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Martin Marietta Materials, Inc. Q1 2008 Earnings Call Transcript

Question-and-Answer Session

Thank you ladies and gentlemen. [Operator Instructions] We'll go to Arnie Ursaner with CJS Securities.

Arnie Ursaner - CJS Securities

Hi, good afternoon. Steve could you try to quantify whether there was any revenue contribution from the business, Specialty Products business you bought, and if so perhaps give us some feel for an annualized revenue number?

Stephen P. Zelnak Jr. - Chairman and Chief Executive Officer

Annualized revenue number will probably be, plus \$5 million, so it's not a big acquisition. It's a niche opportunity that fits very well with what we already do. Revenue in the first quarter was inconsequential.

Arnie Ursaner - CJS Securities

Okay. And again on the acquisition you made of the granite quarry in North Carolina, you mentioned it had 40 million tons of reserve. What sort of annual production are you expecting from that mine?

Stephen P. Zelnak Jr. - Chairman and Chief Executive Officer

It's going to be relatively small. It's in a more rural market area. And probably we'd get that one up into the 0.5 million ton range or so, in a not too distant future.

Arnie Ursaner - CJS Securities

Okay. And my final question if I can, is obviously the pricing of aggregates. You've moved up your target a little bit. Is that for hope for price increases and increases you've already announced and specifically with the properties you are buying in Georgia, which have probably been a little under priced have you built in an expectation for increases in Georgia in that number?

Stephen P. Zelnak Jr. - Chairman and Chief Executive Officer

In some cases, we have already announced some increases that were not originally planned. In other cases, we are planning to do that. Areas where we think we have some opportunity, we'll continue to look at Florida. South Carolina is an opportunity, Alabama is an opportunity, North Georgia, certainly we think is an opportunity. At the same time we are looking across the board in our company,

because what we've seen is a tremendous price escalation on diesel, and we would certainly like to recover that if at all possible.

So we are looking at it a little bit differently than we were prior to the diesel run-up, even though markets are tough in some places, we've got some cost that we need to pass on.

Arnie Ursaner - CJS Securities

On diesel, are you hedging your position?

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