Vulcan Materials CO
Form 424B2
May 31, 2011

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The information in this preliminary prospectus supplement is not complete and may be changed. This preliminary prospectus supplement and the accompanying prospectus are not an offer to sell these securities and we are not soliciting an offer to buy these securities in any jurisdiction where the offer or sale is not permitted.

Filed Pursuant to Rule 424(b)(2)
Registration No. 333-174609

SUBJECT TO COMPLETION, DATED MAY 31, 2011.

Preliminary Prospectus Supplement to Prospectus dated , 2011

$1,000,000,000

VULCAN MATERIALS COMPANY
$ % Notes due 2016
$ % Notes due 2021

We are offering $ of our % notes due 2016 and $ of our % notes due 2021.

We will pay interest on the 2016 notes semi-annually on and of each year commencing . We will pay interest on the 2021 notes semi-annually on and of each year commencing . The 2016 notes will mature on December , 2016 and the 2021 notes will mature on , 2021. The notes will be issued only in denominations of $2,000 and $1,000 multiples above that amount.

We have the option to redeem all or a portion of the notes of either series at any time. See Description of the Notes Optional Redemption in this prospectus supplement. In addition, if a change of control repurchase event has occurred, unless we have exercised our right to redeem the notes or have defeased the notes, we will be required to offer to purchase the notes from holders on the terms described in this prospectus supplement. There is no sinking fund for the notes.

The notes offered by this prospectus supplement will not be listed on any securities exchange.

See Risk Factors beginning on page S-13 of this prospectus supplement and Risk Factors contained in Vulcan Materials Company s Annual Report on Form 10-K for the year ended December 31, 2010, incorporated by reference herein, to read about important factors you should consider before buying the notes.

Neither the Securities and Exchange Commission nor any other regulatory body has approved or disapproved of these securities or passed upon the accuracy or adequacy of this prospectus supplement or the accompanying prospectus. Any representation to the contrary is a criminal offense.

	Per 2016 Note	Total	Per 2021 Note	Total
Public offering price	%	$	%	$
Underwriting discount	%	$	%	$
Proceeds, before expenses, to Vulcan Materials Company	%	$	%	$

The initial public offering prices set forth above do not include accrued interest, if any. Interest on the notes offered by this prospectus supplement will accrue from , 2011 and must be paid by the purchasers if the notes are delivered after , 2011.

The underwriters expect to deliver the notes through the facilities of The Depository Trust Company and its participants, including Euroclear Bank S.A./N.V. and Clearstream Banking, société anonyme, against payment in New York, New York on or about , 2011.

Joint Book-Running Managers

BofA Merrill Lynch **Goldman, Sachs & Co.** **SunTrust Robinson Humphrey**

Senior Co-Managers

Morgan Keegan **US Bancorp**

Co-Managers

BB&T Capital Markets **BBVA** **Mizuho Securities** **The Williams Capital Group, L.P.**

Prospectus Supplement dated , 2011.

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We have not authorized anyone to provide any information or to make any representations other than those contained in this prospectus supplement or in any free writing prospectuses we have prepared. We take no responsibility for, and can provide no assurance as to the reliability of, any other information that others may give you. We are not making an offer of these securities in any jurisdiction where the offer is not permitted. You should not assume that the information contained in this prospectus supplement or the accompanying prospectus is accurate as of any date other than the date on the front of this prospectus supplement.

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Prospectus Supplement

Prospectus

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No dealer, salesperson or other person is authorized to give any information or to represent anything not contained or incorporated by reference in this prospectus supplement or the accompanying prospectus. We take no responsibility for, and can provide no assurance as to the reliability of, any other information that others may give you. This prospectus supplement and the accompanying prospectus are an offer to sell only the notes offered hereby, but only under circumstances and in jurisdictions where it is lawful to do so. The information contained in this prospectus supplement or the accompanying prospectus is current only as of the date of the applicable document.

ABOUT THIS PROSPECTUS SUPPLEMENT

This document consists of two parts. The first part is the prospectus supplement, which describes the specific terms of this offering. The second part is the prospectus, which contains more general information, some of which may not apply to this offering. You should read both this prospectus supplement and the accompanying prospectus, together with the documents identified under the heading Where You Can Find More Information and Incorporation by Reference of Certain Documents on page S-67 of this prospectus supplement. If the information set forth in this prospectus supplement differs in any way from the information set forth in the accompanying prospectus, you should rely on the information set forth in this prospectus supplement.

You should rely only on the information contained in or incorporated by reference in this prospectus supplement and the accompanying prospectus. This prospectus supplement and the accompanying prospectus supplement may be used only for the purpose for which they have been prepared. We have not authorized anyone to provide any information or to make any representations other than those contained in this prospectus or in any free writing prospectuses we have prepared. We take no responsibility for, and can provide no assurance as to the reliability of, any other information that others may give you.

We are not, and the underwriters are not, making an offer to sell these securities in any jurisdiction where the offer or sale is not permitted. You should not assume that the information appearing in this prospectus supplement, the accompanying prospectus or any document incorporated by reference is accurate as of any date other than the date of the applicable document. Our business, financial condition, results of operations and prospects may have changed since that date. Neither this prospectus supplement nor the accompanying prospectus constitutes an offer, or an invitation on our behalf or on behalf of the underwriters, to subscribe for and purchase any of the securities and may not be used for or in connection with an offer or solicitation by anyone, in any jurisdiction in which such an offer or solicitation is not authorized or to any person to whom it is unlawful to make such an offer or solicitation.

FORWARD-LOOKING STATEMENTS

This prospectus supplement, including the documents we incorporate by reference, contains forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended (the Securities Act), and Section 21E of the Securities Exchange Act of 1934, as amended (the Exchange Act). Generally, these statements relate to future financial performance, results of operations, business plans or strategies, projected or anticipated revenues, expenses, earnings, or levels of capital expenditures. Statements to the effect that we or our management anticipate, believe, estimate, expect, plan, predict, intend, or project a particular result or course of ever objective, or goal, or that a result or event should occur, and other similar expressions, identify these forward-looking statements. 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 we periodically file with the SEC. These risks, uncertainties, and assumptions may cause our actual results or performance to be materially different from those expressed or implied by the forward-looking statements. We caution prospective investors that forward-looking statements are not guarantees of future performance and that actual results, developments, and business decisions may vary significantly from those

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expressed in or implied by the forward-looking statements. We undertake no obligation to update publicly or revise any forward-looking statement for any reason, whether as a result of new information, future events or otherwise.

In addition to the risk factors identified in our Annual Report on Form 10-K for the year ended December 31, 2010, incorporated by reference herein, the following risks related to our business, among others, could cause actual results to differ materially from those described in the forward-looking statements:

- general economic and business conditions;
- the timing and amount of federal, state and local funding for infrastructure;
- the lack of a multi-year federal highway funding bill with an automatic funding mechanism;
- the reluctance of state departments of transportation to undertake federal highway projects without a reliable method of federal funding;
- the impact of the global economic recession on our business and financial condition and access to capital markets;
- changes in the level of spending for 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 our 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 we incur;
- changes in interest rates;
- volatility in pension plan asset values which may require cash contributions to our pension plans;
- the impact of environmental clean-up costs and other liabilities relating to previously divested businesses;
- our ability to secure and permit aggregates reserves in strategically located areas;
- our ability to manage and successfully integrate acquisitions;

the potential impact of future legislation or regulations relating to climate change, greenhouse gas emissions or the definition of minerals;

other assumptions, risks and uncertainties detailed from time to time in our filings made with the SEC.

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SUMMARY

Unless otherwise stated or the context otherwise requires, references in this prospectus supplement to Vulcan, the company, we, our, or us refer to Vulcan Materials Company and its consolidated subsidiaries. When we use these terms in Description of the Notes and The Offering in this prospectus supplement and Description of Debt Securities in the accompanying prospectus, we mean Vulcan Materials Company only, unless otherwise stated or the context otherwise requires. The following summary highlights selected information contained elsewhere in this prospectus supplement, the accompanying prospectus and the documents incorporated by reference in this prospectus supplement and may not contain all the information you will need in making your investment decision. You should carefully read this entire prospectus supplement, the accompanying prospectus and the documents incorporated by reference in this prospectus supplement and the accompanying prospectus. You should pay special attention to the Risk Factors section of this prospectus supplement and the Risk Factors section in our Annual Report on Form 10-K for the year ended December 31, 2010, incorporated by reference herein.

Our Company

We are the largest aggregates company in the U.S. whether measured by production, reserves or revenue, providing the basic materials for the infrastructure needed to expand the U.S. economy. As of the end of 2010, our 319 aggregate facilities, located in attractive population-growth markets, had 14.7 billion tons of permitted aggregates reserves. Based on peak historical shipment levels, we estimate the useful remaining life of our current, permitted aggregates reserves to be approximately 50 years, assuming no future additions. We believe our large, geographically diverse and strategically-located footprint represents an unmatched and distinctive set of assets, which support the growth of the U.S. economy.

As the nation s largest producer of construction aggregates, primarily crushed stone, sand and gravel, our reserves are strategically located within close proximity to markets with favorable demographics. Our primary focus is serving states and metropolitan markets in the U.S. that are expected to experience the most significant growth in population, households and employment. These three demographic factors are significant drivers of demand for construction activity and demand for aggregates. We principally serve markets in 21 states and the District of Columbia. According to Moody s Analytics, Vulcan-served states are estimated to experience 78% of U.S. population growth and 75% of U.S. household formations growth through 2020. The location of our permitted reserves is critical to our long-term success because of barriers to entry in some markets created by zoning and permitting regulations and high transportation costs. Zoning and permitting restrictions could curtail expansion of the number of quarries in certain areas, particularly in certain closer-to-market urban and suburban areas, but they could also increase the value of our reserves at existing locations. High transportation costs can serve as a barrier to entry given the high weight-to-value ratio of aggregates. Therefore, in most cases, aggregates must be produced near where they are used; if not, transportation can cost more than the materials themselves. The majority of our reserves are located close to our local markets, with approximately 80% of our total aggregates volumes shipped by truck.

In addition to being the nation s largest producer of construction aggregates, we are also a major producer of asphalt mix and ready-mixed concrete, as well as a leading producer of cement in Florida. Demand for our products is dependent on construction activity. The primary end uses of our products include public construction, such as highways, bridges, airports, schools and prisons, as well as private nonresidential (e.g., manufacturing, retail, offices, industrial and institutional) and private residential construction (e.g., single-family houses, duplexes, apartment buildings and condominiums). Publicly-funded construction accounted for 55%, 50% and 45% of our total aggregates shipments during 2010, 2009 and 2008, respectively. We experience relatively stable demand from the public sector as publicly-funded projects tend to receive more consistent levels of funding throughout economic cycles. Customers for our products include heavy construction and paving contractors; commercial building contractors; concrete products manufacturers; residential building contractors; state, county and municipal governments; railroads and electric utilities. We maintain a very broad and diverse customer base, with no significant customer concentration: our top five customers in

2010 accounted for only 4.3% of our total revenue and no single customer accounted for more than 1.3% of our total revenue.

For the twelve month period ended March 31, 2011, we generated total revenue and EBITDA of approximately $2.6 billion and $343 million, respectively. Over the past five years ending December 31, 2010, however, revenue and Adjusted EBITDA averaged approximately $3.1 billion and $750 million, respectively. Although the recent downturn in the economic cycle has negatively impacted our performance, declines in our industry have historically been followed by strong recoveries. For example, coming out of the trough in the past two industry cycles, U.S. aggregates volumes experienced double-digit growth over the first few years, according to U.S. Geological Survey research. With a combination of management actions during the downturn, a relatively stable pricing environment and operating leverage, we believe we are well positioned to benefit when macroeconomic conditions improve.

Please see Summary Summary Consolidated Financial Data and Other Financial Data for a reconciliation of EBITDA and Adjusted EBITDA to net earnings reported in accordance with GAAP.

Our Segments

We have four reporting segments organized around our principal product lines: Aggregates, Concrete, Asphalt Mix and Cement.

2010 Net Sales by Product & Sales Tied to Aggregates

* Represents sales to external customers of our aggregates and our downstream products that use our aggregates.

Aggregates

A number of factors affect the U.S. aggregates industry and our business, including markets, reserves and demand cycles.

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Local Markets:	Aggregates have a high weight-to-value ratio and, in most cases, must be produced near where they are used; if not, transportation can cost more than the materials. Exceptions to this typical market structure include areas along the U.S. Gulf Coast and the Eastern Seaboard where there are limited supplies of locally-available, high-quality aggregates. We serve these markets from inland quarries shipping by barge and rail and from our quarry on Mexico s Yucatan Peninsula. We transport aggregates from Mexico to the U.S. principally on our three Panamax-class, self-unloading ships.
Diverse Markets:	Large quantities of aggregates are used in virtually all types of public- and private-sector construction projects such as highways, airports, water and sewer systems, industrial manufacturing facilities and residential and nonresidential buildings. Aggregates are also used widely as railroad track ballast.
Location and Quantity of Reserves:	We currently have 14.7 billion tons of permitted aggregates reserves, with average remaining lives at our quarries of approximately 50 years based on peak historical shipment levels, assuming no future additions. The bulk of these reserves are located in areas where we expect greater than average rates of growth in population, jobs and households. Such growth drives demand for aggregates for new infrastructure, including roads, housing, offices, schools and other development. Zoning and permitting regulations in some markets have made it increasingly difficult for the aggregates industry to expand existing quarries or to develop new quarries. These restrictions could curtail expansion of the number of quarries in certain areas, but they also could increase the value of our reserves at existing locations.
Demand Cycles:	Long-term growth in demand for aggregates is largely driven by growth in population, jobs and households. While short- and medium-term demand for aggregates fluctuates with economic cycles, declines have historically been followed by strong recoveries.

Highway construction is the most aggregates-intensive form of construction, with residential construction being the least intensive. A dollar spent for highway construction is estimated to consume seven times the quantity of aggregates consumed by a dollar spent for residential construction. Other non-highway infrastructure markets like airports, sewer and waste disposal, and water supply plants and utilities also require large quantities of aggregates in their foundations and structures. These types of infrastructure-related construction projects can be four times more aggregates-intensive than residential construction. Generally, nonresidential buildings require two to three times as much aggregates per dollar of spending as a new home, with most of the aggregates used in the foundations, building structure and parking lots.

The aggregates industry has benefited from a favorable pricing environment for several decades. The producer price index for aggregates, as measured by the U.S. Bureau of Labor Statistics, has not declined since 1970, and we believe industry-wide pricing will continue to benefit from structural factors such as onerous quarry permitting requirements and high transportation costs, which can limit the number of competitors within some markets.

Concrete

We produce and sell ready-mixed concrete in our mid-Atlantic, Georgia, Florida, southwestern and western markets. Additionally, we produce and sell, in a limited number of these markets, other concrete products such as block and pre-cast beams. We also resell purchased building materials for use with ready-mixed concrete and concrete block.

This segment relies on our reserves of aggregates, functioning essentially as a customer for our aggregates operations. Aggregates are a major component in ready-mixed concrete, comprising approximately 78% by weight of this product. We supply the aggregates requirements of our Concrete segment almost wholly from our Aggregates segment.

Ready-mixed concrete production also requires cement. In our southeastern markets, cement requirements for ready-mixed concrete production are supplied substantially by our Cement segment. In other markets, we obtain cement from third-party suppliers through purchases or product swaps for our Florida cement. We do not anticipate any material difficulties in obtaining the raw materials necessary for this segment to operate.

Asphalt Mix

We produce and sell asphalt mix in Arizona, California, New Mexico and Texas. This segment relies on our reserves of aggregates, functioning essentially as a customer for our aggregates operations. Aggregates are a major component in asphalt mix, comprising approximately 95% by weight of this product. We supply the aggregates requirements for our Asphalt mix segment almost wholly from our Aggregates segment.

Cement

Our cement plant and facilities produce Portland and masonry cement that we sell in both bulk and bags to the concrete products industry. We also import and export cement and slag, and produce specialty calcium products. We have plants or facilities located in Newberry, Tampa and Brooksville, Florida.

The Cement segment s largest single customer is our own ready-mixed concrete operations within the Concrete segment.

During 2010, we completed the expansion of our Newberry cement facility. This plant is supplied by limestone mined at the facility. These limestone reserves total 192.7 million tons. Our Brooksville, Florida calcium facility is supplied with high-quality calcium carbonate material mined at the Brooksville quarry. The calcium carbonate reserves at this quarry total 6.3 million tons.

Business Strengths

Nation s Largest Producer of Construction Aggregates: We are the largest aggregates company in the U.S., whether measured by production, reserves or revenue. Our 14.7 billion tons of permitted aggregates reserves represent the largest reserve base in the industry, with a remaining useful life of approximately 50 years based on peak historical shipment levels, assuming no future additions. Our 319 aggregates facilities provide opportunities to standardize and procure equipment (fixed and mobile), parts, supplies and services in the most efficient and cost-effective manner possible both regionally and nationally.

Strategically-Located Reserves: Our reserves are located in the United States and Mexico and can competitively serve high-growth areas that will require large amounts of aggregates to meet future construction demand. Vulcan-served states are estimated to experience 78% of U.S. population growth and 75% of U.S. household formations growth through 2020.

Operating Leverage through the Economic Cycle: Our business model benefits during periods of growing shipments, as we are able to achieve significant earnings on sales from incremental volume. This creates substantial operating leverage as demand for our products rebounds. We tightly manage the business and are able to benefit from spreading the fixed costs over higher volume with a relatively modest amount of variable cost per incremental ton. By our disciplined focus on pricing and costs, we have been able to increase the cash earnings per ton in Aggregates over 25% from 2005 to 2010, even while annual sales volumes, including legacy Florida Rock volumes on a pro forma basis, have declined nearly 50% over the same time period.

Relatively Stable Demand from the Public Sector: Publicly-funded construction activity has historically been more stable than privately-funded construction and requires more aggregates per dollar of construction spending. Publicly-funded construction accounted for 55%, 50% and 45% of our total aggregates shipments during 2010, 2009 and 2008, respectively. Private construction (primarily residential and nonresidential buildings) is typically more affected by general economic cycles than public construction. Generally, public sector construction spending is more stable than private sector construction because it is less sensitive to interest rates and has historically been supported by multi-year legislation and programs. For over two decades, public sector projects have been funded through a series of multi-year bills, and the long-term aspect of these bills allows states the ability to plan and execute long-term, complex highway projects. Successive multi-year federal transportation legislations have provided for consistently higher funding, and, while the last multi-year authorization expired in 2009, the President s reauthorization proposal of $551 billion in federal highway funding for the period from fiscal year 2012 to fiscal year 2017 represents a 93% increase over the prior legislation. In addition, funding for highway construction through the American Recovery and Reinvestment Act has provided incremental construction demand during recession and recovery.

Limited Product Substitution and Significant Barriers to Entry. With few exceptions, there are no practical substitutes for quality aggregates. In urban locations, recycled concrete has limited applications as a lower-cost alternative to virgin aggregates. However, many types of construction projects cannot be served by recycled concrete, but require the use of virgin aggregates to meet specifications and performance-based criteria for durability, strength and other qualities. Zoning and permitting regulations and high transportation costs create barriers to entry in many of the high-growth markets we currently serve. Zoning and permitting regulations make the establishment of new quarries more difficult, especially in certain closer-to-market urban and suburban areas. The high transportation cost of aggregates leads to a competitive advantage for in-market competitors.

Our Strategies

Our business strategies include: 1) aggregates focus, 2) coast-to-coast footprint, 3) profitable growth and 4) effective land management.

Aggregates Focus

Achieve economies of scale as the largest producer: Each aggregates operation is unique because of its location within a local market with particular geological characteristics. Every operation, however, uses a similar group of assets to produce saleable aggregates and provide customer service. We are the largest aggregates company in the U.S., whether measured by production, reserves or revenue. Our 319 aggregates facilities provide opportunities to standardize and procure equipment (fixed and mobile), parts, supplies and services in the most efficient and cost-effective manner possible both regionally and nationally. Additionally, we are able to share best practices across the organization and leverage our size for administrative support, customer service, accounts receivable and accounts payable, technical support and engineering.

Generate strong cash earnings per ton, even in a recession: Our knowledgeable and experienced workforce and our flexible production capabilities have allowed us to manage costs aggressively during the current recession. As a result, our cash earnings for each ton of aggregates sold in 2010 was 25% higher than at the peak of demand in 2005.

Coast-to-Coast Footprint

Demand for construction aggregates positively correlates with population, household formation and employment. We have pursued a strategy to increase our presence in metropolitan areas that are expected to grow the most rapidly. Vulcan-served states are estimated to experience 78% of U.S. population growth and 75% of U.S. household formations growth through 2020. In addition, our diversified geographic locations help insulate Vulcan from variations in regional weather and economies.

Profitable Growth

Our growth is a result of acquisitions, long-term demand growth, cost discipline and investment activities, which have improved productivity and efficiency.

Strategic acquisitions: The U.S. aggregates industry is composed of approximately 5,000 companies that manage more than 9,000 operations. We believe that this fragmented structure provides many opportunities for

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consolidation. Since becoming a public company in 1956, Vulcan has principally grown by mergers and acquisitions. For example, in 1999 we acquired CalMat Co., thereby expanding our aggregates operations into California, Arizona and New Mexico and making us one of the nation s leading producers of asphalt mix and ready-mixed concrete.

In 2007, we acquired Florida Rock Industries, Inc., the largest acquisition in our history. This acquisition expanded our aggregates business in Florida and other southeastern and mid-Atlantic states and added an extensive ready-mixed concrete business in Florida, Maryland, Virginia and Washington D.C. It also added cement manufacturing and distribution facilities in Florida. In addition to these large acquisitions, we have completed many smaller acquisitions that have contributed significantly to our growth.

Favorable demand environment: We serve markets where growth in population, jobs and households drives long-term growth in demand for aggregates, which has continued to trend higher on a consistent basis for at least the past 40 years. We believe demand will continue to benefit from industry factors such as growth in highway miles, new construction and repair of infrastructure, and private construction. As the largest aggregates company in the U.S. with a coast-to-coast footprint, we are well positioned to respond to increased construction activity resulting in higher demand for our products.

Tightly managed costs: We are accustomed to rigorous cost management throughout economic cycles and have extracted significant cost reductions from our production processes over the years. We have been able to drive incremental savings on each ton of production, which have resulted in large cost savings given the many millions of tons of production we process annually. Overall, we are able to reduce or expand production and adjust employment levels to meet changing market demands without jeopardizing our ability to take advantage of future increased demand.

Reinvestment opportunities with high returns: In the next decade, Moody s Analytics projects that 78% of the U.S. population growth will occur in Vulcan-served states. The close proximity of our production facilities and our aggregates reserves to this projected population growth creates many opportunities to invest capital in high-return projects, which will add reserves, increase production capacity and improve costs.

Effective Land Management

At Vulcan, we believe that effective land management is both a business strategy and a social responsibility that contributes to our success. Good stewardship requires the careful use of existing resources as well as long-term planning because mining, ultimately, is an interim use of land. Therefore, we strive to achieve a balance between the value we create through our mining activities and the value we create through effective post-mining land management. One of the strategies we employ to maximize the value of our existing land assets is to regularly evaluate opportunities to sell excess land and depleted quarries.

We continue to expand our thinking and focus our actions on wise decisions regarding the life cycle management of the land we currently hold and will hold in the future.

* * * * *

Our common stock is traded on the New York Stock Exchange under the symbol VMC. Additional information about Vulcan Materials Company and its subsidiaries can be found in our documents filed with the SEC, which are incorporated herein by reference. See Where You Can Find More Information and Incorporation by Reference in this prospectus supplement.

Our principal executive office is located at 1200 Urban Center Drive, Birmingham, Alabama 35242 and our telephone number is (205) 298-3000.

Our website is located at http://www.vulcanmaterials.com. We do not incorporate the information on our website into this prospectus supplement or the accompanying prospectus and you should not consider it part of this prospectus supplement.

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Recent Developments

On May 31, 2011, we commenced a tender offer for up to $275 million in cash (subject to increase at our discretion) of our outstanding 5.60% Senior Notes due 2012 (the 5.60% Senior Notes) and 6.30% Senior Notes due 2013 (the 6.30% Senior Notes). We intend to fund the purchase of the notes tendered with a portion of the net proceeds from this offering.

As of the date of this prospectus supplement, $300 million aggregate principal amount of the 5.60% Senior Notes and $250 million aggregate principal amount of the 6.30% Senior Notes were outstanding. The tender offer is being made on the terms and subject to the conditions described in the offer to purchase, dated May 31, 2011, relating to the tender offer (the Offer to Purchase). The tender offer is conditioned upon the satisfaction or waiver of certain conditions, including (i) the satisfaction of the Financing Condition and (ii) specified other conditions. The Financing Condition in the Offer to Purchase means that, notwithstanding any other provision of the tender offer, we will not be obligated to accept for purchase, or pay for, validly tendered notes pursuant the tender offer unless we receive funds in this offering sufficient to purchase all notes validly tendered (and not validly withdrawn) and accepted for purchase by us and pay all fees and expenses in connection with this offering and the tender offer.

The tender offer is being made solely pursuant to, and is governed by, the Offer to Purchase. We cannot assure you that the tender offer will be consummated in accordance with its terms, or at all, or that a significant principal amount of the 5.60% Senior Notes and 6.30% Senior Notes will be tendered and purchased in the tender offer. This offering is not conditioned upon the consummation of the tender offer.

Pursuant to the financing plan outlined in the The Offering , we estimate that we will incur a pretax charge between $25 million and $30 million due to the difference between par value and the purchase price under the tender offer of the 5.60% Senior Notes and 6.30% Senior Notes as well as the non-cash write-off of previously capitalized financing costs. This charge will be recorded in the second and third quarters with the specific charge in each quarter dependent on the ultimate settlement date under the tender offer. Additionally, we estimate that interest expense will increase by approximately $11 million to $14 million in the second half of the year.

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THE OFFERING

Issuer	Vulcan Materials Company
Notes Offered	$ initial aggregate principal amount of % Notes due 2016 $ initial aggregate principal amount of % Notes due 2021
Maturity	The 2016 notes will mature on December , 2016. The 2021 notes will mature on , 2021.
Interest	The 2016 notes will bear interest at % per annum. We will pay interest on the 2016 notes semi-annually on and of each year commencing. The 2021 notes will bear interest at % per annum. We will pay interest on the 2021 notes semi-annually on and of each year commencing. Interest will be computed on the basis of a 360-day year comprised of twelve 30-day months. Interest on the notes offered by this prospectus supplement will accrue from , 2011 and must be paid by the purchasers if the notes are delivered after , 2011.
Optional Redemption	We may redeem the 2016 notes and the 2021 notes in whole at any time or in part from time to time at any time at the applicable make-whole premium redemption price described under Description of the Notes Optional Redemption in this prospectus supplement.
Change of Control	Upon a change of control repurchase event, we will be required to make an offer to repurchase all outstanding notes of each series at a price in cash equal to 101% of the aggregate principal amount of the notes repurchased, plus any accrued and unpaid interest to, but not including, the repurchase date. See Description of the Notes Change of Control Repurchase Event.
Ranking	The notes will be our general unsecured obligations and will rank equally with all of our other current and future unsecured and unsubordinated debt and senior in right of payment to all of our future subordinated debt. The notes are not guaranteed by any of our subsidiaries. The notes will be effectively subordinated to all of our secured debt (as to the collateral pledged to secure that debt) and to all indebtedness and other liabilities of our subsidiaries. As of March 31, 2011, we and our subsidiaries had approximately $2.7 billion of total unsecured debt, approximately $41.6 million of which was debt of our subsidiaries, and approximately $52 thousand of secured debt. The Indenture does not restrict the amount of secured or unsecured debt that we or our subsidiaries may incur. See Risk Factors Risks Related to an Investment in the Notes in this prospectus supplement.
Authorized Denominations	Minimum denominations of $2,000 and $1,000 multiples in excess thereof.

Use of Proceeds	We expect to receive net proceeds, after deducting underwriting discounts but before deducting other offering expenses, of approximately $ from this offering. We intend to use the proceeds to repay borrowings outstanding under our revolving credit agreement,

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	refinance and terminate our unsecured term loan, fund a partial tender offer for certain of our outstanding 5.60% Senior Notes due 2012 and 6.30% Senior Notes due 2013 based on prices to be determined and for general corporate purposes. As a result of this application of proceeds, this offering is subject to the conflict of interest provisions of Rule 5121 of the Financial Industry Regulatory Authority, Inc. Conduct Rules (FINRA Rule 5121).
No Listing of the Notes	We do not intend to apply to list the notes on any securities exchange or to have the notes quoted on any automated quotation system.
Conflicts of Interest	Certain of the underwriters and their respective affiliates have, from time to time, performed, and may in the future perform, various financial advisory, investment banking, commercial banking and other services for us for which they received or will receive customary fees and expenses. See Underwriting. Because we expect that more than 5% of the net proceeds of this offering may be received by certain underwriters in this offering or their affiliates that are lenders under our revolving credit agreement and our unsecured term loan, this offering is being conducted in accordance with FINRA Rule 5121 regarding the underwriting of securities. See Underwriting Conflicts of Interest.
Governing Law	New York

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SUMMARY CONSOLIDATED FINANCIAL DATA AND OTHER FINANCIAL DATA

Summary Historical Financial and Operating Data

	Year Ended 12/31/08	12/31/09	12/31/10	Three Months Ended 3/31/10	3/31/11	Last Twelve Months Ended 3/31/11
	(In millions of dollars)					
Consolidated Statement of Operations:						
Net Sales	$ 3,453	$ 2,544	$ 2,406	$ 465	$ 456	$ 2,398
Delivery Revenues	198	147	153	29	31	155
Total Revenues	$ 3,651	$ 2,690	$ 2,559	$ 493	$ 487	$ 2,553
Cost of Goods Sold	$ 2,703	$ 2,098	$ 2,105	$ 464	$ 463	$ 2,105
Delivery Costs	198	147	153	29	31	155
Cost of Revenues	$ 2,902	$ 2,245	$ 2,258	$ 492	$ 494	$ 2,260
Gross Profit	$ 750	$ 446	$ 301	$ 1	$ (7)	$ 293
Selling, Administrative and General Expenses	343	322	328	86	78	319
Gain on Sale of PP&E and Businesses, Net	(94)	(27)	(59)	(48)	(0)	(11)
Goodwill Impairment	253					
Charge for Legal Settlement			40		(26)	14
Other Operating Income (Expense), Net	0	(3)	(7)	0	(3)	(10)
Operating Earnings (Loss)	$ 249	$ 148	$ (15)	$ (37)	$ (61)	$ (39)
Other Income (Expense), Net	(4)	5	3	1	1	3
Interest Income	3	2	1	0	0	1
Interest Expense	173	175	182	44	43	181
Earnings (Loss) from Continuing Operations Before Income Taxes	$ 75	$ (19)	$ (192)	$ (79)	$ (102)	$ (216)
Provision (Benefit) for Income Taxes:						
Current	$ 92	$ 6	$ (38)	$ (1)	$ 12	$ (25)
Deferred	(21)	(44)	(52)	(33)	(49)	(68)
Total Provision (Benefit) for Income Taxes	$ 72	$ (38)	$ (90)	$ (34)	$ (37)	$ (93)
Earnings (Loss) from Continuing Operations	$ 3	$ 19	$ (103)	$ (44)	$ (65)	$ (123)
Earnings (Loss) on Discontinued Operations, Net of Income Taxes	$ (2)	$ 12	$ 6	$ 6	$ 10	$ 10
Net Earnings (Loss)	$ 1	$ 30	$ (96)	$ (39)	$ (55)	$ (112)

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Summary Historical Financial and Operating Data

	Year Ended 12/31/08	Year Ended 12/31/09	Year Ended 12/31/10	Three Months Ended 3/31/10	Three Months Ended 3/31/11	Last Twelve Months Ended 3/31/11
	(In millions of dollars)					
Select Segment and Other Operating Data:						
Net Sales:						
Aggregates	$ 2,407	$ 1,839	$ 1,767	$ 341	$ 332	$ 1,757
Concrete	668	439	383	83	82	383
Asphalt Mix	533	394	370	64	65	371
Cement	107	73	80	18	17	79
Gross Profit:						
Aggregates	$ 658	$ 393	$ 320	$ 15	$ 11	$ 316
Concrete	23	(15)	(45)	(16)	(14)	(43)
Asphalt Mix	51	69	29	1	(0)	28
Cement	18	(2)	(4)	1	(3)	(8)
Aggregates Unit Shipments (in Millions of Tons):						
Internal(1)	16	12	11	2	2	11
Customer	188	139	136	25	25	136
Total	204	151	148	27	27	147
Aggregates Selling Price:						
Freight-Adjusted Average Sales Price Per Ton(2)	$ 9.98	$ 10.30	$ 10.13	$ 10.35	$ 10.33	$ 10.13
Aggregates Reserves (in Billions of Tons):	13.3	14.2	14.7			
Certain Balance Sheet Data (at Period End):						
Cash and Cash Equivalents	$ 10	$ 22	$ 48	$ 36	$ 63	
Net Operating Working Capital(3)	625	498	497	472	452	
Property, Plant & Equipment, Net	4,156	3,875	3,633	3,793	3,593	
Total Assets	8,908	8,525	8,338	8,467	8,299	
Total Debt	3,548	2,738	2,718	2,726	2,733	
Total Shareholders Equity	$ 3,539	$ 4,037	$ 3,965	$ 4,048	$ 3,906	
Certain Cash Flow Statement Data:						
Net Cash Provided (Used) by Operating Activities	$ 435	$ 453	$ 203	$ 6	$ 44	
Net Cash Provided (Used) by Investing Activities	(189)	(80)	(88)	29	(11)	
Net Cash Provided (Used) by Financing Activities	(271)	(361)	(89)	(21)	(17)	
Capital Expenditures	$ 353	$ 110	$ 86	$ 20	$ 24	

(1) Represents tons shipped primarily to our downstream operations (e.g., asphalt mix and ready-mixed concrete)

(2) Freight-adjusted sales price is calculated as total sales dollars (internal and external) less freight to remote distribution sites divided by total sales unites (internal and external)

(3) Calculated as Total Current Assets less Non Interest-bearing Current Liabilities

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Summary Historical Financial and Operating Data

	Year Ended			Three Months Ended		Last Twelve Months Ended
	12/31/08	12/31/09	12/31/10	3/31/10	3/31/11	3/31/11
	(In millions of dollars)					
Reconciliation of Net Earnings (Loss) to EBITDA:						
Net Income (loss)	$ 1	$ 30	$ (96)	$ (39)	$ (55)	$ (112)
Provision (Benefit) for Income Taxes	72	(38)	(90)	(34)	(37)	(93)
Interest Expense, Net	170	173	181	43	42	180
(Earnings) Loss on Discontinued Operations, Net of Taxes	2	(12)	(6)	(6)	(10)	(10)
Depreciation, Depletion, Accretion and Amortization	389	395	382	94	91	378
EBITDA	$ 634	$ 548	$ 371	$ 59	$ 31	$ 343
Goodwill Impairment	253					
Adjusted EBITDA	$ 886	$ 548	$ 371	$ 59	$ 31	$ 343

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RISK FACTORS

Any investment in the notes will involve risks. You should carefully consider the following risks, together with the information included in or incorporated by reference in this prospectus supplement and the accompanying prospectus before deciding whether an investment in the notes is suitable for you. In addition to the risk factors set forth below, we also specifically incorporate by reference into this prospectus supplement the section captioned Risk Factors contained in our Annual Report on Form 10-K for the year ended December 31, 2010, incorporated by reference herein. If any of these risks actually occurs, our business, results of operations or financial condition could be materially and adversely affected. In such an event, the trading prices of the notes could decline, and you might lose all or part of your investment.

Risks Related to an Investment in the Notes

The Indenture does not limit the amount of indebtedness that we may incur.

The Indenture (as defined under Description of the Notes) under which the notes will be issued does not limit the amount of indebtedness that we may incur. Other than as described under Description of the Notes Change of Control Repurchase Event in this prospectus supplement, the Indenture does not contain any financial covenants or other provisions that would afford the holders of the notes any substantial protection in the event we participate in a highly leveraged transaction.

The definition of a change of control requiring us to repurchase the notes is limited, so that the market price of the notes may decline if we enter into a transaction that is not a change of control under the Indenture governing the notes.

The term change of control (as used in the notes and the supplemental indenture) is limited in terms of its scope and does not include every event that might cause the market price of the notes to decline. In particular, we could effect a transaction like the mergers we completed in 2007 on a highly leveraged basis that would not be considered a change of control under the terms of the notes. Furthermore, we are required to repurchase notes upon a change of control only if, as a result of that change of control, the notes are downgraded to a rating that is below investment grade. As a result, our obligation to repurchase the notes upon the occurrence of a change of control is limited and may not preserve the value of the notes in the event of a highly leveraged transaction, reorganization, merger or similar transaction.

The notes are obligations exclusively of Vulcan Materials Company and not of our subsidiaries and payment to holders of the notes will be structurally subordinated to the claims of our subsidiaries creditors.

The notes will be our general unsecured obligations and will rank equally with all of our other current and future unsecured and unsubordinated debt and senior in right of payment to all of our future subordinated debt. The notes are not guaranteed by any of our subsidiaries. The notes will be effectively subordinated to all indebtedness and other liabilities of our subsidiaries. As of March 31, 2011, we and our subsidiaries had approximately $2.7 billion of total unsecured debt, approximately $41.6 million of which was debt of our subsidiaries, and approximately $52 thousand of secured debt.

The notes will be effectively junior to secured indebtedness that we may issue in the future and there is no limit on the amount of secured debt we may issue.

The notes are unsecured. As of March 31, 2011, we had approximately $52 thousand of secured debt, but we may issue secured debt in the future in an unlimited amount. Although the Indenture contains a covenant limiting our ability to issue debt secured by any shares of stock or debt of any restricted subsidiary or by any principal property, as defined in the Indenture relating to the notes, we had as of March 31, 2011 three such principal properties, which represented approximately 19.9% of our consolidated net tangible assets. We could secure any amount of indebtedness with liens on any of our other assets without equally and ratably securing the notes. Holders of our secured debt that we may issue in the future may foreclose on the assets securing that debt, reducing the cash flow from the foreclosed property available for payment of unsecured debt, including the notes. Holders of our secured debt also would have priority over unsecured creditors in the event of our bankruptcy, liquidation or similar proceeding.

There is no public market for the notes, which could limit their market price or your ability to sell them.

Each series of notes is a new issue of securities for which there currently is no trading market. As a result, we cannot provide any assurances that a market will develop for either series of notes or that you will be able to sell your notes. If any of the notes are traded after their initial issuance, they may trade at a discount from their initial offering price. Future trading prices of the notes will depend on many factors, including prevailing interest rates, the market for similar securities, general economic conditions and our financial condition, performance and prospects. Accordingly, you may be required to bear the financial risk of an investment in the notes for an indefinite period of time. We do not intend to apply for listing or quotation of either series of notes on any securities exchange or automated quotation system.

If active trading markets do not develop for the notes, you may be unable to sell your notes or to sell your notes at prices that you deem sufficient.

Each series of notes is a new issue of securities for which there currently are no established trading markets. We do not intend to list the notes on any securities exchange. While the underwriters of the notes have advised us that they intend to make a market in each series of notes, the underwriters will not be obligated to do so and may stop their market-making at any time. No assurance can be given:

- that a market for any series of notes will develop or continue;
- as to the liquidity of any market that does develop; or
- as to your ability to sell any notes you may own or the price at which you may be able to sell your notes.

Further downgrades or other changes in our credit ratings could occur or other events could affect our financial results and reduce the market value of the notes.

After recent downgrades, our debt securities are currently rated below investment grade by each of Moody s and S&P. A rating is not a recommendation to purchase, hold or sell our debt securities, since a rating does not predict the market price of a particular security or its suitability for a particular investor. Either rating organization may further lower our rating or decide not to rate our securities in its sole discretion. The rating of our debt securities is based primarily on the rating organization s assessment of the likelihood of timely payment of interest when due on our debt securities and the ultimate payment of principal of our debt securities on the final maturity date. Any ratings downgrade could increase our cost of borrowing or affect our ability to access financing or require certain actions to be performed to rectify such a situation. The reduction, suspension or withdrawal of the ratings of our debt securities will not, in and of itself, constitute an event of default under the Indenture.

Financial/Accounting Risks

We incurred additional debt to finance the Florida Rock merger which significantly increased our interest expense, financial leverage and debt service requirements.

We incurred considerable short-term and long-term debt to finance the Florida Rock merger. This debt, which significantly increased our leverage, has been a significant factor resulting in downgrades in our credit ratings.

Our cash flow is reduced by payments of principal and interest on this debt. Our debt instruments contain various financial and contractual restrictions. If we fail to comply with any of these covenants, the related indebtedness (and other unrelated indebtedness) could become due and payable prior to its stated maturity. An event of default under our debt instruments also could significantly affect our ability to obtain additional or alternative financing. If one or both rating agencies downgrade our ratings, it could further affect our ability to access financing.

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Our ability to make scheduled payments or to refinance our obligations with respect to indebtedness will depend on our operating and financial performance, which, in turn, is subject to prevailing economic conditions and to financial, business and other factors some of which are beyond our control.

Difficult and volatile conditions in the credit markets could affect our financial position, results of operations and cash flows.

The current economic environment has negatively affected the U.S. economy and demand for our products. Commercial and residential construction may continue to decline if companies and consumers are unable to finance construction projects or if the economic slowdown continues to cause delays or cancellations of capital projects.

A slow economic recovery also may increase the likelihood we will not be able to collect on our accounts receivable from our customers. We have experienced payment delays from some of our customers during this economic downturn.

The credit environment could limit our ability to obtain additional financing or refinancing and, if available, it may not be at economically favorable terms. Interest rates on new issuances of long-term public debt in the market may increase due to higher credit spreads and risk premiums. There is no guarantee we will be able to access the capital markets at favorable interest rates, which could negatively affect our financial results.

We may need to obtain financing in order to fund certain strategic acquisitions, if they arise, or refinance our outstanding debt.

Our industry is capital intensive, resulting in significant fixed and semi-fixed costs. Therefore, our earnings are highly sensitive to changes in volume.

Due to the high levels of fixed capital required for extracting and producing construction aggregates, both our dollar profits and our profits as a percentage of net sales (margin) can be negatively affected by decreases in volume.

We use estimates in accounting for a number of significant items. Changes in our estimates could affect our future financial results.

As discussed more fully in Critical Accounting Policies under Item 6 Management s Discussion and Analysis of Financial Condition and Results of Operations, in our annual report on Form 10-K for the year ended December 31, 2010 incorporated by reference herein we use significant judgment in accounting for:

- goodwill and goodwill impairment;
- impairment of long-lived assets excluding goodwill;
- reclamation costs;
- pension and other postretirement benefits;
- environmental compliance;
- claims and litigation including self-insurance; and
- income taxes.

We believe we have sufficient experience and reasonable procedures to enable us to make appropriate assumptions and formulate reasonable estimates; however, these assumptions and estimates could change significantly in the future and could adversely affect our financial position, results of operations, or cash flows.

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Economic/Political Risks

Both commercial and residential construction are dependent upon the overall U.S. economy which has been recovering at a slow pace.

Commercial and residential construction levels generally move with economic cycles. When the economy is strong, construction levels rise and when the economy is weak, construction levels fall. The overall U.S. economy has been adversely affected by this recession. Although most economists believe that the U.S. economy is now in recovery, the pace of recovery has been very slow. Since construction activity generally lags the recovery after down cycles, construction projects have not returned to their pre-recession levels.

Above average number of foreclosures, low housing starts and general weakness in the housing market continue to negatively affect demand for our products.

In most of our markets, particularly Florida and California, sales volumes have been negatively impacted by residential foreclosures and a significant decline in residential construction. Our sales volumes and earnings could continue to be depressed and negatively impacted by this segment of the market until the recovery in residential construction improves.

Lack of a multi-year federal highway bill and changes to the funding mechanism for highway funding could cause states to spend less on roads.

The last multi-year federal transportation bill, known as SAFETEA-LU, expired on September 30, 2009. Since that time, funding for transportation projects, including highways, has been provided pursuant to a series of continuing resolutions and the HIRE Act. Additionally, in January 2011, the House passed a new rules package that repealed transportation law dating back to 1998, which protected annual funding levels from amendments that could reduce such funding. This rule change subjects funding for highways to yearly appropriation reviews. Both the lack of a multi-year bill and the change in the funding mechanism increases the uncertainty of many state departments of transportation regarding funds for highway projects. This uncertainty could result in states being reluctant to undertake large multi-year highway projects which could, in turn, negatively affect our sales.

Changes in legal requirements and governmental policies concerning zoning, land use, environmental and other areas of the law impact our business.

Our operations are affected by numerous federal, state and local laws and regulations related to zoning, land use and environmental matters. Despite our compliance efforts, we have an inherent risk of liability in the operation of our business, especially from an environmental standpoint. These potential liabilities could have an adverse impact on our operations and profitability. In addition, our operations require numerous governmental approvals and permits, which often require us to make significant capital and maintenance expenditures to comply with zoning and environmental laws and regulations. Stricter laws and regulations, or more stringent interpretations of existing laws or regulations, may impose new liabilities on us, reduce operating hours, require additional investment by us in pollution control equipment, or impede our opening new or expanding existing plants or facilities.

Climate change and climate change legislation or regulations may adversely impact our business

A number of governmental bodies have introduced or are contemplating legislative and regulatory change in response to the potential impacts of climate change. Such legislation or regulation, if enacted, potentially could include provisions for a cap and trade system of allowances and credits, among other provisions. The Environmental Protection Agency (EPA) promulgated a mandatory reporting rule covering greenhouse gas emissions from sources considered to be large emitters. The EPA has also promulgated a greenhouse gas emissions permitting rule, referred to as the Tailoring Rule which requires permitting of large emitters of greenhouse gases under the Federal Clean Air Act. We have determined that our Newbery cement plant is subject to both the reporting rule and the permitting rule, although the impacts of the permitting rule are uncertain at this time. The first required greenhouse gas emissions report for the Newberry cement plant was recently submitted to the Federal EPA.

Other potential impacts of climate change include physical impacts such as disruption in production and product distribution due to impacts from major storm events, shifts in regional weather patterns and intensities, and potential impacts from sea level changes. There is also a potential for climate change legislation and regulation to adversely impact the cost of purchased energy and electricity.

The impacts of climate change on our operations and the company overall are highly uncertain and difficult to estimate. However, climate change and legislation and regulation concerning greenhouse gases could have a material adverse effect on our future financial position, results of operations or cash flows.

Growth And Competitive Risks

Within our local markets, we operate in a highly competitive industry.

The construction aggregates industry is highly fragmented with a large number of independent local producers in a number of our markets. Additionally, in most markets, we also compete against large private and public companies, some of which are more vertically integrated than we are. Therefore, there is intense competition in a number of markets in which we operate. This significant competition could lead to lower prices, lower sales volumes and higher costs in some markets, negatively affecting our earnings and cash flows. In certain markets, vertically integrated competitors have acquired a portion of our asphalt mix and ready-mixed concrete customers and this trend may continue to accelerate.

Our long-term success depends upon securing and permitting aggregates reserves in strategically located areas.

Construction aggregates are bulky and heavy and, therefore, difficult to transport efficiently. Because of the nature of the products, the freight costs can quickly surpass the production costs. Therefore, except for geographic regions that do not possess commercially viable deposits of aggregates and are served by rail, barge or ship, the markets for our products tend to be very localized around our quarry sites and are served by truck. New quarry sites often take a number of years to develop, therefore our strategic planning and new site development must stay ahead of actual growth. Additionally, in a number of urban and suburban areas in which we operate, it is increasingly difficult to permit new sites or expand existing sites due to community resistance. Therefore, our future success is dependent, in part, on our ability to accurately forecast future areas of high growth in order to locate optimal facility sites and on our ability to secure operating and environmental permits to operate at those sites.

Our future growth depends in part on acquiring other businesses in our industry and successfully integrating them with our existing operations.

The expansion of our business is dependent in part on the acquisition of existing businesses that own or control aggregates reserves. Disruptions in the availability of credit and financing could make it more difficult to capitalize on potential acquisitions. Additionally, with regard to the acquisitions we are able to complete, our future results will be dependent in part on our ability to successfully integrate these businesses with our existing operations.

Personnel Risks

Our future success greatly depends upon attracting and retaining qualified personnel, particularly in sales and operations.

A significant factor in our future profitability is our ability to attract, develop and retain qualified personnel. Our success in attracting qualified personnel, particularly in the areas of sales and operations, is affected by changing demographics of the available pool of workers with the training and skills necessary to fill the available positions, the impact on the labor supply due to general economic conditions, and our ability to offer competitive compensation and benefit packages.

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The costs of providing pension and healthcare benefits to our employees have risen in recent years. Continuing increases in such costs could negatively affect our earnings.

The costs of providing pension and healthcare benefits to our employees have increased substantially over the past several years. We have instituted measures to help slow the rate of increase. However, if these costs continue to rise, we could suffer an adverse effect on our financial position, results of operations or cash flows.

Other Risks

Weather can materially affect our operating results.

Almost all of our products are used in the public or private construction industry, and our production and distribution facilities are located outdoors. Inclement weather affects both our ability to produce and distribute our products and affects our customers short-term demand because their work also can be hampered by weather. Therefore, our financial results can be negatively affected by inclement weather.

Our products are transported by truck, rail, barge or ship, primarily by third-party providers. Significant delays or increased costs affecting these transportation methods could materially affect our operations and earnings.

Our products are distributed either by truck to local markets or by rail, barge or oceangoing vessel to remote markets. The costs of transporting our products could be negatively affected by factors outside of our control, including rail service interruptions or rate increases, tariffs, rising fuel costs and capacity constraints. Additionally, inclement weather, including hurricanes, tornadoes and other weather events, can negatively impact our distribution network.

We use large amounts of electricity, diesel fuel, liquid asphalt and other petroleum-based resources that are subject to potential supply constraints and significant price fluctuation.

In our production and distribution processes, we consume significant amounts of electricity, diesel fuel, liquid asphalt and other petroleum-based resources. The availability and pricing of these resources are subject to market forces that are beyond our control. Our suppliers contract separately for the purchase of such resources and our sources of supply could be interrupted should our suppliers not be able to obtain these materials due to higher demand or other factors that interrupt their availability. Variability in the supply and prices of these resources could materially affect our operating results from period to period and rising costs could erode our profitability.

We are involved in a number of legal proceedings. We cannot predict the outcome of litigation and other contingencies with certainty.

We are involved in several class action and complex litigation proceedings, some arising from our previous ownership and operation of our chemicals business. Although we divested our chemicals business in June 2005, we retained certain liabilities related to the business. As required by generally accepted accounting principles, we establish reserves when a loss is determined to be probable and the amount can be reasonably estimated. Our assessment of probability and loss estimates are based on the facts and circumstances known to us at a particular point in time. Subsequent developments in legal proceedings may affect our assessment and estimates of a loss contingency, and could result in an adverse effect on our financial position, results of operations or cash flows. For a description of our current significant legal proceedings see Note 12 Commitments and Contingencies in Item 8 Financial Statements and Supplementary Data in our annual report on Form 10-K for the year ended December 31, 2010, incorporated by reference herein.

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We are involved in certain environmental matters. We cannot predict the outcome of these contingencies with certainty.

We are involved in environmental investigations and cleanups at sites where we operate or have operated in the past or sent materials for recycling or disposal, primarily in connection with our divested chemicals and metals businesses. As required by generally accepted accounting principles, we establish reserves when a loss is determined to be probable and the amount can be reasonably estimated. Our assessment of probability and loss estimates are based on the facts and circumstances known to us at a particular point in time. Subsequent developments related to these matters may affect our assessment and estimates of loss contingency, and could result in an adverse effect on our financial position, results of operations or cash flows. For a description of our current significant environmental matters see Note 12 Commitments and Contingencies in Item 8 Financial Statements and Supplementary Data. in our annual report on Form 10-K for the year ended December 31, 2010, incorporated by reference herein.

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RATIO OF EARNINGS TO FIXED CHARGES

The ratio of earnings to fixed charges for Vulcan is set forth below for the periods indicated. For purposes of computing the ratio of earnings to fixed charges, earnings were calculated by adding (1) earnings from continuing operations before income taxes; (2) minority interest in earnings of a consolidated subsidiary; (3) fixed charges; (4) capitalized interest credits; and (5) amortization of capitalized interest. Fixed charges consist of: (1) interest expense before capitalization credits; (2) amortization of financing costs; and (3) one-third of rental expense.

Year Ended December 31,					Three Months Ended March 31,
2006	**2007**	**2008**	**2009**	**2010**	**2011**
12.9x	9.2x	1.3x	0.9x(1)	0.1x(1)	(1)

(1) Earnings were insufficient to cover fixed charges by approximately $192.4 million in 2009, $101.7 million in 2010, and $27.2 million in the three months ended March 31, 2011.

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USE OF PROCEEDS

We expect to receive net proceeds, after deducting underwriting discounts but before deducting other offering expenses, of approximately $ from this offering. We intend to use the proceeds to repay borrowings outstanding under our revolving credit facility, refinance and terminate our unsecured term loan agreement, fund a partial tender offer for certain of our outstanding 5.60% Senior Notes and 6.30% Senior Notes based on prices to be determined and for general corporate purposes.

Affiliates of each of the underwriters are lenders under various of our credit agreements. These affiliates are entitled to be repaid with the proceeds that are used to repay the revolving credit facility and the unsecured term loan and will receive their pro rata portion of such repayment. Certain of the underwriters or their affiliates may be holders of the 5.60% Senior Notes and the 6.30% Senior Notes and therefore would receive a portion of the proceeds from this offering in connection with the tender offer.

As of May 27, 2011, we had $450 million outstanding borrowings under our term loan agreement at variable interest rates London Interbank Offer Rate LIBOR plus a spread based on our long-term credit rating at the time of borrowing. As of March 31, 2011 the spread was 2.50% above LIBOR. Our term loan agreement matures July 7, 2015.

As of May 27, 2011, we had $325 million outstanding borrowings under our revolving credit facility. Borrowings under this credit facility, which are classified as short-term, bear an interest rate based on (LIBOR) plus a credit spread. This credit spread was 30 basis points (0.30 percentage points) based on our long-term debt ratings as of March 31, 2011. Our revolving credit facility matures November 16, 2012.

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CAPITALIZATION

The following table sets forth our capitalization, on a consolidated basis, as of March 31, 2011:

on an actual basis; and

as adjusted to give effect to the sale of the notes in this offering and the application of the net proceeds, after deducting underwriting discounts but before deducting other offering expenses, as described under Use of Proceeds.

The unaudited information set forth below should be read in conjunction with our Annual Report on Form 10-K for the year ended December 31, 2010, and our Quarterly Report on Form 10-Q for the quarter ended March 31, 2011, each incorporated by reference herein.

	As of March 31, 2011	
	Actual	**As Adjusted**
	(Amounts in thousands)	
Short-term bank borrowings	$ 300,000	$
Current portion of long term debt	5,238	5,238
Total current debt and short-term borrowings	305,238	
Notes offered hereby		1,000,000
5-year floating term loan issued 2010	450,000	
10.125% Notes due 2015(1)	149,612	149,612
10.375% Notes due 2018(2)	248,424	248,424
6.30% Notes due 2013(3)	249,754	
7.00% Notes due 2018(4)	399,666	399,666
5.60% Notes due 2012(5)	299,801	
6.40% Notes due 2017(6)	349,856	349,856
7.15% Notes due 2037(7)	249,326	249,326
Medium-term notes	21,000	21,000
Industrial revenue bonds	14,000	14,000
Other notes	1,395	1,395
LESS: Current portion of long term debt	(5,238)	(5,238)
Total long-term debt	2,427,596	
Total debt	2,732,834	
Shareholders equity	3,890,127	
Total debt and shareholders equity	$ 6,638,451	$

(1) Includes a decrease in valuation for unamortized discounts of $388 thousand.

(2) Includes a decrease in valuation for unamortized discounts of $1,576 thousand.

(3) Includes a decrease in valuation for unamortized discounts of $246 thousand.

(4) Includes a decrease in valuation for unamortized discounts of $334 thousand.

(5) Includes a decrease in valuation for unamortized discounts of $199 thousand.

(6) Includes a decrease in valuation for unamortized discounts of $144 thousand.

(7) Includes a decrease in valuation for unamortized discounts of $674 thousand.

SELECTED HISTORICAL CONSOLIDATED FINANCIAL DATA

The following table shows our selected historical financial data as of an for each of the fiscal years in the five-year period ended December 31, 2010 and the three months ended March 31, 2011 and 2010. The data as of and for the three months ended March 31, 2011 and 2010 have been derived from our unaudited financial statements. The unaudited financial data has been prepared on a basis consistent with our annual audited financial statements. In our opinion, such unaudited financial data reflects all adjustments, consisting only of normal and recurring adjustments, necessary for a fair statement of the results for those periods. The results for any interim period are not necessarily indicative of the results that may be expected for a full fiscal year.

The selected historical financial data should be read in conjunction with Management s Discussion and Analysis of Financial Condition and Results of Operations and our consolidated financial statements and related notes incorporated by reference herein.

	Year Ended					Three Months Ended	
	12/31/06	**12/31/07**	**12/31/08**	**12/31/09**	**12/31/10**	**3/31/10**	**3/31/11**
	(In millions of dollars)						
Consolidated Statement of Operations Data:							
Net Sales	$ 3,041	$ 3,090	$ 3,453	$ 2,544	$ 2,406	$ 465	$ 456
Total Revenues	3,342	3,328	3,651	2,690	2,559	493	487
Gross Profit	932	951	750	446	301	1	(7)
Operating Earnings (Loss)	695	714	249	148	(15)	(37)	(61)
Earnings (Loss) from Continuing Operations	480	463	3	19	(103)	(44)	(65)
Net Earnings (Loss)	$ 470	$ 451	$ 1	$ 30	$ (96)	$ (39)	$ (55)
Other Operating Data:							
Aggregates Unit Shipments (in Millions of Tons):							
Internal(1)	13	12	16	12	11	2	2
Customer	242	219	188	139	136	25	25
Total	255	231	204	151	148	27	27
Aggregates Selling Price:							
Freight-Adjusted Average Sales Price Per Ton(2)	$ 8.30	$ 9.35	$ 9.98	$ 10.30	$ 10.13	$ 10.35	$ 10.33
Aggregates Reserves (in Billions of Tons):	11.4	12.7	13.3	14.2	14.7		
Balance Sheet Data:							
Cash and Cash Equivalents	$ 55	$ 35	$ 10	$ 22	$ 48	$ 36	$ 63
Net Operating Working Capital(3)	443	756	625	498	497	472	452
Property, Plant & Equipment, Net	1,869	3,620	4,156	3,875	3,633	3,793	3,593
Total Assets	3,428	8,927	8,908	8,525	8,338	8,467	8,299
Total Debt	522	3,657	3,548	2,738	2,718	2,726	2,733

Total Shareholders Equity	$ 2,011	$ 3,771	$ 3,539	$ 4,037	$ 3,965	$ 4,048	$ 3,906
Cash Flow Statement Data:							
Net Cash Provided (Used) by Operating Activities	$ 579	$ 708	$ 435	$ 453	$ 203	$ 6	$ 44
Net Cash Provided (Used) by Investing Activities	(105)	(3,654)	(189)	(80)	(88)	29	(11)
Net Cash Provided (Used) by Financing Activities	(694)	2,926	(271)	(361)	(89)	(21)	(17)
Capital Expenditures	$ 435	$ 483	$ 353	$ 110	$ 86	$ 20	$ 24
Selected Financial Data:							
EBITDA	$ 950	$ 981	$ 634	$ 548	$ 371	$ 59	$ 31
Adjusted EBITDA	$ 950	$ 981	$ 886	$ 548	$ 371	$ 59	$ 31
Reconciliation of Net Earnings (Loss) to EBITDA:							
Net Income (loss)	$ 470	$ 451	$ 1	$ 30	$ (96)	$ (39)	$ (55)
Provision (Benefit) for Income Taxes	223	204	72	(38)	(90)	(34)	(37)
Interest Expense, Net	20	42	170	173	181	43	42
(Earnings) Loss on Discontinued Operations, Net of Taxes	10	12	2	(12)	(6)	(6)	(10)
Depreciation, Depletion, Accretion and Amortization	226	271	389	395	382	94	91
EBITDA	$ 950	$ 981	$ 634	$ 548	$ 371	$ 59	$ 31
Goodwill Impairment			253				
Adjusted EBITDA	$ 950	$ 981	$ 886	$ 548	$ 371	$ 59	$ 31

(1) Represents tons shipped primarily to our downstream operations (e.g., asphalt mix and ready-mixed concrete)

(2) Freight-adjusted sales price is calculated as total sales dollars (internal and external) less freight to remote distribution sites divided by total sales unites (internal and external)

(3) Calculated as Total Current Assets less Non Interest-bearing Current Liabilities

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MANAGEMENT DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following discussion and analysis provides information which management believes is relevant to an assessment and understanding of the consolidated results of operations and our and our subsidiaries financial condition. You should read this discussion in conjunction with our Consolidated Financial Statements and the notes thereto in our annual report on Form 10-K for the year ended December 31, 2010, incorporated by reference herein and our quarterly report on Form 10-Q for the quarter ending March 31, 2011 and the information set forth under Selected Consolidated Financial Information , incorporated by reference herein. The discussion, as well as certain information contained elsewhere in this prospectus supplement, contain forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended, and are intended to be covered by the safe harbor created thereby. See Forward-Looking Statements above.

Business

We are a New Jersey corporation and the nation s largest producer of construction aggregates: primarily crushed stone, sand, and gravel. We have 319 aggregates facilities. We also are a major producer of asphalt mix and ready- mixed concrete as well as a leading producer of cement in Florida.

Demand for our products is dependent on construction activity. The primary end uses include public construction, such as highways, bridges, airports, schools and prisons, as well as private nonresidential (e.g., manufacturing, retail, offices, industrial and institutional) and private residential construction (e.g., single- family houses, duplexes, apartment buildings and condominiums). Customers for our products include heavy construction and paving contractors; commercial building contractors; concrete products manufacturers; residential building contractors; state, county and municipal governments; railroads and electric utilities.

We operate primarily in the United States and our principal product aggregates is used in virtually all types of public and private construction projects and in the production of asphalt mix and ready- mixed concrete. Aggregates have a high weight- to- value ratio and, in most cases, must be produced near where they are used; if not, transportation can cost more than the materials. Exceptions to this typical market structure include areas along the U.S. Gulf Coast and the Eastern Seaboard where there are limited supplies of locally available high quality aggregates. We serve these markets from inland quarries shipping by barge and rail and from our quarry on Mexico s Yucatan Peninsula. We transport aggregates from Mexico to the U.S. principally on our three Panamax- class, self- unloading ships.

Our Market Environment

We focus on the U.S. markets with the greatest expected population growth and where construction is expected to expand. Because transportation is a significant part of the delivered cost of aggregates, our facilities are typically located in the markets they serve or with access to economical transportation to their markets. We serve both the public and the private sectors.

Public Sector

Public sector construction includes spending by federal, state, and local governments for highways, bridges and airports as well as other infrastructure construction for sewer and waste disposal systems, water supply systems, dams, reservoirs and other public construction projects. Construction for power plants and other utilities is funded from both public and private sources. In 2010, publicly funded construction accounted for 55% of our total aggregates shipments.

Generally, public sector construction spending is more stable than private sector construction because public sector spending is less sensitive to interest rates and has historically been supported by multi- year legislation and programs. For example, the federal transportation bill is a principal source of federal funding for public infrastructure and transportation projects. For over two decades, projects have been funded through a series of multi- year bills. The long- term aspect of these bills is critical because it provides state

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departments of transportation with the ability to plan and execute long- term and complex highway projects. Federal highway spending is governed by multi- year authorization bills and annual budget appropriations using funds largely from the Federal Highway Trust Fund. This trust receives funding from taxes on gasoline and other levies. The level of state spending on infrastructure varies across the United States and depends on individual state needs and economies. In 2010, approximately 30% of our aggregates sales by volume were used in highway construction projects.

The most recent federal transportation bill, known as SAFETEA- LU, expired on September 30, 2009. Congress has yet to pass a replacement bill. As a result, funds for highway construction are being provided by a series of authorized extensions with appropriations at fiscal year 2010 levels. This uncertainty in funding may lead some states to defer large multi- year projects until such time as there is greater certainty of funding.

A significant need exists for additional and ongoing investments in the nation s infrastructure. In 2009, a report by the American Society of Civil Engineers (ASCE) gave our nation s infrastructure an overall grade of D and estimated that an investment of $2.2 trillion over a five- year period is needed for improvements. While the needs are clear, the source of funding for infrastructure improvements is not. In its report, the ASCE suggests that all levels of government, owners and users need to renew their commitment to infrastructure investments in all categories and that all available financing options should be explored and debated.

The American Recovery and Reinvestment Act of 2009 (the Stimulus or ARRA) was signed into law on February 17, 2009 to create jobs and restore economic growth through, among other things, the modernization of America s infrastructure and improving its energy resources. Included in the $787 billion of economic stimulus funding is $50 to $60 billion of heavy construction, including $27.5 billion for highways and bridges. This federal funding for highways and bridges, unlike typical federal funding programs for infrastructure, does not require states to provide matching funds. The nature of the projects that are being funded by ARRA generally will require considerable quantities of aggregates.

Publicly- funded construction activity increased in 2010 due mostly to the Stimulus. According to the Federal Highway Administration, approximately $7.1 billion or 43% of the total Stimulus funds apportioned for highways and bridges in Vulcan- served states remains to be spent. The pace of obligating, bidding, awarding and starting stimulus-related highway construction projects has varied widely across states. These state- by- state differences in awarding projects and spending patterns are due, in part, to the types of planned projects and to the proportion sub- allocated to metropolitan planning organizations where project planning and execution can be more complicated and time consuming.

Private Sector

The private sector market includes both nonresidential buildings and residential construction and is more cyclical than public construction. In 2010, privately- funded construction accounted for 45% of our total aggregates shipments.

Private nonresidential construction includes a wide array of types of projects. Such projects generally are more aggregates intensive than residential construction, but less aggregates intensive than public construction. Overall demand in private nonresidential construction is generally driven by job growth, vacancy rates, private infrastructure needs and demographic trends. The growth of the private workforce creates demand for offices, hotels and restaurants. Likewise, population growth generates demand for stores, shopping centers, warehouses and parking decks as well as hospitals, churches and entertainment facilities. Large industrial projects, such as a new manufacturing facility, can increase the need for other manufacturing plants to supply parts and assemblies. Construction activity in this end market is influenced by a firm s ability to finance a project and the cost of such financing.

Consistent with past cycles of private sector construction, private nonresidential construction remained strong after residential construction peaked in 2006. However, in late 2007, contract awards for nonresidential buildings peaked. In 2008, contract awards in the U.S. declined 24% from the prior year and in 2009 fell sharply, declining 56% from 2008 levels. Contract awards for stores and office buildings were the weakest categories of nonresidential construction in 2009, declining more than 60% from the prior year. Employment growth, more attractive lending standards and general recovery in the economy will help drive growth in construction activity in this end market.

The majority of residential construction is for single- family houses with the remainder consisting of multi- family construction (i.e., two family houses, apartment buildings and condominiums). Public housing comprises only a small portion of the housing demand. Household formations in Vulcan s markets have grown faster than the U.S. as a whole in the last 10 years. During that time, household growth was 12% in our markets compared to 6% in the remainder of the U.S. Construction activity in this end market is influenced by the cost and availability of mortgage financing. Demand for our products generally occurs early in the infrastructure phase of residential construction and later as part of driveways or parking lots.

U.S. housing starts, as measured by McGraw- Hill data, peaked in early 2006 at over 2 million units annually. By the end of 2009, total housing starts had declined to less than 600,000 units, well below prior historical lows of approximately 1 million units annually. However, in the summer of 2009, single- family housing starts began to stabilize as evidenced by the graph below. By the end of 2010, single- family starts exhibited some modest growth, breaking almost four consecutive years of decline.

In 2010, total U.S. housing starts increased 4% from the prior year. While these results don t necessarily indicate a sustained recovery in residential construction, the modest improvement in construction activity is encouraging. Lower home prices, attractive mortgage interest rates and fewer existing homes for sale provide some optimism for housing construction in 2011 and beyond.

Seasonality

Almost all our products are produced and consumed outdoors. Seasonal changes and other weather- related conditions can affect the production and sales volumes of our products. Therefore, the financial results for any quarter do not necessarily indicate the results expected for the year. Normally, the highest sales and earnings are in the third quarter and the lowest are in the first quarter. Furthermore, our sales and earnings are sensitive to national, regional and local economic conditions and particularly to cyclical swings in construction spending, primarily in the private sector. The levels of construction spending are affected by changing interest rates and demographic and population fluctuations.

Competition

We operate in an industry that is very fragmented with a large number of small, privately- held companies. We estimate that the ten largest aggregates producers account for approximately 30% to 35% of the total U.S. aggregates production. Despite being the industry leader, Vulcan s total U.S. market share is less than 10%. Other publicly traded companies among the ten largest U.S. aggregates producers include the following: Cemex S.A.B. de C.V., CRH, plc. Heidelberg Cement AG, Holcim, Ltd., Lafarge SA, Martin Marietta Materials, Inc., MDU Resources Group, Inc.

Because the U.S. aggregates industry is highly fragmented, with approximately 5,000 companies managing more than 9,000 operations, many opportunities for consolidation exist. Therefore, companies in the industry tend to grow by entering new markets or enhancing their market positions by acquiring existing facilities.

Customers

No material part of our business is dependent upon any customers whose loss would have an adverse effect on our business. In 2010, our top five customers accounted for 4.3% of our total revenues (excluding internal sales), and no single customer accounted for more than 1.3% of our total revenues. Our products typically are sold to private industry and not directly to governmental entities. Although approximately 45% to 55% of our aggregates shipments have historically been used in publicly funded construction, such as highways, airports and government buildings, relatively insignificant sales are made directly to federal, state, county or municipal governments/agencies. Therefore, although reductions in state and federal funding can

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curtail publicly funded construction, our business is not directly subject to renegotiation of profits or termination of contracts with state or federal governments.

Properties

AGGREGATES

As the largest U.S. producer of construction aggregates, we have operating facilities across the U.S. and in Mexico and the Bahamas. We principally serve markets in 21 states, the District of Columbia and the local markets surrounding our operations in Mexico and the Bahamas. Our primary focus is serving states and metropolitan markets in the U.S. that are expected to experience the most significant growth in population, households and employment. These three demographic factors are significant drivers of demand for aggregates.

Our current estimate of 14.7 billion tons of proven and probable aggregates reserves reflects an increase of 0.5 billion tons from the estimate at the end of 2009. Estimates of reserves are of recoverable stone, sand and gravel of suitable quality for economic extraction, based on drilling and studies by our geologists and engineers, recognizing reasonable economic and operating restraints as to maximum depth of overburden and stone excavation, and subject to permit or other restrictions.

Proven, or measured, reserves are those reserves for which the quantity is computed from dimensions revealed by drill data, together with other direct and measurable observations such as outcrops, trenches and quarry faces. The grade and quality of those reserves are computed from the results of detailed sampling, and the sampling and measurement data are spaced so closely and the geologic character is so well defined that size, shape, depth and mineral content of reserves are well established. Probable, or indicated, reserves are those reserves for which quantity and grade and quality are computed partly from specific measurements and partly from projections based on reasonable, though not drilled, geologic evidence. The degree of assurance, although lower than that for proven reserves, is high enough to assume continuity between points of observation.

Reported proven and probable reserves include only quantities that are owned in fee or under lease, and for which all appropriate zoning and permitting have been obtained. Leases, zoning, permits, reclamation plans and other government or industry regulations often set limits on the areas, depths and lengths of time allowed

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for mining, stipulate setbacks and slopes that must be left in place, and designate which areas may be used for surface facilities, berms, and overburden or waste storage, among other requirements and restrictions. Our reserves estimates take into account these factors. Technical and economic factors also affect the estimates of reported reserves regardless of what might otherwise be considered proven or probable based on a geologic analysis. For example, excessive overburden or weathered rock, rock quality issues, excessive mining depths, groundwater issues, overlying wetlands, endangered species habitats, and rights of way or easements may effectively limit the quantity of reserves considered proven and probable. In addition, computations for reserves in-place are adjusted for estimates of unsaleable sizes and materials as well as pit and plant waste.

The 14.7 billion tons of estimated aggregates reserves reported at the end of 2010 include reserves at inactive and greenfield (undeveloped) sites. We reported proven and probable reserves of 14.2 billion tons at the end of 2009 using the same basis. The table below presents, by division, the tons of proven and probable aggregates reserves as of December 31, 2010 and the types of facilities operated.

		Number of Aggregates Operating Facilities(1)		
	Reserves (Billions of tons)	**Stone**	**Sand and Gravel**	**Sales Yards**
By Division:				
Florida Rock	0.5	5	11	8
Mideast	3.8	36	2	23
Midsouth	2.1	41	1	0
Midwest	2.0	17	4	4
Southeast	2.6	34	0	3
Southern and Gulf Coast	2.0	23	1	27
Southwest	0.8	13	1	12
Western	0.9	3	23	4
Total	**14.7**	**172**	**43**	**81**

(1) In addition to the facilities included in the table above, we operate 23 recrushed concrete plants which are not dependent on reserves.

Of the 14.7 billion tons of aggregates reserves, 8.3 billion tons or 56% are located on owned land and 6.4 billion tons or 44% are located on leased land. While some of our leases run until reserves at the leased sites are exhausted, generally our leases have definite expiration dates, which range from 2011 to 2159. Most of our leases have renewal options to extend them well beyond their current terms at our discretion.

The following table lists our ten largest active aggregates facilities based on the total proven and probable reserves at the sites. None of the listed aggregates facilities other than Playa del Carmen contributes more than 5% to our net sales.

Location (Nearest Major Metropolitan Area)	Reserves (Millions of tons)
Playa del Carmen (Cancun), Mexico	657.5
Hanover (Harrisburg), Pennsylvania	561.2
McCook (Chicago), Illinois	442.3
Dekalb (Chicago), Illinois	366.3
Gold Hill (Charlotte), North Carolina	294.2
Macon, Georgia	257.5
Rockingham (Charlotte), North Carolina	257.4
Cabarrus (Charlotte), North Carolina	217.7
1604 Stone (San Antonio), Texas	211.8
Grand Rivers (Paducah), Kentucky	175.3

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ASPHALT MIX, CONCRETE AND CEMENT

We also operate a number of other facilities in several of our divisions:

Division	Asphalt Mix Facilities	Concrete Facilities(1)	Cement Facilities(2)
Florida Rock	0	71	4
Northern Concrete	0	34	0
Southeast	0	6	0
Southwest	11	4	0
Western	26	16	0

(1) Includes ready-mixed concrete, concrete block and other concrete products facilities.

(2) Includes one cement manufacturing facility, two cement import terminals and a calcium plant.

The asphalt mix and concrete facilities are able to meet their needs for raw material inputs with a combination of internally sourced and purchased raw materials. Our Cement segment operates two limestone quarries in Florida which provide our cement production facility with feedstock materials.

Location	Reserves (Millions of tons)
Newberry	192.7
Brooksville	6.3

Results Of Operations For The Three Months Ended March 31, 2011 As Compared To The Three Months Ended March 31, 2010

We include intersegment sales in our comparative analysis of segment revenue at the product line level. Net sales and cost of goods sold exclude intersegment sales and delivery revenues and costs. This presentation is consistent with the basis on which we review results of operations. We discuss separately our discontinued operations, which consist of our former Chemicals business.

CONSOLIDATED OPERATING RESULTS

	Three Months Ended March 31	
	2011	2010
	In millions, except per share data	
Net sales	**$ 456.3**	$ 464.5
Cost of goods sold	**463.4**	463.6

Gross profit	**$**	**(7.1)**	$	0.9
Operating loss	**$**	**(61.2)**	$	(36.8)
Loss from continuing operations before income taxes	**$**	**(102.1)**	$	(78.7)
Loss from continuing operations	**$**	**(64.6)**	$	(44.4)
Earnings on discontinued operations, net of income taxes		**9.9**		5.7
Net loss	**$**	**(54.7)**	$	(38.7)
Basic earnings (loss) per share				
Continuing operations	**$**	**(0.50)**	$	(0.35)
Discontinued operations		**0.08**		0.04
Basic net loss per share	**$**	**(0.42)**	$	(0.31)
Diluted earnings (loss) per share				
Continuing operations	**$**	**(0.50)**	$	(0.35)
Discontinued operations		**0.08**		0.04
Diluted net loss per share	**$**	**(0.42)**	$	(0.31)

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FIRST QUARTER 2011 COMPARED TO FIRST QUARTER 2010

First quarter net sales were $456.3 million, down 1.8% from the first quarter of 2010. Shipments were down in all product lines with the exception of cement which was essentially flat due to increased internal shipments.

Results for the first quarter were a net loss of $54.7 million or ($0.42) per diluted share compared to a net loss of $38.7 million or ($0.31) per diluted share in the first quarter of 2010. Higher unit costs for diesel fuel and liquid asphalt in the current quarter resulted in higher pretax costs of $9.8 million. The current quarter s results include a pretax gain of $25.5 million related to partial recovery of a legal settlement (see Note 19 to the condensed consolidated financial statements) while the first quarter 2010 results include a pretax gain of $39.5 million on the sale of three non-strategic aggregates facilities located in rural Virginia.

CONTINUING OPERATIONS Changes in loss from continuing operations before income taxes for the first quarter of 2011 versus the first quarter of 2010 are summarized below:

LOSS FROM CONTINUING OPERATIONS BEFORE INCOME TAXES

	In millions	
First quarter 2010	$	(78.7)
Lower aggregates earnings due to		
Lower volumes		(4.1)
Lower selling prices		(0.7)
Lower costs		0.2
Higher concrete earnings		1.7
Lower asphalt mix earnings		(1.3)
Lower cement earnings		(3.8)
Lower selling, administrative and general expenses		9.0
Lower gain on sale of property, plant & equipment and businesses		(47.9)
Recovery from legal settlement		25.5
All other		(2.0)
First quarter 2011	**$**	**(102.1)**

Gross profit for the Aggregates segment was $10.7 million in the first quarter of 2011 compared to $15.4 million in the first quarter of 2010. This $4.7 million decline was due mostly to lower shipments. A number of Vulcan-served markets, most notably markets in California, the mid-Atlantic and the Southeast experienced unusually wet weather in March. Despite the inclement March weather, our Virginia, Tennessee and Georgia aggregates businesses increased shipments versus the prior year s first quarter, due primarily to stronger demand from public infrastructure projects. Markets that experienced declines in shipments include South Carolina, Florida and markets along the Gulf Coast.

The average selling price for aggregates was in line with the prior year. Adjusted for freight to remote distribution yards and mix, the overall average selling price was slightly above last year s level. The adjusted selling price in Florida increased from the prior year s level. A number of other markets reported unit selling prices at or above the prior year s first quarter pace. However, some geographic and end-use markets that have experienced the steepest overall declines in demand reported lower average prices when compared with the prior year. Reflecting production efficiencies and effective cost control measures, aggregates unit costs of sales were in line with the first quarter of 2010 despite sharply higher costs for diesel.

The Concrete segment reported a loss of $14.4 million, an improvement from the prior year s first quarter. Unit materials margins in ready-mixed concrete improved from the prior year s first quarter due mostly to higher pricing. Concrete prices increased 4% from the prior year s first quarter.

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Asphalt mix segment earnings were a loss of $0.2 million compared with earnings of $1.1 million in the prior year s first quarter. Selling prices for asphalt mix increased approximately 4%, offsetting most of the earnings effect of higher liquid asphalt costs. Asphalt volumes decreased 2% from the prior year s first quarter due primarily to wet weather in March. Unit materials margins in the first quarter were higher than the prior year and were in line with the improved levels achieved in the second half of 2010.

The Cement segment reported a loss of $3.2 million versus earnings of $0.6 million in the first quarter of 2010. This $3.8 million decline was due mostly to a scheduled maintenance event in the current quarter.

SAG expenses in the first quarter were $77.5 million versus $86.5 million in the prior year s first quarter. Excluding the effects of the aforementioned donated real estate from the prior year s first quarter, SAG expenses were flat with the prior year.

The $8.4 million difference between the fair value of the donated real estate and the carrying value was recorded as a gain on sale of property, plant & equipment and businesses in the prior year. In March 2010, we recorded a pretax gain of $39.5 million on the March 2010 sale of three non-strategic aggregates facilities in rural Virginia. There were no similar gains recorded in the current quarter.

The $25.5 million in recovery from legal settlement included in the current quarter s results reflects the arbitration award from insurers related to the lawsuit settled last year with IDOT.

We recorded income tax benefits from continuing operations of $37.4 million in the first quarter of 2011 compared to $34.2 million in the first quarter of 2010. In both of these quarters, we were required to apply the alternative methodology to calculate the income tax benefit as discussed in Note 4 to the condensed consolidated financial statements. The $3.2 million increase in our income tax benefit resulted mainly from the larger pretax loss and an increase in the depletion benefit partially offset by discrete income tax adjustments booked in the first quarter of 2011.

Results from continuing operations were a loss of ($0.50) per diluted share compared with a loss of ($0.35) per diluted share in the first quarter of 2010.

DISCONTINUED OPERATIONS The first quarter 2011 pretax earnings on discontinued operations of $16.4 million include pretax gains of $11.1 million related to the 5CP earn-out and $7.5 million recognized on recovery from an insurer in lawsuits involving perchloroethylene. These gains were offset in part by general and product liability costs, including legal defense costs, and environmental remediation costs associated with our former Chemicals business.

The first quarter 2010 pretax earnings on discontinued operations of $8.9 million include pretax gains of $7.9 million related to the 5CP earn-out and $1.2 million of insurance recoveries. These gains were also offset in part by general and product liability costs, including legal defense costs, and environmental remediation costs associated with our former Chemicals business.

RECONCILIATION OF NON-GAAP FINANCIAL MEASURES

Generally Accepted Accounting Principles (GAAP) does not define free cash flow and Earnings Before Interest, Taxes, Depreciation and Amortization (EBITDA). Thus, they should not be considered as an alternative to net cash provided by operating activities or any other liquidity or earnings measure defined by GAAP. We present these metrics for the convenience of investment professionals who use such metrics in their analysis, and for shareholders who need to understand the metrics we use to assess performance and to monitor our cash and liquidity positions. The investment community often uses these metrics as indicators of a company s ability to incur and service debt. We use free cash flow, EBITDA and other such measures to assess the operating performance of our various business units and the consolidated company. We do not use

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these metrics as a measure to allocate resources. Reconciliations of these metrics to their nearest GAAP measures are presented below:

FREE CASH FLOW

Free cash flow deducts purchases of property, plant & equipment from net cash provided by operating activities.

	Three Months Ended March 31	
	2011	**2010**
	In millions	
Net cash provided by operating activities	**$ 44.1**	$ 6.4
Purchases of property, plant & equipment	**(24.3)**	(19.7)
Free cash flow	**$ 19.8**	$ (13.3)

EBITDA

EBITDA is an acronym for Earnings Before Interest, Taxes, Depreciation and Amortization.

	Three Months Ended March 31	
	2011	**2010**
	In millions	
Net cash provided by operating activities	**$ 44.1**	$ 6.4
Changes in operating assets and liabilities before initial effects of business acquisitions and dispositions	**(68.4)**	(46.5)
Other net operating items using cash	**60.1**	95.5
Earnings on discontinued operations, net of taxes	**(9.9)**	(5.7)
Benefit from income taxes	**(37.4)**	(34.2)
Interest expense, net	**42.3**	43.3
EBITDA	**$ 30.8**	$ 58.8

	Three Months Ended March 31	
	2011	**2010**
	In millions	
Net loss	**($ 54.7)**	$ (38.7)
Benefit from income taxes	**(37.4)**	(34.2)
Interest expense, net	**42.3**	43.3

Earnings on discontinued operations, net of taxes	**(9.9)**	(5.7)
Depreciation, depletion, accretion and amortization	**90.5**	94.1
EBITDA	**$ 30.8**	$ 58.8

Results Of Operations For The Year Ended December 31, 2010 As Compared To The Years Ended December 31, 2009 And December 31, 2008

Intersegment sales are internal sales between any of our four operating segments:

1. Aggregates

2. Concrete

3. Asphalt mix

4. Cement

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Intersegment sales consist of our Aggregates and Cement segments selling product to our Concrete segment and our Aggregates segment selling product to our Asphalt mix segment. We include intersegment sales in our comparative analysis of segment revenue at the product line level. These intersegment sales are made at local market prices for the particular grade and quality of material required. Net sales and cost of goods sold exclude intersegment sales and delivery revenues and cost. This presentation is consistent with the basis on which we review results of operations. We discuss separately our discontinued operations, which consist of our former Chemicals business.

The following table shows net earnings in relationship to net sales, cost of goods sold, operating earnings and EBITDA.

CONSOLIDATED OPERATING RESULTS

	For the Years Ended December 31		
	2010	**2009**	**2008**
	Amounts in millions, except per share data		
Net sales	**$ 2,405.9**	$ 2,543.7	$ 3,453.1
Cost of goods sold	**2,105.2**	2,097.7	2,703.4
Gross profit	**$ 300.7**	$ 446.0	$ 749.7
Operating earnings (loss)	**$ (14.5)**	$ 148.5	$ 249.1
Earnings (loss) from continuing operations before income taxes	**$ (192.2)**	$ (19.2)	$ 75.1
Earnings (loss) from continuing operations	**$ (102.5)**	$ 18.6	$ 3.4
Earnings (loss) on discontinued operations, net of income taxes	**6.0**	11.7	(2.5)
Net earnings (loss)	**$ (96.5)**	$ 30.3	$ 0.9
Basic earnings (loss) per share Continuing operations	**$ (0.80)**	$ 0.16	$ 0.03
Discontinued operations	**0.05**	0.09	(0.02)
Basic net earnings (loss) per share	**$ (0.75)**	$ 0.25	$ 0.01
Diluted earnings (loss) per share Continuing operations	**$ (0.80)**	$ 0.16	$ 0.03
Discontinued operations	**0.05**	0.09	(0.02)
Diluted net earnings (loss) per share	**$ (0.75)**	$ 0.25	$ 0.01
EBITDA (adjusted EBITDA in 2008)	**$ 370.6**	$ 548.4	$ 886.5

The length and depth of the decline in construction activity and aggregates demand during this economic downturn have been unprecedented. Our aggregates shipments in 2010 were just over half the level shipped in 2005 when demand peaked. We continued to manage our business to maximize cash generation. In 2010, we again reduced inventory levels of aggregates. While this action negatively affected reported earnings, it increased cash generation and better positions us to increase production and earnings as demand recovers. We also continued to reduce our overhead expenses. Cost associated with implementing some of these reductions increased selling, administrative and general expense in 2010; however, the benefits of these overhead reductions should be realized in 2011 and beyond.

The 2010 results include $43.0 million of pretax charges related to the settlement of a lawsuit with the Illinois Department of Transportation (IDOT), a $39.5 million pretax gain associated with the sale of non-strategic assets in rural Virginia and increased pretax costs of $51.4 million related to higher unit costs for diesel fuel and liquid asphalt. While we believed that the IDOT settlement was covered by insurance, we did not recognize its recovery as of December 31, 2010 due to uncertainty as to the amount and timing of a recovery. However, in February 2011 we completed the first of two arbitrations in which two of our three insurers participated. The arbitration panel awarded us a total of $25.5 million in payment of their share of the settlement amount and attorneys fees. This award will be recorded as income in the first quarter of 2011.

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The 2008 results include a $252.7 million pretax goodwill impairment charge for our Cement segment. The 2008 results also include a $73.8 million pretax gain from the sale of mining operations divested as a condition for approval of the Florida Rock acquisition by the Department of Justice.

Year-over-year changes in earnings from continuing operations before income taxes are summarized below:

	In millions
2008 earnings from continuing operations before income taxes	$ 75.1
Lower aggregates earnings due to	
Lower volumes	(333.7)
Higher selling prices	48.3
Lower costs	21.1
Lower concrete earnings	(37.8)
Higher asphalt mix earnings	17.9
Lower cement earnings	(19.5)
Lower selling, administrative and general expenses(1)	21.0
2008 goodwill impairment cement	252.7
Lower gain on sale of property, plant & equipment and businesses	(67.1)
All other	2.8
2009 earnings from continuing operations before income taxes	$ (19.2)

Lower aggregates earnings due to
Lower