MANAGEMENT DISCUSSION SECTION

Operator: Good day, ladies and gentlemen, and welcome to the Martin Marietta Materials First Quarter 2010 Conference Call. At this time, all participants are in a listen-only mode. Later we will conduct a question-and-answer session, and instructions will follow at that time. [Operator Instructions] As a reminder, this conference call is being recorded.

I would now like to turn the call over to your host, Ward Nye, President and Chief Executive Officer.

C. Howard Nye, President and Chief Executive Officer

Good afternoon, and thank you for joining our first quarter 2010 conference call. With me today is Anne Lloyd, our Executive Vice President and Chief Financial Officer. We appreciate your interest in Martin Marietta and hope today's conversation will be helpful to you. A replay of this conference call will be available later today at our website.

As expected, the first quarter of 2010 was difficult for our aggregates business. In contrast, our specialty products business turned in record performance. Severe weather conditions in January and February put first quarter aggregates volumes at their lowest point since 1999. It's always difficult to wholly quantify the impact of weather on our shipments. However, it's safe to say the impact in this quarter was significant. Yet once the weather cleared and the construction season got underway, we experienced a 9% volume increase and a 6% increase in net sales in the aggregates business for March.

Net sales for the quarter of $296 million were down 10% compared with the prior-year quarter. Aggregates shipments for the quarter declined 12% compared with the prior year. As previously noted, aggregates shipments for the month of March were up 9%, fueled by projects funded by the American Recovery and Reinvestment Act, or stimulus. Further and importantly, this trend continued in April, which had double-digit volume growth with all geographic segments contributing to the improved volume. Even the Southeast Group, which includes our most challenged markets in Florida and along the Mississippi River, held volumes flat in April.

By March, virtually, all stimulus funds had been obligated, and as a result the focus now shifts to the provision of traditional highway funds. Legislation signed by the President on March 18 provided much needed clarity to the highway bill. Among other things, this legislation transferred $19.5 billion into the Highway Trust Fund and extended the highway bill through December 31, 2010 at pre-recission levels. This extension to calendar year-end allows state and local transportation agencies to plan with greater efficiency, and thus move more quickly in obligating federal highway funds.

As you can imagine, we monitor this obligation data closely. Through March 2010, our top five states have outpaced the country in terms of their obligation of total federal aid highway funds, including stimulus funds, and have averaged an increase of 30% over fiscal year 2009, compared with the United States average of 14%.

The average aggregates sales price declined 3% compared with the prior year quarter. As expected, two factors are emerging relative to average selling price. First, we are seeing greater competitive pressure in a growing number of markets. And second, we're seeing product mix have a negative impact on average pricing in specific areas.

The Dallas/Fort Worth market demonstrates both of these components. Pricing in the DFW market was down double digits for the quarter, with product mix contributing 710 basis points to this decrease, as sales shifted towards base material. Base comprised 32% of our first quarter 2010 sales in this market, versus only 11% of our 2009 first quarter sales. Florida also continues to be a

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market where pricing is being negatively affected by both competitive pressures and product mix. Pricing in Florida was down 11% for the quarter, with product mix contributing 380 basis points to this decrease.

Record quarterly profitability from our Specialty Products business contributed significantly to first quarter results as sales in both our Chemicals and Lime businesses increased. Sales of $42 million for the quarter represented a 26% increase compared with the prior-year quarter. This increase in sales, the result of an improving economy and heightened production levels in the steel industry, coupled with a continued focus on controllable costs, lead to an increase of 77% in earnings from operations.

Demand for dolomitic lime to the steel industry was particularly strong, resulting in a record shipment month in March. The current expectation is that steel production levels should continue to be favorable to prior year. This, along with continued improvement in the general economy, should bode well for this segment of our business.

Our operating team has maintained focus on costs, even while dealing with unprecedented weather events in many of our markets. This effort contributed to a decrease in consolidated cost of sales of $5.4 million as compared to the prior-year quarter. This achievement is particularly impressive not only because we were battling weather, but also because we had one specific cost broadly moving in the other direction: energy. For the first quarter, we paid $2.03 per gallon for diesel fuel, a 59% increase compared to the prior year quarter. We expect energy costs to increase slightly as compared to 2009.

We reduced selling, general and administrative expense $3.6 million to $33.6 million. Our objective in this area for 2010 continues to be to hold these expenses flat as compared with the prior year, the exception being required payments under certain retirement plans. These retirement payments are expected to be made in the third and fourth quarters.

We continue to have one of the strongest balance sheets in the industry. This financial flexibility will serve us well as we prepare for economic recovery, since we can rapidly deploy capital to take advantage of opportunities, both internal and external, as they appear. For the first quarter, capital expenditures were $25 million, compared with $40 million for the first quarter of 2009, a $15 million reduction. Our ability to safely pull back on capital spending is directly attributable to the capital investment made before the recession. Our base of highly efficient cost-effective operating assets allows us to appropriately reduce maintenance investment. Our CapEx target for the year is $160 million.

We remain focused on acquisitions and are pleased to report that we purchased a deepwater port facility and operation at Port Canaveral in Florida. This facility is currently the only developed deepwater aggregates import terminal located on Florida's Central East Coast. From this location we can ship product into the Greater Orlando area, which has the second largest aggregates consumption in Florida. This acquisition will also complement our existing long-haul rail network and make a positive contribution to profitability now and in the future. We continue to work on several other possible acquisition opportunities that, if successful, should bring continuing value to our shareholders.

The quarter ended with $221 million in cash and cash equivalents, and a total of $423 million of borrowing capacity on our secured accounts receivable facility and revolving credit agreement. As of March 31, 2010, our rate of debt to 12 month trailing EBITDA was 3.37 times, well within our leverage covenant of 3.75 times.

In April 2010, we settled our obligation related to the $225 million three-year floating rate senior notes through the use of cash and short-term financing, reducing our total debt by $143 million. Assuming the total amount of outstanding debt at April 30, 2010, or $1.1 billion, was outstanding at

March 31, 2010, our pro forma rate of debt to 12 month trailing EBITDA would have been 2.9 times at March 31, 2010.

To summarize, the outlook for 2010 continues to be framed by the expectation of greater stability in overall aggregates demand. Evidence of that stability was reflected in March and April aggregates shipments. We expect aggregate volumes to be up in three of our four end-use markets: infrastructure, residential and ChemRock/Rail. We continue to expect the commercial end-use to be down.

Consistent with what we have said, we expect aggregates volume growth of 2 to 4%. We continue to expect aggregates pricing to be challenging, and expect flat to an increase of 2% for the year. We anticipate specialty products will contribute 40 to $42 million in pre-tax earnings.

At this time, I will be pleased to take any questions that you may have.

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QUESTION AND ANSWER SECTION

Operator: Thank you. [Operator Instructions] Our first question comes from Arnie Ursaner with CJS Securities.

<Q – Arnie Ursaner>: Hi. Good afternoon, Ward and Anne.

<A – C. Howard Nye>: Hello.

<A – Anne Lloyd>: Hi, Arnie.

<Q – Arnie Ursaner>: My question is, you obviously had the best volumes you've seen since spring of 2006, March up 9, April up double digits, all geographic areas positive. So two questions related to that. One is, it seems quite conservative in looking at your view for the balance of the year of 2 to 4% volume, given what you're seeing right now, so wouldn't mind commenting on that. And also in the past, you haven't had volume growth in years, but you have talked about the incremental margins you might be able to earn when you do start seeing some volume growth. If you'd care to comment on both of those trends, please?

<A – C. Howard Nye>: Well, we'll talk a bit about both of those obviously for you, Arnie. Number one, on the volume side, I think if we were looking at that today, on the range that we're giving you, we would probably say it's going to be near the higher end of that range. The one thing that I would tell you is remember, this is Q1, and this is a world in which we've seeing 23 million tons go out the door. So it's hard to really take what happens in Q1 and really put total direction to that.

Now, to the balance of your question and incremental margins and how that's going to look, part of what we are seeing as we look at where we are relative, not just to volumes but our cost structure, is really what's going to happen as volumes continue to return to this form of cost structure? And our view is that that's going to be remarkably attractive.

We did some topside numbers, and Arnie, this is not guidance. This is just some simple math that we put to it. But we assumed – let's assume that volumes in January and February did what they did in March. Obviously it didn't, but let's assume they were up 9%, and let's assume that the balance of the metrics that we saw for the quarter simply applied to that type of volume. As we were looking at that, the quick and dirty that we put to it was that would have added about $56.4 million in net sales. We continue to believe that we're looking at a 60% incremental margin.

I don't think there's any sense or any feel that that's not still entirely accurate, Arnie, and when you put that type of metric to that type of volume profile, what we believe we would have seen under that scenario would have been profits of probably around another $34 million, and what would have been attractive from that to your question, very specifically, is we would have seen margin go from a 7% margin in the quarter to more like a 19% margin (sic) [15% margin] for the quarter. And to go back in time, even at peak in a Q1 we were looking at margins around 23%, so even with those metrics, given the type of cost profile we have, I think it's coming back to what you said, that the margin improvement will be remarkable.

<Q – Arnie Ursaner>: That's tremendously helpful. Very quick second question if I may. Mine safety seems to be in the forefront of a lot of peoples' minds after the horrible incident in West Virginia. You do have some underground mines. What steps have you taken for mine safety, and are there any incremental expenses or steps you expect to incur post the tragedy that occurred there?

<A – C. Howard Nye>: Arnie, that's a great question, and let me pause with this. Internally, we don't begin a single meeting in this company without talking about safety first, so actually I'm very grateful for your question because we don't get that a lot outside. If you had looked at our safety

record over the last five years, the trend has been absolutely remarkable. Both MSHA and OSHA who govern safety for the Department of Labor on the mine side or just generally, look at safety through a lens called incident rates. They look at incident rates on loss time and total case incident rates. World-class incident rates in this industry for total case is probably around 0.9. Loss time incident rates are 0.2, at a world-class number.

What I can tell you is, our safety program today is very much at world-class numbers. Safety is a part of the culture of this business. We don't just talk about it. We make sure that our workers know that it needs to dictate their behavior. The good news is with that type of safety performance, they understand it's a number-one priority for us. And with that type of performance as well, I'm not sure what types of changes we can expect legislatively from what happened in West Virginia or otherwise, but I can tell you we are well ahead of any curve in the industry.

We'll continue in my view to be there, and we will make it a priority for us. I don't see it changing cost because we have a safety program that's entirely where it should be. But Arnie, again, I hope that answered your question but I'm grateful for the inquiry.

<Q – Arnie Ursaner>: Thank you very much for taking my questions.

<A – C. Howard Nye>: Thanks, Arnie.

Operator: Thank you. Our next question comes from Jack Kasprzak from BB&T Capital Markets.

<Q – Jack Kasprzak>: Thanks. Good afternoon, everyone.

<A – C. Howard Nye>: How are we doing, Jack?

<Q – Jack Kasprzak>: Doing great. Thanks, Ward. Pricing is down 3% in the quarter; you maintained your full-year guidance of 0 to plus 2, suggesting of course there's a little catching up to do. Just wanted to ask about confidence level on reaching that guidance goal, given that it's a little bit behind in the first quarter?

<A – C. Howard Nye>: That's a fair question, Jack, and I think it goes back in part to what we said to Arnie on his question. It is Q1. It's tough to take anything that's happening in this quarter and extrapolate it across the business for the rest of the year. What I would tell you is simply this. If you look structurally at the market, Jack, it hasn't changed. We still have the same structure in these markets that was there two, three, and four years ago. What we've said consistently is, pricing tends to follow volume, with a lag. And I think that's entirely what we're seeing.

And the other thing that I tried to spell out in my opening comments as well is, there's certainly some markets that are more challenged than others. Florida continues to be a very challenged market. River continues to be a very challenged market. And the other components that we're sensitive to is what we think we may have with mix as we go through the year as well. As we've looked at the nature of the projects in our top five states, and we've compared that to the average in the balance of the 50 states, we see a lot more widening going on in our core states than there are across the United States. We actually see a little bit less resurfacing going on in our states through the rest of the U.S., and we see considerably more new projects.

Now, all of that does tend to give you a little bit of an optical headwind on pricing, simply because of the shift in mix. But one of the things that again, Jack, we haven't seen yet but some of the dialogue that we've actually heard is, there may be the possibility in some markets for some mid-year price increases, as well. And that's another reason that at this point, we're not ready to move on the guidance that we've offered you earlier in the year.

<Q – Jack Kasprzak>: Mid-year price increases, have they been announced, or you're...

<A – C. Howard Nye>: No, they have not yet been announced. And again, it's going to be in some very discrete markets. What's interesting in this market today, Jack, is the markets that are seeing more pricing resilience tend to be the markets that went into the downturn earliest, and they've had a chance to calibrate to what we're dealing with right now, so we're waiting to see what our opportunities may be.

<Q – Jack Kasprzak>: Very good, thank you. Also, I wanted to ask about the margin in your – the differential in your three groups. I'm just looking at the first quarter and it just stood out that the West group had a similar gross profit loss on about 40% in sales in the quarter, and margin lagged in the first quarter of '09, too. Could you just talk about the margin differential there?

<A – C. Howard Nye>: Well, I guess a couple of things. The farther west you go, the ASPs tend as a general rule to be lower, Jack. And I think you begin with that. But I think the second component that you come to very quickly is the long-haul piece of it as well. As you know, if you look at our business, 69, close to 70% of it last year was truck, then you end up with around 30% of it rail and 11% of it water, and the biggest piece of that rail is going to be in our western group, and you're certainly going to feel some of the compression because of that.

<A – Anne Lloyd>: And you also had, Jack, the majority of the impact of mix, as Ward mentioned in his opening comments, dealing with the base material in that area. So your sales were a little bit more compressed.

<Q – Jack Kasprzak>: Got it. Okay, thanks very much.

<A – C. Howard Nye>: Thank you, Jack.

Operator: Thank you. Our next question comes from Garik Shmois with Longbow Research.

<Q – Garik Shmois>: Hi, thank you, good afternoon.

<A – C. Howard Nye>: Hi, Garik.

<Q – Garik Shmois>: Hi. My first question is on pricing. If you can just maybe talk a little bit more qualitatively, if you've seen any change in the pricing environment, maybe from the fourth quarter to the first quarter, and maybe how much of the lower pricing in the quarter was really a function of projects that were put up for bid at the end of last year, and shipped in the first quarter? And then maybe how would that relationship change with respect to projects that are being bid on now, and what kind of pricing we could be looking at in the back half of this year?

<A – C. Howard Nye>: Well, the pricing that you're seeing now will all reflect work that was bid last year. That's simply the way that that works, rolling forward. What we've seen, Garik, is again back to the comments, pricing tends to follow volume with a lag. I think as contractors and aggregate producers see a good, steady diet of volume, you're likely to see greater stability come to that. I think the question is, how quickly is it going to come to that, and how is it going to look in varying markets. Back to your very first question, how do the markets look now compared to Q4? Largely, they are more competitive in this snapshot than they were in Q4. And again, that's entirely consistent with what we have been trying to indicate all throughout Q1 as we've had conversations.

<Q – Garik Shmois>: Okay. And shifting gears to volumes in the Mideast group, it was up I believe year-over-year. Can you just offer a little bit more color there?

<A – C. Howard Nye>: Yeah, I mean clearly what you're seeing is the effect purely of stimulus on that. You're seeing – when you look at our Mideast group you're really talking about the states of Ohio, Indiana, West Virginia, Virginia, North Carolina and South Carolina, and what we were seeing

in particular is some volume uptick in the Raleigh district of North Carolina, relative to – and South Carolina as well. So really as you go through that Mideast group, on the more southern end of it, you were clearly seeing volumes begin to move.

<Q – Garik Shmois>: Okay. And last question, on the incremental margin that you've discussed. Diesel was obviously up a lot in the quarter. It sounds like you're still pretty confident you can hit that 60% incremental margin target off of better volumes. Can you just talk about what the risk would be, should diesel continue to trend up? Would that be a, I guess, a major headwind in your ability to hit that?

<A – C. Howard Nye>: You know what? Diesel is going to be what it's going to be, I suppose. If we look back to where diesel ended in Q4, my recollection is it was around $1.95 a gallon. So here we are in Q1 with it at 2.03, so that's not huge movement. As we track it and try to look forward at the roll, I think we feel like it might at a worst case scenario be around $2.30 a gallon. So as we look at $2.30 a gallon and come back and juxtapose some degree of what we may feel like are high-end volumes on that, I don't think on a per-ton basis it's going to be something that's likely to be material to us.

<Q – Garik Shmois>: Okay. Sounds good. Thank you very much.

<A – C. Howard Nye>: Sure.

Operator: Thank you. Our next question comes from Kathryn Thompson with Thompson Research.

<Q – Kathryn Thompson>: Hi, thank you so much for taking my questions today.

<A – C. Howard Nye>: Hello, Kathryn.

<Q – Kathryn Thompson>: First, just focusing a little bit on margin in the quarter, and granted this is a very low-volume quarter, and historically so, but I wanted to get a better idea of how much did higher diesel have an impact in the quarter, and what other factors impacted margins? And is the majority of the downfall primarily a product of fixed cost absorption?

<A – C. Howard Nye>: In many respects it was, Kathryn. Diesel cost us $0.06 for the quarter, and I think a lot of probably what you're seeing is the way we simply dealt with inventory as we went through the quarter as well. Obviously reducing 2.1 million tons of inventory has an effect on it. We went down from, I want to say just north of 50 last year to around 48.1 this year. That cost us $14.5 million.

It's interesting to go back over 10 years, Kathryn, and take a look at what inventories have looked like in this business, because really it's averaged for us at around 49 million tons coming out of Q1 for a 10 year period. So sitting here at what we think may be – what we believe to be the nadir of this market and have 48.1 million tons on the ground, is a place actually we're pretty proud of.

The other component that I'm excited about in that regard, Kathryn is that it lets us run our plants during the time of year where we can be incredibly more productive, and I think because of that the type of absorption that you'll see on fixed costs going forward will be considerably more attractive.

<Q – Kathryn Thompson>: And just to clarify, so I heard you correctly, the $14.5 million impact, that's a cost impact from inventory reduction? Is that what...?

<A – C. Howard Nye>: That's correct. That's correct, Kathryn.

<Q – Kathryn Thompson>: Okay, okay. And then, just a...

<A – C. Howard Nye>: Kathryn, just to put more color to it, really what we'd like to have, Kathryn, is probably around four to six turns of inventory. So that's going to be the type of zone that we're going to try to play in, going forward.

<Q – Kathryn Thompson>: Okay. And that's really kind of what I wanted to – the next stuff to question on was on overall inventory management. And this is a question, and the focus with a lot of companies right now, because you're seeing about flat volume, essentially, or up slightly for the year. Do you have a stated goal for inventory targets for the full year? Do you expect...

<A – C. Howard Nye>: I don't think you'll see inventory reduction for the balance of the year going forward. What we try very much to do is to match production to sales, and again keep it in that four to six turn ratio. So you can do your math pretty comfortably there and see where we'll be.

<Q – Kathryn Thompson>: Okay. But basically kind of to the point, is just – basically, most of your inventory – the big steps of inventory reduction, you're not going to see that for the balance of this year? It's more the brunt of it in this quarter?

<A – C. Howard Nye>: I think we clearly felt the largest brunt of it in this quarter. That's correct, Kathryn.

<Q – Kathryn Thompson>: Also, looking at – I know you talked a little bit about pockets of strength and overall volumes, but in terms of thinking about where there could – I think it's safe to say where the downside to the – in volumes would be under commercial and non-residential construction? But...

<A – C. Howard Nye>: That's correct.

<Q – Kathryn Thompson>: ...but there could be pockets for upside? Could you talk a little bit about more areas we could see upside in terms of your volumes as the year progresses, and any additional color regarding volumes?

<A>: Well, I think it's going to be interesting to see what some of the states or others do with the stimulus money that they clearly have left over. Because the projects have come in still 25% below engineers' estimates, in most instances. So I think you continue to see the biggest ability to roll volume forward in the infrastructure piece of it. We think commercial is going to continue to be challenged. We have that down for the year, Kathryn, so the 20%. Although I still wonder in the back of my mind if heavy commercial won't have some legs in the second half of the year, simply because the cost profile is so attractive to industry that they may want to go ahead and move on some projects.

We actually see ChemRock and Rail being a good segment of our business this year. We see volumes up there, probably directionally 10% this year, and again, residential is showing some strength in some markets that we haven't seen it have some strength here lately. There's clearly been considerably more absorption of homes, even in Atlanta, which has been an incredibly challenged market for a while. We're seeing residential activity in Dallas unlike we've seen for a period of months. So hopefully on the res side we'll see some movement. But again, Kathryn, even big percentages there, up 20 on residential, doesn't mean that much to us on a volume side.

<Q – Kathryn Thompson>: Sure, absolutely understood. On the acquisition front, you mentioned in your prepared comments, I believe that you were also looking at a potential asset out west. Could you have an update on that, and any other things that may be in the pipeline?

<A – C. Howard Nye>: Well I can't talk about specific projects that we're looking at, Kathryn. I can tell you we continue to have a handful or more of projects that we're looking at consistently. When we go through a project, one thing I can tell you is that by the time we are done with our diligence

on it, I feel like we know a business very, very well. Sometimes I wonder if we know it better than the sellers may know it, in some respects. We have been deep in diligence on a number of projects and we have paused in some instances because of some things that we have found in diligence on those projects.

But we continue to be interested in transactions, we want to be acquisitive, but we're also going to be picky about what we buy and we want to make sure it adds short- and long-term shareholder value.

<Q – Kathryn Thompson>: Okay. And just for modeling purposes, for the retirement payout that's going to be over Q2 to Q3, is that payout about $5 million, as I recall? Is that the accurate number?

<A – C. Howard Nye>: I think what I recall is about 1.8 million in Q3 and a little bit over 5.5 million in Q4.

<Q – Kathryn Thompson>: Okay, great. Thank you very much.

<A – C. Howard Nye>: Thank you, Kathryn.

Operator: Our next question comes from Jerry Revich with Goldman Sachs.

<Q – Jerry Revich>: Good afternoon.

<A – C. Howard Nye>: And to you, Jerry. How are you?

<Q – Jerry Revich>: Good. Can you please talk about the port acquisition? Is there accretion that you're targeting as a result of shifting rail and truck shipments to water, or are you introducing additional capacity to the market? And what's the range of returns that you're targeting from the asset?

<A – C. Howard Nye>: I'll work my way backwards on that. When we do a transaction, we're looking for something in the range of 15% IRR, post-tax. So begin there and work your way backward. To give you a sense of it, Jerry, Port Canaveral is new for us in owning it. We've actually been in and out of Port Canaveral since 2006. But this is important to us because of our offshore facilities in Nova Scotia, and in the Bahamas as well.

To give you a sense of it, we picked up around 18 acres of owned property there. We also have a lease on some additional property, and what's important for that is we ended up with around a 1500-foot conveyor that allows for self-unloading, and if we transfer material directly to the yard, we've got three different stacking conveyors there, three different truck scales, a highly automated scale house going out.

What it does is, it puts us in the position of playing where we like to play, and that is in the infrastructure market in Florida. And we clearly have had an emphasis in that Orlando, Jacksonville, Tampa area in particular. If you look at the I-4 corridor that goes from Tampa over to Orlando, what they refer to as the Orlampa Corridor, that's an area that we believe is going to be incredibly attractive for the long term, and we believe having the ability to come in in a very cost-effective way, whether by ship or rail, into Florida with granite for the type of infrastructure play that we're going to see there, really for a long-term basis.

As you look at Florida and what they've done so far just on stimulus, Jerry, as of April 19, Florida had only spent 17% of its stimulus dollars. In other words, it's still just got over a $1 billion of the 1.35 billion still to go. If you'll recall, Governor Crist put in his Accelerate Florida program ahead of the stimulus dollars there, so while the Florida market is suffering in many respects, on the

infrastructure side not so much. And that continues to be our play, and in Canaveral's an important piece of that.

<Q – Jerry Revich>: Thank you, Ward. And can you say more about what you see in the M&A pipeline? Obviously I understand from your prior answer you clearly don't want to talk about specifics, but wondering if you're optimistic about incremental opportunities from here, and if you feel like the bid-ask spread has become more reasonable in the industry?

<A – C. Howard Nye>: Well, I think time will do some interesting things with that. Part of what I'm curious to see, Jerry, is what type of activity we're going to see in the second half of the year, particularly out of closely-held family businesses. As a general rule, family businesses have not been compelled to move their businesses during this timeframe. I think several things may be different in 2010. Number one, stimulus is going to be more powerful, it's going to give people some EBIT or some EBITDA that they haven't seen historically.

I think the other issue is, the tax laws are going to move on us, and move on those businesses in varying degrees. And I think there may be an attractive window in the second half of the year for family businesses to at least consider what they want to do with their businesses, and try to close them before year end. As a practical matter, Jerry, it takes the business somewhere, 120 to 150 days to really go through a thoughtful process with a potential acquirer so if you take those numbers and work backward, it would give you at least a window period where you might expect to see a higher degree of activity.

<Q – Jerry Revich>: Thank you very much. And lastly can you please, Ward, clarify your comment on double-digit volume increases in April? Are we talking closer to 10% or 25%, like the rail data has been splitting out over the past couple of weeks? Can you just give us more color there? Thanks.

<A – C. Howard Nye>: Sure, Jerry. I would certainly encourage you to watch rail data directionally. I wouldn't ever encourage you to look at rail data and try to juxtapose that to nailing something. I will obviously tell you, we were very pleased with what we saw in April. We thought the double digits were appropriate. They didn't necessarily surprise us. That's probably all you're going to get out of me today, though.

<Q – Jerry Revich>: Worth a shot. Thanks.

<A – C. Howard Nye>: Good try.

Operator: Our next question comes from Trey Grooms with Stephens.

<Q – Trey Grooms>: Good afternoon, Ann and Ward.

<A – Anne Lloyd>: Thanks, Trey.

<A – C. Howard Nye>: Hi, Trey.

<Q – Trey Grooms>: I just have a couple of questions. If you're – from where we stand today, Ward, and looking at the volume improvements that we've seen, how much of this improvement do you think is driven by pent-up demand from kind of January-February timeframe, or even I guess further back into the winter? And then how much do you think is a pickup of true demand, I guess, driven by just the natural demand that's out there and the things that need to be taken care of on the highway front, et cetera?

<A – C. Howard Nye>: You know what, I think it's a bit of a combination. What I would have historically told you, Trey, is the last two weeks of March would usually make or break the quarter.

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Candidly, I was pretty prepared for that not to be the truth this year. I really thought that you would have seen even more of that shoved into April as opposed to March.

As a consequence of that, Trey, while I'm sure there was some "pent-up demand" coming out of January and February, I don't think there are a lot of places that demand is all that tremendously pent-up. I think that's simply a symptom of there being a decent amount of work out there. It's primarily stimulus driven. You have a lot of contract activity during the winter months, and contractors are ready to go. And they were waiting to a point in time that they could move with a higher degree of efficiency, and they did.

So I'm going to dispel certain degrees to which I think that was pent-up. I think one of the few areas in our business that really does have pent-up demand, I think we do have some pent-up demand in agricultural lime in parts of the Midwest, and we missed a window on that this year, in large part of the because way the weather worked. But I just think you've got a reasonable amount of contracts out there ready to go, and when the weather broke, they went.

<Q – Trey Grooms>: Great. That's all I had Ward, thanks a lot.

<A – C. Howard Nye>: Thanks, Trey.

Operator: Thank you. Our next question comes from Timna Tanners with UBS Investments.

<Q – Timna Tanners>: Yeah, hi, good afternoon.

<A – C. Howard Nye>: Hi, Timna.

<Q – Timna Tanners>: I just wanted to follow up on some of the pricing discussion a little bit, just to understand. It's a little bit strange to hear the cautiousness in tone in line with some of the cost increases that historically has been passed on a little bit better, so just wanted to get your high-level thoughts on pricing power in general, and what it's going to take for that to return to more historical levels, or at least recent historical levels.

<A – C. Howard Nye>: Timna, again I think the key issue on pricing is really, we haven't seen the markets structurally change. I think you have to start there. I think the primary thing that pricing needs to have some legs under it and really be stable, is it needs some consistent volume. I think when you have sporadic volume, or when there's an immediate spike in varying degrees of volume as we're seeing now, you've got producers in many respects who are hungry, and I think they want to grab some of that volume.

Going back to some of the numbers that I walked through with Arnie, we know that cost structures, at least in our business, is so compelling that some degree of volume to that cost structure is very, very powerful, and I think we're sitting in an awfully good place comparatively. I'm sure there are others who have attractive cost profiles as well, so I think when you take that cost profile and put some food on the table for a hungry person, they are going to grab some of that volume. I think that's exactly what's going on. I think if we see several quarters of nice consistent volumes, my view is in that scenario you'll start to see pricing move in directions that you would be more accustomed to.

<Q – Timna Tanners>: So nothing's changing about the general pricing power of the industry, but kind of like a lull, like you said, until things kind of pick back up?

<A – C. Howard Nye>: Timna, again, that's my view, and I think we have to go back and really reflect on where this industry has gone from 2006 to today. And just in our business, going from 205 million tons to 125 million tons last year, during that '06 to 2009 timeframe, a 40% volume decline is really unprecedented in the industry. I think if someone had taken a 40% volume decline

and put that back 10 or 15 years ago, you never would have seen, in my view, the type of pricing resilience that you've seen in this market.

That's a long answer to say Timna, no, I think it is very much volume driven, and you've got some producers who simply have felt the need to get some volume right now. But I don't see things that have materially changed. Once stability is there, I'm sure pricing will be as well.

<Q – Timna Tanners>: Okay, great. And then if you could talk a little bit about what your level of visibility is in general, and how far out you can see your order books right now, how your demand is going?

<A – C. Howard Nye>: With respect to the volumes?

<Q – Timna Tanners>: Correct, yeah, what kind of visibility you have for your volumes, your...

<A – C. Howard Nye>: Yeah, I think we feel pretty good about volumes through Q2 and through most of Q3, right now. I think one of the questions will be on states in – Iowa is a very good one that outperformed the rest of the market last year as far as getting stimulus work in. You're going into the year in an area like that with a very nice backlog. I think a lot of it depends on how quickly and efficiently contractors work through that. But again, in most of our states, as we rack up our top five and really get a good feel for where they are, or in some instances where they aren't, on stimulus spending, I think we feel like we're going to be in a pretty good run from volume perspective for the balance of this year.

<Q – Timna Tanners>: Okay, thanks a lot.

<A – C. Howard Nye>: Sure.

Operator: Our next question comes from Chris Manuel with KeyBanc Capital.

<Q – Chris Manuel>: Good afternoon.

<A – C. Howard Nye>: Hi, Chris.

<Q – Chris Manuel>: Ward, just one cleanup question for you first. As you went through, I think it was your DFW market and part in Florida as well, to kind of talk about what mix looked like, can you give us a sense of what – how much base or things of that nature, typically of your mix, to understand what's a lot and what's not?

<A – C. Howard Nye>: Well, here is what's happening in – let's talk about DFW for a second, because it's the same issue in parts of East Texas and Arkansas. When oil gets over $80 a barrel, what ends up happening, Chris, is an enormous amount of activity suddenly occurs in the Haynesville shale, because they're drilling for natural gas. So what we were seeing is base probably up, I want to say probably 15, maybe 20% in a market like DFW for that type of activity. And again, you may see ASPs move 30 to 40% when you move from a clean washed stone to a base product.

<Q – Chris Manuel>: Okay. So it sounds like – and that's something that's more of a temporary phenomenon – that over the next couple quarters, or at least it will normalize out if we stay where oil is at that point, that it's not going to be a continued negative detriment. Is that fair?

<A – C. Howard Nye>: You know, I think that there's circumstances like that that are acute, that move the needle in specific markets, that in one way or another, Chris, you're always going to have. You may have it to the positive in some other areas. I think the more significant components of pricing really break down to the nature of some of the stimulus work in our top five states, and

that goes back to some of those percentages that I tried to hit with Arnie. Again, last year stimulus was really all about repaving, so it was clean washed stone finding its way into hot mix asphalt, and the clean washed stone clearly tends to be a higher-priced product.

If we're going to see pavement widening in our top five states of 30% versus 16% across the 50, if we're going to see resurfacing in our top five states of 41% versus 48% in the other 50, and new projects in our top five states of 10% versus 6% for the other 50, or just in Florida all by itself at around 20%, the fact is, Chris, that can give an optical headwind on pricing. But from where I sit, and where our operating team would sit, we would actually be very happy with that. Because again, what we're doing is we're sending out some products that we very much would like to sell, like the base products and the fines and otherwise.

Keep in mind, while the ASPs on face may be lower than the ASPs are on a clean washed stone, the margin may not be that much different. It simply affects you, and it affects us, when we're doing our top-side math and averaging.

<Q – Chris Manuel>: Okay. That's helpful, Ward. With respect to some of the stuff going on down in the Gulf, you've got a lot of assets in place up and down the Mississippi to move stone. Do you think it's a, any sort of potential benefit you could have shipping things down the channel south as opposed to those that may be challenged bringing them in from longer haul stuff over the ocean?

<A – C. Howard Nye>: Well, I'm curious to see how those markets respond to it. New Orleans finds about half of this economy really driven by shipping or seafood or otherwise, so clearly there's going to be a bad economic consequence to varying degrees in part of that Gulf. You're entirely right. We are sending a lot of product down the Mississippi River, and down the river is the right answer right now because it's going to be very difficult to come up the river from any offshore facilities. So depending on what aggregate needs are as we run into clean-up issues or others, I suppose there could potentially be some upside there, Chris, but it's hard to measure it right now.

<Q – Chris Manuel>: And one quick follow-up question for Anne as well. I think in the past you've talked about having some components of cost that you had to expense, that weren't embedded into the inventory there as you were over certain amounts, things of that nature. At the end of the year, if memory serves, it was in the neighborhood of 50ish million. I'm assuming during the quarter there were probably some more costs capitalized into that inventory. Could you give me a sense of where you are now, and if that's – as volumes are starting to pick up, I'm assuming we won't be adding to that anymore, we should actually be starting to pull some of that out, if that's accurate?

<A – Anne Lloyd>: The first quarter we added – had an incremental $34 million that went through the quarter as really the underabsorption of the capacity on the business; we're still running at sub 50% capacity. Assuming that was first quarter has been the, as Ward described, the nadir of this downturn, we should begin, as we move back up to capacity or to whatever the new normalized capacity is, we should begin to release some of those costs, or at least have a lesser impact as we move forward.

<Q – Chris Manuel>: At this point of work that you've got, that you've expensed that's not capitalized in inventory on the ground, do you have a sense of what that amount might be at the end of 1Q? Am I thinking about it correctly?

<A – Anne Lloyd>: Yeah, the tonnage that as capped has not changed, so that structure of about 9 million tons that we had built up through the end of last year, remained unchanged in the first quarter. Probably we'll leave slightly a little bit of it, since we underproduced what we actually sold to make sure the inventory balances were in check. But that picture effectively hasn't changed materially.

<Q – Chris Manuel>: Okay. So as we see volumes begin to pick up, and you have talked about 60ish percent margins, after we burn through the – well, first of all, how long do you think it'll take to kind of run through that 9 million tons? Is that something you can do during calendar year 2010?

<A – Anne Lloyd>: No, we say, we think it probably takes 18 to 24 months of good, solid new construction, with a balance of both base and clean stone products before you work through that. So in our incremental $0.60 on the dollar type margin, we've included our estimate of the timing of how that would roll out.

<Q – Chris Manuel>: Okay. So after the 18 to 24 month period, that's when you probably have to look at going back and putting in more labor, doing some things of that nature, and that incremental margin would come down to something a little below that. Would that...?

<A – Anne Lloyd>: No, that's a completely different – I mean that's a different story. The 9 million tons of base inventory that tapped, sitting on the ground, should come out 18 to 24 months, but we think the incremental margins on this business hold until we reach, probably in – add back another 40 – Ward...?

<A – C. Howard Nye>: Yeah.

<A – Anne Lloyd>: ...40, 45 million tons on the business, so that we should get that type of average margin as we build back the amount.

<A – C. Howard Nye>: Yeah, Chris, to Anne's point, what I was going to say is it's our view that we can probably add 35 to 40 million tons back to this business, without going back in a big way to the labor pool. And what we're seeing now in some instances is we're actually running some plants at times 50 hours a week. We haven't seen that type of run in a long time, but Chris, there's a lot of room for very productive overtime in our system, that I assure you, we will take care of if we need to before we start bringing bodies back in.

<Q – Chris Manuel>: Okay, that's helpful. Thank you, and good luck in the quarter.

<A – C. Howard Nye>: Thanks, Chris.

<A – Anne Lloyd>: Thanks, Chris.

Operator: Our next question comes from Todd Vencil with Davenport & Company.

<Q – Todd Vencil>: Hey, good afternoon guys.

<A – C. Howard Nye>: Todd, how are you?

<A – Anne Lloyd>: Hi, Todd.

<Q – Todd Vencil>: I'm doing well, thanks. How are you?

<A – C. Howard Nye>: So far so good.

<Q – Todd Vencil>: Well, I'm going to ask possibly another angle on the unnatural question of how we think about margins, and I'm going to focus more on the near term. I mean if we – because, obviously I think everybody sort of got the – or probably not everybody, but I certainly got the margin part of the story wrong, whereas maybe I was a little better on the top-line piece. As I think about the quarter, and can you give me a feeling for how much with the DD&A in the aggregates business specifically, because you guys don't break that out do you?

<A – Anne Lloyd>: Yeah, we will in the Q. Hold on one second, I'll grab it. Go on with another question.

<Q – Todd Vencil>: Well, and then I'm going to kind of walk through and ask you on the cash side, how much should I be thinking about in terms of fixed cost, as well?

<A – Anne Lloyd>: The fixed cost structure shouldn't change significantly, I don't think. I mean, you've got to get some pretty good volumes back on this. Right now, we're probably – I would say 60/40 fixed to variable, and as you add that back, you're going to end up getting closer to that – I'm sorry, 60/40 variable to fixed. You're going to go back to that, down to about a third of the cost fix as we move back up. But I don't expect that to happen probably until we get that 40 or 45 million tons that...

<A – C. Howard Nye>: Todd, we would have to get half of that volume back to see that term like that.

<Q – Todd Vencil>: Got it. And when you say 60/40, variable to fixed, is that fixed cost component, is that on a cash basis or does that include the DD&A?

<A – Anne Lloyd>: That's going to include the DD&A. And the aggregates ...

<Q – Todd Vencil>: Okay.

<A – Anne Lloyd>: ... DD&A in the first quarter, just the aggregates business, so pulling out specialty products, pulling out anything to corporate, is about $40.5 million.

<Q – Todd Vencil>: Got it. And then, if I think on the variable side about drags on the quarter, I mean I guess I'm thinking about diesel, I'm thinking about the impact of drawdown of inventory or expense from underutilization of capacity – am I thinking about the right buckets, and are there any other big buckets of drag that were there in 1Q that could be expected to kind of tail off, or in the case of diesel maybe just change as we go forward?

<A – Anne Lloyd>: Yeah. You're looking at the right buckets. I would think that the inventory pieces Ward has described begins to balance itself out as we move through the balance of this year. And if you just look at what inventory – not the underabsorption of fixed cost, because the low utilization of the total business model, but if you look at what happened with inventory alone in the first quarter, that reduced our gross profits by about 570 basis points. So if you would normalize that back, you would get pretty good margin performance, in my opinion, in the first quarter So inventory balancing there probably had the biggest impact. I mean, diesel had a $0.06 per share impact.

<Q – Todd Vencil>: Right. You're reading my mind with the 570 basis points, saved me some math there.

<A – Anne Lloyd>: Okay.

<Q – Todd Vencil>: Yeah, okay. So we had diesel which was $0.06, we had the drawdown of inventory which cost us 14.5 million, is that the right number?

<A – C. Howard Nye>: Correct.

<A – Anne Lloyd>: Yes.

<Q – Todd Vencil>: And then you mentioned 34 million of expense from underutilization of capacity. Is that a separate item?

<A – Anne Lloyd>: It is a separate item, but that is – that's the capacity issue that is going to be there until we get back to a more normalized...

<Q – Todd Vencil>: That's not going to go away?

<A – Anne Lloyd>: Yeah. That's not going to go away in the near term. That's more of a work it out over the next cycle type of event.

<Q – Todd Vencil>: Right. Would that be, can that be expected to moderate though, in the second quarter and third quarter when your production levels are higher?

<A – Anne Lloyd>: It should moderate. Whether it moderates significantly, I don't know. The first quarter, just in comparison the first quarter of 2009 was about $20 million.

<Q – Todd Vencil>: Okay. And is that, I mean, can I just – I'm sure it's more complicated than this, but for ballpark purposes if I look at what your, I mean I can look at your shipments, but if I could look at your production, right, there would it sort of scalable with that?

<A – Anne Lloyd>: I think you could assume that we would probably produce what we shipped this year...

<A – C. Howard Nye>: Yes.

<A – Anne Lloyd>: For the balance of the year.

<Q – Todd Vencil>: Okay, I think I've got enough data points here to make me dangerous with math, so thanks a lot.

<A – Anne Lloyd>: Okay.

<A – C. Howard Nye>: Go be dangerous, Todd.

Operator: Our next question comes from Keith Hughes with SunTrust.

<Q – Keith Hughes>: Just real quickly, do you have a view yet, Ward, of how much of the stimulus dollars will be spent in '10 versus '11, or is it too early for that?

<A – C. Howard Nye>: Well, I certainly have a view. I am not sure ...

<Q – Keith Hughes>: You're going to tell me the view? Maybe that's it.

<A – C. Howard Nye>: ...Keith, it's interesting. Obviously there was a call earlier in, I guess in the week, or last week, with the Texas DOT. As I understand it, they said that they thought they'd spend around 41% in '10, around 41% in '11, and the balance thereafter. They are in the work, so I have to assume they have a feel for that. Obviously, if we look at where it was through April 19, you had what, 27% last year, we're thinking probably 40-45%, maybe a little north of that this year, and 20, 25% as we go into '11, and then the balance rolling into '12, but I don't think that will be miles off, Keith.

<Q – Keith Hughes>: Okay, thank you.

<A – C. Howard Nye>: Sure.

Operator: Our next question comes from Ted Grace with Avondale Partners.

<Q – Ted Grace>: Hey, guys.

<A – C. Howard Nye>: Hey, Ted.

<A – Anne Lloyd>: Hey, Ted.

<Q – Ted Grace>: I'm well, how are you doing?

<A – C. Howard Nye>: Good.

<Q – Ted Grace>: Good. Sorry to potentially beat a dead horse, but I just wanted to clarify the pricing outlook. It's clear that you do not expect pricing to turn until you see a sustained turn in volumes, call that multi-quarter. But should we expect to see a sequential decline in 2Q pricing for aggregates? Would that be the correct interpretation?

<A – C. Howard Nye>: You know, Ted I've got to hand it to you. That's a great try but I'll tell you all about Q2 here in a few months. But again, what I would encourage you to do is simply watch the volumes, and recognize that pricing tends to follow volume with a lag. I think that's the metric or that's the idea that you need to keep in mind, and I think if you're true to that it will work itself out.

<Q – Ted Grace>: Okay. Fair enough. Could you give us any kind of monthly sense for how margins progressed? Obviously in January and February would have been the, presumably would have seen the sharpest underabsorption, but either framing it on a profit per ton basis by month and how March compared to maybe the prior two months, and recognizing that you don't want to speak too much about 2Q, any sense for April?

<A – Anne Lloyd>: Ted, I'll take that. If you look at the margin progression through the month, I'll just talk to you about March and you can back-solve for that. The consolidated gross margin for the month of March was 19%, compared to 7% for the quarter. So when we saw the volume come back, we got the benefit from that. And then earlier in response to a question, Ward walked through an exercise – mind you, a mathematical exercise – of assuming that we had that 9% volume with a 3% pricing down for the first quarter, what would that have done to the business? And we would have gotten close to that 19% margin.

<A – C. Howard Nye>: And again, look at your market, Ted, that was against what we would have seen as a peak Q1 margin of around 23%. So against that volume profile and even showing pricing down three, under the math that Anne is using, that's the type of result that was kicked out.

<Q – Ted Grace>: Okay, sorry I missed that response. And then just to be clear on the incrementals, are you talking pure operating income, or is that a segment gross profit type incremental?

<A – Anne Lloyd>: On incremental margins?

<Q – Ted Grace>: Yeah.

<A – Anne Lloyd>: We're talking incremental margins on the gross line.

<A – C. Howard Nye>: Yep.

<Q – Ted Grace>: It is? Okay, I think maybe had some confusion there. Okay. And then the final thing I was curious to get your sense on is, in talking to the DOTs and others in the industry, it seems like ether recycling is becoming a bigger and bigger part of the business. Some people believe it's actually doubled in its relative contribution. Just wondering if you could speak to how

you think recycling will impact demand for virgin materials in this up-cycle, relative to prior cycles, and what some of the implications are for Martin and the other producers?

<A – C. Howard Nye>: Well again, I think the biggest component of recycle that you are going to see is going to be in recycled asphalt, or in RAP. As a practical matter you may see those percentages go from mid 20s to maybe something in the low to mid 30s. There are going to be folks who will tell you it can go higher than that; I have a hard time seeing much of that happen in the near term. Keep in mind, Ted, most of what's going on, on the recycle side of it is going to be more driven by what's happening with the price of liquid as opposed to the pricing of stone. Keep in mind, you've got liquid asphalt now that's in the 450 to $500 a ton range, so the need for asphalt producers to pull that out and put it into their mix is pretty compelling, compared to the stone all by itself.

<Q – Ted Grace>: Sure, but that is obviously a meaningful part of your business, not just as a percent of the total volumes but also, I'll say the pricing on the clean washed stone is important to pricing as well; correct?

<A – C. Howard Nye>: The pricing on clean washed stone is important, there's no question about that. But again, I don't see that being something candidly that moves the needle any time here in the near future.

<Q – Ted Grace>: Okay, great. Thank you very much.

<A – C. Howard Nye>: You're welcome.

Operator: Thank you. Our next question comes from Clyde Lewis with Citigroup.

<Q – Clyde Lewis>: Afternoon, Ward. Afternoon, Anne.

<A – C. Howard Nye>: Good evening to you, Clyde.

<Q – Clyde Lewis>: Two questions if I may. One on the sort of safety renewal I mean actually the government has extended it through the end of this year, but what are the sort of, the smoke signals coming out of Washington now about the possible scaling of the new program, whenever that might come through? And the second one I had was probably for Anne, but just in terms of SG&A issues for the rest of this year, I think you had mentioned pension early on, I wasn't sure if I caught an answer, I had some connection issues. But can you just maybe sort of give us an indication of where that SG&A cost is likely to move over the balance of the year?

<A – C. Howard Nye>: Sure. We'll try to see what the smoke signals are first on reauthorization. Clyde, I think it's clear that there's a general view in the House and the Senate and otherwise that the investment in infrastructure is required. I'm not hearing an enormous debate about the amount of the number, and again, the number that we continue to see is the $450 billion number.

The debate around that is around the funding for the number, and it's going to be very difficult I think for there to be any conversation in earnest about a new gas tax until we have these midterm elections over. If you recall, going back in time, the last two times we've seen the gas tax increased was one in 1993 in the Clinton administration; the last time before that it was increased was during the Regan administration, and both of those saw increases occur during a lame duck Congress.

So having those who are running for office say gas and tax all in the same breath between now and November is likely not to happen. The question will be during that lame duck session, can they get that done. I think that's going to be the great issue, and that clearly is going to be important to us in the long run. I think in any event as we look into '11, given the extension of the current bill to the end of the year, and to the extent that we will see stimulus funds spent in '11 as well, we're still

going to see a lot of infrastructure funds put into the system in calendar year '11 for us, but I think as we sit here right now, Clyde, the issue is all about revenue and how they are going to get the revenue and put it into the highway trust fund without having to go to the general fund or make other appropriations.

<A – Anne Lloyd>: Clyde, from an SG&A perspective, our 2010 objective is to hold SG&A flat, excluding those retirement plan costs that you mentioned. We expect that we'll have one-time charges in the third quarter and the fourth quarter. A third quarter charge of 1.8 million, fourth quarter charge of 5.4 million, and obviously, since we're down 3.6 million through the end of the quarter we're a little bit ahead of that objective.

<Q – Clyde Lewis>: Okay, okay, that's great. Thank you very much.

<A – C. Howard Nye>: Thanks, Clyde.

Operator: Our next question is from, and I apologize for the pronunciation, Steve Mykijewycz with Viking Global. Sir, please check your mute button.

<Q – Steve Mykijewycz>: Sorry, I didn't have a question. I'm not sure why I was in the queue.

Operator: Okay. We'll proceed to the next question, from Kathryn Thompson with Thompson Research.

<Q – Kathryn Thompson>: Thanks, so much. I just wanted to go back, I assume that the Tex-DOT conference call you're referring to was the one that we had last week with the clients. The one thing that struck me in that conference call was that they were starting to see month by month increases in outlays, and year-over-year having a ramp up in overall outlays for the state of Texas. For other chief states that Martin has exposure, are you seeing a similar trend, for instance, in North Carolina and other chief states for Martin?

<A – C. Howard Nye>: We are seeing ramp-ups. The ramp up that we've seen in Texas is actually more attractive than most. The numbers I've seen are over 50% for Texas. Actually Georgia, remarkably, is coming out of the box – now granted, they underperformed for a while. So we are starting to see states like Texas and Georgia outperform. They are going to be at the head of the class in the top five states right now for us, Kathryn.

<Q – Kathryn Thompson>: Okay, great. Thank you so much.

<A – C. Howard Nye>: Sure.

Operator: There are no further questions in the queue at this time.

C. Howard Nye, President and Chief Executive Officer

Again, thank you for joining us on this conference call and for your interest in Martin Marietta. As I'm sure you gathered, we're pleased with March and April's volume trends. It's been nearly four years since we've experienced back-to-back months of aggregate volume growth, but during that same time period, our cost profile has been significantly reduced. As a result, we believe we're both an industry cost leader and exceptionally well positioned to leverage expected volume increases in our infrastructure, residential and ChemRock/Rail end-use markets.

Also, our specialty products business should expand profitability this year. Rest assured we'll be relentless in managing costs, production, sales and strategy for the continued long-term benefit of

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our shareholders, and we look forward to discussing these and other items with you in our second quarter call. We'll talk to you then. Thank you very much. Bye-bye.

Operator: Ladies and gentlemen, thank you for your participation in today's conference. This concludes the conference. You may now disconnect.

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