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Martin Marietta Materials Inc. Q3 2008 Earnings Conference Call Transcript

Question-and-Answer Session

Thank you. [Operator Instructions]. I'll go first to Arnie Ursaner with CJS Securities.

Arnie Ursaner - CJS Securities

Hi good afternoon.

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

Hey, Arnie.

Arnie Ursaner - CJS Securities

My question relates to, I know Steve you probably taken the most aggressive actions of any of the aggregate companies to reduce your cost and really done a job of it. Given the current environment is... can you give us a sense of the types of actions you might be able to take from here, and is there some more room you have to lower your cost structure?

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

Certainly we're very focused on trying to bring the cost structure down even more. If you look at the SG&A area, where they typically viewed as the best operator and has the numbers to back that up with respect to SG&A as percentage of sales. But, clearly we're going to do more. We'll talk to you at the end of the year about what actions we'll take there. But we've got to bring the cost structure down more in that regard with respect to the environment that we're in.

We're looking at all aspects of controllable cost and by that I mean the senior management sitting here in this room, going over this company line-item by line-item from we're looking at everything we do. And simply asking the question is it necessary in these times. And I think you're going to see us do things like reduce communication cost through renegotiation of contracts there. More judicious use of communication media that's one area we're focused on, or you going to see us focus very hard on purchasing.

We think we have some potential opportunities in the purchasing side of our business and we're going to attack those from senior management level and down. So it's getting a lot of attention, these are the times that are very unusual, certainly the most difficult that I have seen since the early 1980s. And I think we have to respond accordingly.

Arnie Ursaner - CJS Securities

All right. Second question if I can, can you speak a little bit about the energy side of your equation and perhaps high level, a little bit more about the structure of the long haul transport contracts you have in shipping and how that could be effective by lower energy cost?

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