spend \$2.2 trillion on all forms of infrastructure over 5 years

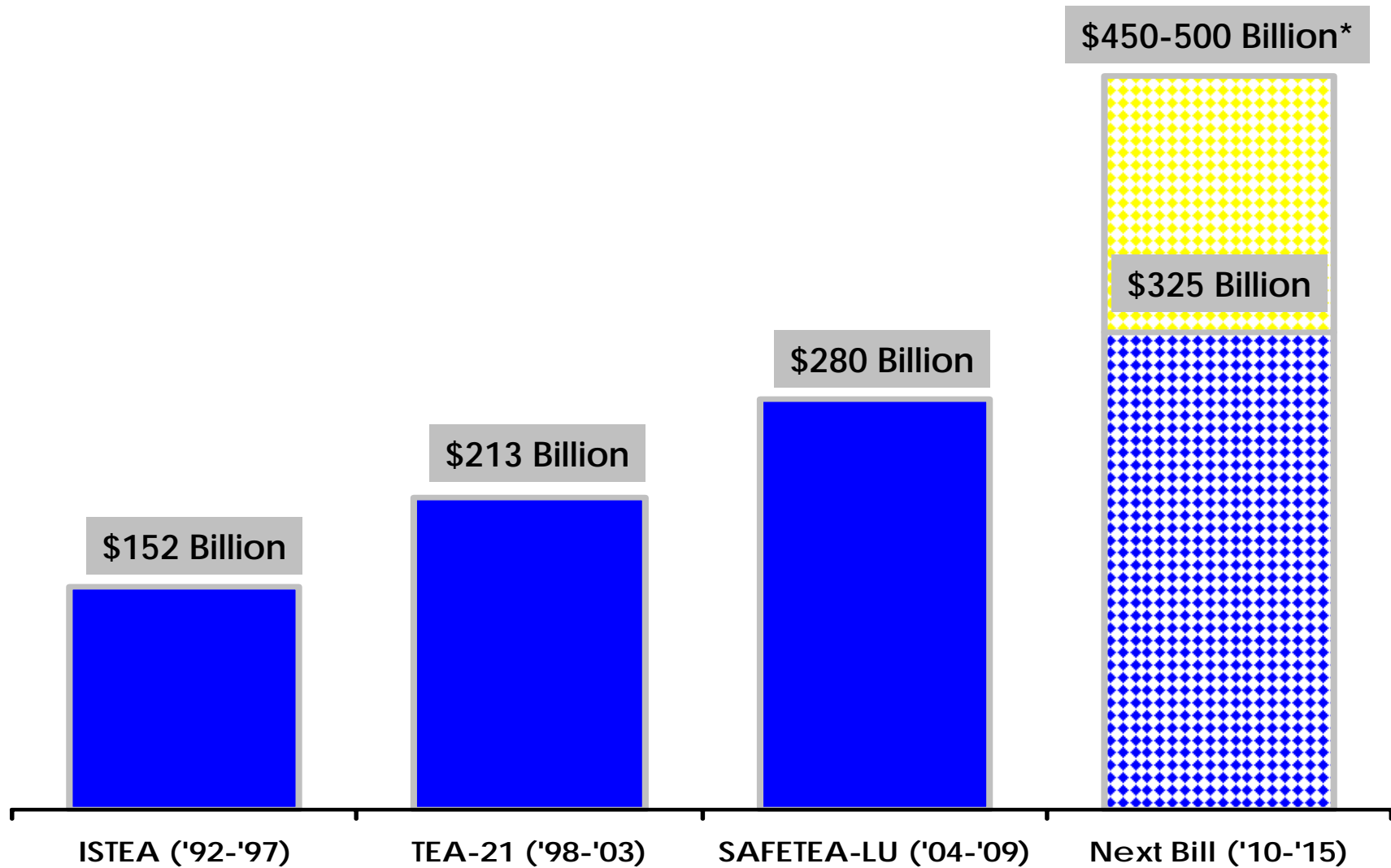


## Highway Stimulus investment in Georgia

- ❑ Private sector needs to know highway projects planned
  - Rehire workers
  - Rebuild stockpiles
  - Be ready to provide
- ❑ Faster obligations helps the process



## Reauthorization of Six-Year Federal Highway Bill



\*Based on House Transportation & Infrastructure Committee discussion reported on April 30, 2009

## Infrastructure investment in Georgia

*Identified funding gap of over \$100 billion*

- ❑ High growth state
- ❑ World-class air and port facilities
- ❑ Metro area congestion ranks 12<sup>th</sup> worst among largest 100 metros



## Georgia - Large public and private projects in manufacturing and infrastructure

### ❑ KIA

- Opening Fall of 2009
  - Supply to on-site and off-site plants
  - Road infrastructure component
  - Future impact



### ❑ Fort Benning

- Base expansion will take five years to complete
  - \$3 billion in improvements
  - 30,000 new residents (10,300 new jobs)



### ❑ Atlanta Hartsfield Airport

- Continued expansion of airport facility
  - Rental Car Facility ... \$270 million
  - New South Terminal (International) ... \$1.2 billion



### ❑ DOT Projects

- I-85
- I-95

## Georgia - Upcoming Large Projects

### ❑ Hapeville Ford Plant Project

- Office
- Retail
- Conference Center
- 6.5 million square feet



### ❑ Doraville GM Plant Project

- "Live, Work, Play" Project
  - Atlantic Station
- 165 Acres
- Access to Marta
- Largest tract (contiguous property) available inside I-285





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