

MARTIN MARIETTA MATERIALS INC

Form 424B5

April 18, 2008

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Filed pursuant to Rule 424(b)(5)
SEC File No. 333-142343

CALCULATION OF REGISTRATION FEE

Title of each Class of Securities to be Registered	Maximum Aggregate Offering Price	Amount of Registration Fee(1)
Debt Securities	\$ 300,000,000	\$ 11,790

(1) Calculated in accordance with Rule 457(r) under the Securities Act of 1933.

Prospectus Supplement

(To prospectus dated April 25, 2007)

Martin Marietta Materials, Inc.***\$300,000,000 6.60% Senior Notes due 2018*****Issue Price: 99.929%**

The notes will mature on April 15, 2018. Interest on the notes will be paid on April 15 and October 15 of each year. The first interest payment will be October 15, 2008.

We may redeem the notes in whole or in part at any time prior to their maturity at the make whole redemption price described in this prospectus supplement.

Upon a change of control repurchase event, we will be required to make an offer to repurchase all outstanding notes at a price in cash equal to 101% of the principal amount of the notes, plus any accrued and unpaid interest to, but not including, the purchase date.

The notes will be unsecured and will rank equally with all our other unsecured unsubordinated indebtedness from time to time outstanding.

Investing in the notes involves risks. See Risk factors beginning on page S-6 of this prospectus supplement.

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of the notes or determined if this prospectus supplement or the accompanying prospectus is truthful or complete. Any representation to the contrary is a criminal offense.

	Public offering price⁽¹⁾	Underwriting discount	Proceeds, before expenses, to Martin Marietta Materials⁽¹⁾
Senior note	99.929%	0.650%	99.279%

Total	\$299,787,000	\$1,950,000	\$297,837,000
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(1) Plus accrued interest, if any, from April 21, 2008.

The notes will not be listed on any securities exchange. Currently there is no public market for the notes.

We expect to deliver the notes to investors in registered book-entry form through the facilities of The Depository Trust Company and its participants, including Clearstream Banking, société anonyme and the Euroclear Bank S.A./N.V., on or about April 21, 2008.

Joint Book-Running Managers

JPMorgan

Banc of America Securities LLC

Wachovia Securities

Co-Managers

BB&T Capital Markets

Wells Fargo Securities

Citi

April 16, 2008

You should rely only on the information contained in or incorporated by reference in this prospectus supplement and the accompanying prospectus. We have not, and the underwriters have not, authorized anyone to provide you with different information. If anyone provides you with different or inconsistent information, you should not rely on it. We are not, and the underwriters are not, making an offer of these securities in any state where the offer is not permitted. You should not assume that the information contained in or incorporated by reference in this prospectus supplement and the accompanying prospectus is accurate as of any date other than the date on the front of this prospectus supplement.

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About this prospectus supplement

You should rely only upon the information contained in this prospectus supplement, the accompanying prospectus and the documents they incorporate by reference. We have not authorized any other person to provide you with different or additional information. If anyone provides you with different or additional information, you should not rely on it. Neither we nor the underwriters are making an offer to sell the notes in any jurisdiction where the offer or sale is not permitted. You should assume the information appearing in this prospectus supplement and the accompanying prospectus is accurate only as of their respective dates. Our business, financial condition, results of operations and prospects may have changed since those dates.

This prospectus supplement contains the terms of this offering of notes. This prospectus supplement may add, update or change information contained or incorporated by reference in the accompanying prospectus. In addition, the information incorporated by reference in the accompanying prospectus may have added, updated or changed information in the accompanying prospectus. If information in this prospectus supplement is inconsistent with any information in the accompanying prospectus (or any information incorporated therein by reference), this prospectus supplement will apply and will supersede such information in the accompanying prospectus.

It is important for you to read and consider all information contained in this prospectus supplement, the accompanying prospectus and the documents they incorporate by reference in making your investment decision.

Where you can find more information

We file annual, quarterly and special reports, proxy statements and other information with the SEC under the Securities Exchange Act of 1934, as amended (the Exchange Act). You may read and copy this information at the following location of the SEC:

Public Reference Room
100 F Street, N.E.
Room 1580
Washington, DC 20549

You may also obtain copies of this information at prescribed rates by mail from the Public Reference Room of the SEC, 100 F Street, N.E., Room 1580, Washington, DC 20549. You may obtain information on the operation of the Public Reference Room by calling the SEC at 1-800-SEC-0330.

The SEC also maintains a web site that contains reports, proxy statements and other information about issuers, like us, who file electronically with the SEC. The address of that site is www.sec.gov.

You can also inspect reports, proxy statements and other information about us at the offices of the New York Stock Exchange, 20 Broad Street, New York, New York 10005.

We incorporate by reference information into this prospectus supplement, which means that we disclose important information to you by referring you to another document filed separately with the SEC. The information incorporated by reference is deemed to be part of this prospectus supplement. Any information contained in this prospectus supplement or any document incorporated or deemed to be incorporated by reference in this prospectus supplement will be

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deemed to be modified, superseded or updated to the extent that information contained in this prospectus supplement or any subsequently filed document incorporated or deemed to be incorporated by reference in this prospectus supplement modifies, supersedes or updates such earlier information. Any information so modified, superseded or updated will not be deemed, except as so modified, superseded or updated, to constitute a part of this prospectus supplement. We incorporate by reference the documents listed below and all future documents that we file with the SEC under Sections 13(a), 13(c), 14 and 15(d) of the Exchange Act (other than current reports furnished under items 2.02 and 7.01 of Form 8-K):

Annual Report on Form 10-K for the fiscal year ended December 31, 2007; and

Current Reports on Form 8-K filed on February 1, 2008, March 20, 2008 and April 14, 2008.

You may request a copy of these filings at no cost, by writing or telephoning us at the following address:

Martin Marietta Materials, Inc.
2710 Wycliff Road
Raleigh, North Carolina 27607-3033
Attn: Investor Relations
Telephone: (919) 781-4550

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Summary

This summary highlights information contained elsewhere or incorporated by reference in this prospectus supplement and the accompanying prospectus. This is not intended to be a complete description of the matters covered in this prospectus supplement and the accompanying prospectus and is subject, and qualified in its entirety by reference, to the more detailed information and financial statements (including the notes thereto) included or incorporated by reference in this prospectus supplement and the accompanying prospectus. Unless otherwise indicated, all references to Martin Marietta Materials, the Company, we, us and our refer to Martin Marietta Materials, Inc. and its consolidated subsidiaries.

See Risk factors in this prospectus supplement and in our annual report on Form 10-K for the year ended December 31, 2007 for factors that you should consider before investing in the notes and Information regarding forward-looking statements for information relating to statements contained in this prospectus supplement that are not historical facts.

Our company

We are a leading producer of aggregates for the construction industry, including infrastructure, commercial and residential. We also have a specialty products segment that manufactures and markets magnesia-based chemical products used in industrial, agricultural, and environmental applications, dolomitic lime sold primarily to the steel industry and structural composite products. For the year ended December 31, 2007, our aggregates business accounted for approximately 92% of our total net sales and our specialty products segment accounted for approximately 8% of our total net sales.

We were formed in 1993 as a North Carolina corporation to serve as successor to the operations of the materials group of the organization that is now Lockheed Martin Corporation. Our principal executive offices are located at 2710 Wycliff Road, Raleigh, North Carolina 27607-3033, and our telephone number is (919) 781-4550.

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

Recent developments

On April 10, 2008, we amended our unsecured \$250 million credit agreement to add another class of loan commitment, which had the effect of increasing the borrowing base under the credit agreement by \$75 million. We may borrow under our credit agreement, including the additional funds available as a result of the increase, for general corporate purposes, including to support our commercial paper program.

On April 14, 2008, we announced the acquisition from Vulcan Materials Company of six quarries in Georgia and Tennessee. These newly acquired facilities significantly expand our presence in high-growth areas of Georgia and Tennessee, particularly south and west of Atlanta. These quarries will be integrated into our Southeast Group. As a result of this transaction, we estimate that our aggregates production in Georgia and Tennessee will increase by nearly 30% annually.

The acquisition was partially funded with proceeds from commercial paper borrowings. The remainder of the consideration for the acquisition consisted of certain of our assets, including the Table Mountain Quarry in Butte

County, California, the Loop 1604 property in Bexar County, Texas and the Greystone property in Vance County, North Carolina.

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The offering

The following is a brief summary of some of the terms of the notes. For a more complete description of the terms of the notes see "Description of the notes" in this prospectus supplement and "Description of debt securities" in the accompanying prospectus.

Issuer	Martin Marietta Materials, Inc.
Notes offered	\$300,000,000 aggregate principal amount of 6.60% senior notes due 2018.
Issue price	99.929% of principal amount, plus accrued interest, if any, from April 21, 2008.
Maturity	April 15, 2018.
Interest	Interest on the notes will accrue at the rate of 6.60% per year on the principal amount and will be payable semi-annually in cash in arrears on April 15 and October 15 of each year, beginning on October 15, 2008.
Ranking	<p>The notes will be our unsecured and unsubordinated obligations and will rank equal in right of payment to all of our other existing and future unsecured and unsubordinated indebtedness. The notes will be effectively junior to all of our existing and future secured debt to the extent of the value of the assets securing such debt and will be structurally subordinated to all existing and future indebtedness and other liabilities of our subsidiaries.</p> <p>As of December 31, 2007, we had an aggregate of approximately \$1,124.3 million of indebtedness, excluding intercompany liabilities. As of December 31, 2007, excluding intercompany liabilities, our subsidiaries had no indebtedness and, other than capital lease obligations, we had no secured indebtedness.</p> <p>The indenture governing the notes will not contain any restrictions on the incurrence of indebtedness other than as described under "Description of the notes" "Covenants" "Limitations on liens."</p>
Additional notes	We may from time to time, without notice to or the consent of the holders of the notes, create and issue additional debt securities having the same terms as and ranking equally and ratably with the notes in all respects.
Sinking fund	None.
Change of control repurchase event	Upon a change of control repurchase event, we will be required to make an offer to repurchase all outstanding notes at a price in cash equal to 101% of the principal amount of the notes, plus any accrued and unpaid interest to, but not including the repurchase date. See "Description of the notes" "Change of control repurchase event."
Optional redemption	We may redeem the notes in whole or in part at any time prior to their maturity at the "make whole" redemption price described herein. See "Description of the notes" "Optional redemption; no sinking fund."

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Trustee	Branch Banking & Trust Company.
Use of proceeds	We estimate that the net proceeds from the offering will be approximately \$297,337,000 after deducting the underwriting discount and transaction expenses. We intend to use the net proceeds from this offering to repay indebtedness outstanding under our commercial paper program and other short-term loans. See Use of proceeds.
No listing	We do not intend to list the notes on any national securities exchange. The notes will be new securities for which there is currently no public market. See Risk factors Risks Related to the Notes There is no public market for the notes, which could limit their market price or your ability to sell them.
Risk factors	Investing in the notes involves risks. See Risk factors and other information in this prospectus supplement and the accompanying prospectus for a discussion of factors you should consider carefully before deciding to invest in the notes.

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The summary financial data set forth below for the fiscal years ended December 31, 2007, 2006, 2005, 2004 and 2003 have been derived from our audited consolidated financial statements. The selected financial data should be read in conjunction with our consolidated financial statements and Management's Discussion and Analysis of Financial Condition and Results of Operations included in our annual report on Form 10-K for the year ended December 31, 2007, which is incorporated by reference into this prospectus supplement and the accompanying prospectus.

(dollars in thousands, except per share amounts)	2007	2006	2005	Year Ended December 31,	
				2004	2003
Consolidated operating results					
Net sales	\$ 1,967,612	\$ 1,929,666	\$ 1,728,977	\$ 1,489,796	\$ 1,385,467
Freight and delivery revenues	239,529	261,386	246,311	202,125	200,257
Total revenues	2,207,141	2,191,052	1,975,288	1,691,921	1,585,724
Cost of sales	1,552,704	1,551,774	1,431,407	1,268,401	1,192,280
Freight and delivery costs	239,529	261,386	246,311	202,125	200,257
Total cost of revenues	1,792,233	1,813,160	1,677,718	1,470,526	1,392,537
Other operating (income) and expenses, net	(18,122)	(12,657)	(16,231)	(10,516)	(6,506)
Earnings from operations	433,030	390,549	313,801	231,911	199,693
Interest expense	60,893	40,359	42,597	42,734	42,587
Other nonoperating (income) and expenses, net	(6,443)	(2,819)	(1,483)	(607)	429
Earnings from continuing operations before taxes on income	378,580	353,009	272,687	189,784	156,677
Taxes on income	116,073	107,632	74,225	58,491	47,034
Earnings from continuing operations	262,507	245,377	198,462	131,293	109,643
Gain (loss) on discontinued operations, net of related tax expense (benefit)	242	45	(5,796)	(2,130)	(9,146)
Earnings before cumulative effect of change in accounting principle	262,749	245,422	192,666	129,163	100,497
Cumulative effect of change in accounting for asset retirement obligations					(6,874)

Net earnings	\$ 262,749	\$ 245,422	\$ 192,666	\$ 129,163	\$ 93,623
Condensed consolidated balance sheet data					
Current deferred income tax benefits	\$ 44,285	\$ 25,317	\$ 14,989	\$ 5,750	\$ 21,603
Current assets other	581,725	567,037	587,052	618,503	589,048
Property, plant and equipment, net	1,433,553	1,295,491	1,166,351	1,065,215	1,042,432
Goodwill	574,667	570,538	569,263	567,495	577,586
Other intangibles, net	9,426	10,948	18,744	18,642	25,142
Other noncurrent assets	40,149	37,090	76,917	80,247	63,414
Total assets	\$ 2,683,805	\$ 2,506,421	\$ 2,433,316	\$ 2,355,852	\$ 2,319,225
Current liabilities other	\$ 230,480	\$ 189,116	\$ 199,259	\$ 202,843	\$ 221,683
Current maturities of long-term debt and commercial paper	276,136	125,956	863	970	1,068
Long-term debt	848,186	579,308	709,159	713,661	717,073
Pension, postretirement and postemployment benefits	103,518	106,413	98,714	88,241	76,917
Noncurrent deferred income taxes	160,902	159,094	149,972	139,179	116,647
Other noncurrent liabilities	118,592	92,562	101,664	57,531	55,990
Shareholders equity	945,991	1,253,972	1,173,685	1,153,427	1,129,847
Total liabilities and shareholders equity	\$ 2,683,805	\$ 2,506,421	\$ 2,433,316	\$ 2,355,852	\$ 2,319,225

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The following table shows our historical ratio of earnings to fixed charges for each of the five most recent fiscal years.

	2007	2006	Year Ended December 31,		
			2005	2004	2003
Ratio of earnings to fixed charges	5.27	7.01	5.67	4.47	3.63

For this ratio, earnings consist of earnings before income taxes on income, extraordinary items and net cumulative effect of accounting changes, adjusted for undistributed earnings of less-than-fifty-percent-owned affiliates. Fixed charges consist of interest expensed and capitalized, plus the portion of rent expense under operating leases deemed by us to be representative of the interest factor.

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Risk factors

Before you invest in the notes, you should carefully consider the following risks. The risks described below are not the only ones facing us. Additional risks not presently known to us or that we currently deem immaterial may also impair our business operations. Our business, financial condition or results of operations could be materially adversely affected by any of these risks. You should also review the other risks contained in our annual report on Form 10-K for the year ended December 31, 2007, which is incorporated by reference into this prospectus supplement and accompanying prospectus. This prospectus supplement, the accompanying prospectus and the information included or incorporated by reference also contain forward looking statements that involve risks and uncertainties. Our actual results could differ materially from those anticipated in these forward looking statements as a result of certain factors, including the risks faced by us described below and elsewhere in this prospectus supplement, the accompanying prospectus and the information included or incorporated by reference.

Risks Related to our Business

Our aggregates business is cyclical and depends on activity within the construction industry.

We sell most of our aggregate products to the construction industry, so our results depend on the strength of the construction industry. Since our business depends on construction spending, which can be cyclical, our profits are sensitive to national, regional, and local economic conditions. The overall economy has been hurt by mortgage security losses and the tightening credit markets. Construction spending is affected by economic conditions, changes in interest rates, demographic and population shifts, and changes in construction spending by federal, state, and local governments. If economic conditions change, a recession in the construction industry may occur and affect the demand for our aggregate products. Construction spending can also be disrupted by terrorist activity and armed conflicts.

While our aggregate operations cover a wide geographic area, our earnings depend on the strength of the local economies in which we operate because of the high cost to transport our products relative to their price. If economic conditions and construction spending decline significantly in one or more areas, particularly in our top five revenue-generating states of North Carolina, Texas, Georgia, Iowa and South Carolina, our profitability will decrease.

Within the construction industry, we sell our aggregate products for use in both commercial construction and residential construction. 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. Commercial construction was mixed in 2007, with growth slowing during the year. In some areas we saw declining commercial construction activity, including office and retail space, as developers considered the impact of the current credit markets on construction and development plans. Businesses facing tighter credit conditions often find it difficult to obtain financing for capital investments. The residential construction market declined sharply in 2007 in connection with the housing market downturn. Further, the outlook reflects diminished demand, with recovery not expected prior to late 2009 or 2010. Approximately 12% of our aggregates shipments in 2007 were to the residential construction market.

Our aggregate products are used in public infrastructure projects, which include the construction, maintenance, and improvement of highways, bridges, schools, prisons, and similar projects.

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So our business is dependent on the level of federal, state, and local spending on these projects. We cannot be assured of the existence, amount, and timing of appropriations for spending on these projects. For example, while the current federal highway law passed in 2005 provides funding of \$286.4 billion for highway, transit, and highway safety programs through September 30, 2009, Congress must pass an appropriations bill each year to approve spending these funds. We cannot be assured that Congress will pass an appropriations bill each year to approve funding at the level authorized in the federal highway law. Similarly, each state funds its infrastructure spending from specially allocated amounts collected from various taxes, typically gasoline taxes and vehicle fees, along with voter-approved bond programs. Shortages in state tax revenues can reduce the amounts spent on state infrastructure projects, even below amounts awarded under legislative bills. Delays in state infrastructure spending can hurt our business. For example, we expect delays in infrastructure spending in Florida, North Carolina, South Carolina and Texas will continue in 2008, which will limit our business growth in those states until the level and timing of spending improves.

Our aggregates business is seasonal and subject to the weather.

Since the construction aggregates business is conducted outdoors, seasonal changes and other weather conditions affect our business. Adverse weather conditions, including hurricanes and tropical storms, cold weather, snow, and heavy or sustained rainfall, reduce construction activity and the demand for our products. Adverse weather conditions also increase our costs and reduce our production output as a result of power loss, needed plant and equipment repairs, time required to remove water from flooded operations, and similar events. Severe drought conditions can restrict available water supplies and restrict production. The construction aggregates business production and shipment levels follow activity in the construction industry, which typically occur in the spring, summer and fall. Because of the weather's effect on the construction industry's activity, the aggregates business production and shipment levels vary by quarter. The second and third quarters are generally the most profitable and the first quarter is generally the least profitable.

Our aggregates business depends on the availability of aggregate reserves or deposits and our ability to mine them economically.

Our challenge is to find aggregate deposits that we can mine economically, with appropriate permits, near either growing markets or long-haul transportation corridors that economically serve growing markets. As communities have grown, they have taken up attractive quarrying locations and have imposed restrictions on mining. We try to meet this challenge by identifying and permitting sites prior to economic expansion, buying more land around our existing quarries to increase our mineral reserves, developing underground mines, and developing a distribution network that transports aggregates products by various transportation methods, including rail and water, that allows us to transport our products longer distances than would normally be considered economical, but we can give no assurances that we will be successful.

Our aggregates business is a capital-intensive business.

The property and machinery needed to produce our products are very expensive. Therefore, we must have access to large amounts of cash to operate our businesses. We believe we have adequate cash to run our businesses. Because significant portions of our operating costs are fixed in nature, our financial results are sensitive to production volume changes.

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Our businesses face many competitors.

Our businesses have many competitors, some of whom are bigger and have more resources than we do. Some of our competitors also operate on a worldwide basis. Our results are affected by the number of competitors in a market, the production capacity that a particular market can accommodate, the pricing practices of other competitors, and the entry of new competitors in a market. We also face competition for some of our products from alternative products. For example, our magnesia specialties business may compete with other chemical products that could be used instead of our magnesia-based products.

Our future growth may depend in part on acquiring other businesses in our industry.

We expect to continue to grow, in part, by buying other businesses. While the pace of acquisitions has slowed considerably over the last few years, we will continue to look for strategic businesses to acquire. In the past, we have made acquisitions to strengthen our existing locations, expand our operations, and enter new geographic markets. We will continue to make selective acquisitions, joint ventures, or other business arrangements we believe will help our company. However, the continued success of our acquisition program will depend on our ability to find and buy other attractive businesses at a reasonable price and our ability to integrate acquired businesses into our existing operations. We cannot assume there will continue to be attractive acquisition opportunities for sale at reasonable prices that we can successfully integrate into our operations.

We may decide to pay all or part of the purchase price of any future acquisition with shares of our common stock. We may also use our stock to make strategic investments in other companies to complement and expand our operations. If we use our common stock in this way, the ownership interests of our shareholders will be diluted and the price of our stock could fall.

We acquired 62 companies from 1995 through 2002. Some of these acquisitions were more easily integrated into our existing operations and have performed as well or better than we expected, while others have not. We have sold underperforming and other non-strategic assets, particularly lower margin businesses like our asphalt plants in Houston, Texas, and our road paving businesses in Shreveport, Louisiana, and Texarkana, Arkansas.

Short supplies and high costs of fuel and energy affect our businesses.

Our businesses require a continued supply of diesel fuel, natural gas, coal, petroleum coke and other energy. The financial results of these businesses have been affected at times by the short supply or high costs of these fuels and energy. While we can contract for some fuels and sources of energy, significant increases in costs or reduced availability of these items have and may in the future reduce our financial results. For example, in 2007, increases in fuel prices lowered net earnings for the aggregates business by \$0.10 per diluted share when compared with 2006 fuel prices.

Changes in legal requirements and governmental policies concerning zoning, land use, the environment, and other areas of the law, and litigation relating to these matters, affect our businesses. Our operations expose us to the risk of material environmental liabilities.

Many federal, state, and local laws and regulations relating to zoning, land use, the environment, health, safety, and other regulatory matters govern our operations. Despite our extensive

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compliance efforts, risk of liabilities, particularly environmental liabilities, is inherent in the operation of our businesses, as it is with our competitors. We cannot assume that these liabilities will not negatively affect us in the future.

We are also subject to future events, including changes in existing laws or regulations or enforcement policies, or further investigation or evaluation of the potential health hazards of some of our products or business activities, which may result in additional compliance and other costs. We could be forced to invest in preventive or remedial action, like pollution control facilities, which could be substantial.

Our operations are subject to manufacturing, operating, and handling risks associated with the products we produce and the products we use in our operations, including the related storage and transportation of raw materials, products, hazardous substances, and wastes. We are exposed to hazards including storage tank leaks, explosions, discharges or releases of hazardous substances, exposure to dust, and the operation of mobile equipment and manufacturing machinery.

These risks can subject us to potentially significant liabilities relating to personal injury or death, or property damage, and may result in civil or criminal penalties, which could hurt our productivity or profitability. For example, from time to time we investigate and remediate environmental contamination relating to our prior or current operations, as well as operations we have acquired from others, and in some cases we have been or could be named as a defendant in litigation brought by governmental agencies or private parties.

We are involved from time to time in litigation and claims arising from our operations. While we do not believe the outcome of pending or threatened litigation will have a material adverse effect on our operations or our financial condition, we cannot assume that an adverse outcome in a pending or future legal action would not negatively affect us.

Labor disputes could disrupt operations of our businesses.

Labor unions represent 12.7% of the hourly employees of our aggregates business and 90% of the hourly employees of our specialty products business. Our collective bargaining agreements for employees of our magnesia specialties business at the Woodville, Ohio lime plant and the Manistee, Michigan magnesia chemicals plant expire in June 2010 and August 2011, respectively. Disputes with our trade unions, or the inability to renew our labor agreements, could lead to strikes or other actions that could disrupt our businesses, raise costs, and reduce revenues and earnings from the affected locations.

Delays or interruptions in shipping products of our businesses could affect our operations.

Transportation logistics play an important role in allowing us to supply products to our customers, whether by truck, rail, barge, or ship. Any significant delays, disruptions, or the non-availability of our transportation support system could negatively affect our operations. For example, in 2005 and partially in 2006, we experienced rail transportation shortages in Texas and parts of the southeastern region of the United States. In 2005 and 2006, following Hurricanes Katrina and Rita, we experienced significant barge transportation problems along the Mississippi River system.

Water levels can also affect our ability to transport our products. High water levels limit the number of barges we can transport and can require that we use additional horsepower to tow barges. Low water levels can reduce the amount of material we can transport in each barge. In

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2007, dry weather caused low water levels and resulted in reduced tonnage that could be shipped on a barge. Consequently, the per ton cost of transporting material was higher than normal.

The availability of rail cars and barges can also affect our ability to transport our products. Rail cars and barges can be used to transport many different types of products. If owners sell or lease rail cars and barges for use in other industries, we may not have enough rail cars and barges to transport our products. Barges have become particularly scarce, since barges are being retired faster than new barges are being built. Shipyards that build barges are operating at capacity, so the lead time to buy or lease a new barge can extend many months. In 2005, we leased 780 additional rail cars. In 2006, we contracted to buy 50 new barges that were delivered in 2007.

We have long-term agreements with shipping companies to provide ships to transport our aggregate products from our Bahamas and Nova Scotia operations to various coastal ports. These contracts have varying expiration dates ranging from 2008 to 2017 and generally contain renewal options. Our inability to renew these agreements or enter into new ones with other shipping companies could affect our ability to transport our products.

Our earnings are affected by the application of accounting standards and our critical accounting policies, which involve subjective judgments and estimates by our management. Our estimates and assumptions could be wrong.

The accounting standards we use in preparing our financial statements are often complex and require that we make significant estimates and assumptions in interpreting and applying those standards. We make critical estimates and assumptions involving accounting matters including our stock-based compensation, our goodwill impairment testing, our expenses and cash requirements for our pension plans, our estimated income taxes, and how we account for our property, plant and equipment, and inventory. These estimates and assumptions involve matters that are inherently uncertain and require our subjective and complex judgments. If we used different estimates and assumptions or used different ways to determine these estimates, our financial results could differ.

While we believe our estimates and assumptions are appropriate, we could be wrong. Accordingly, our financial results could be different, either higher or lower. We urge you to read about our critical accounting policies in our Management's Discussion and Analysis of Financial Condition and Results of Operations in our 2007 Annual Report on 10-K for the fiscal year ended December 31, 2007, which is incorporated by reference into this prospectus supplement and the accompanying prospectus.

The adoption of new accounting standards may affect our financial results.

The accounting standards we apply in preparing our financial statements are reviewed by regulatory bodies and are changed from time to time. New or revised accounting standards could change our financial results either positively or negatively. For example, beginning in 2006, we were required under new accounting standards to expense the fair value of stock options we award our management and key employees as part of their compensation. This resulted in a reduction of our earnings and made comparisons between financial periods more difficult. We urge you to read about our accounting policies and changes in our accounting

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policies in Note A of our 2007 financial statements, which are incorporated by reference into this prospectus supplement and the accompanying prospectus.

We depend on the recruitment and retention of qualified personnel, and our failure to attract and retain such personnel could affect our business.

Our success depends to a significant degree upon the continued services of our key personnel and executive officers. Our prospects depend upon our ability to attract and retain qualified personnel for our operations. Competition for personnel is intense, and we may not be successful in attracting or retaining qualified personnel, which could negatively affect our business.

Disruptions in the credit markets could affect our business.

The current credit environment has negatively affected the economy, and we have considered how it might affect our business. Demand for our products, particularly in the commercial and residential construction markets, could decline if companies and consumers are unable to finance construction projects or if the economic slowdown causes delays or cancellations to capital projects. We may also have difficulty placing our commercial paper in that it may take longer than we have recently experienced and/or may cost more. We experienced such problems in August 2007 and September 2007. We cannot assure you that we will be able to access the capital markets at financially economical interest rates, which could negatively affect our business.

Our specialty products business depends in part on the steel industry and the supply of reasonably priced fuels.

Our specialty products business sells some of its products to companies in the steel industry. While we have reduced this risk over the last few years, this business is still dependent, in part, on the strength of the highly-cyclical steel industry. The specialty products business also requires significant amounts of natural gas, coal, and petroleum coke, and financial results are negatively affected by high fuel prices or shortages.

Our structural composites product line has not generated any profits since its inception.

Our structural composites product line faces many challenges before it becomes break-even or generates a profit. We cannot ensure the future profitability of this product line.

Our articles of incorporation, bylaws, and shareholder rights plan and North Carolina law may inhibit a change in control that you may favor.

Our articles of incorporation and bylaws, shareholder rights plan, and North Carolina law contain provisions that may delay, deter or inhibit a future acquisition of us not approved by our board of directors. This could occur even if our shareholders are offered an attractive value for their shares or if many or even a majority of our shareholders believe the takeover is in their best interest. These provisions are intended to encourage any person interested in acquiring us to negotiate with and obtain the approval of our board of directors in connection with the

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transaction. Provisions that could delay, deter, or inhibit a future acquisition include the following:

a classified board of directors;

the requirement that our shareholders may only remove directors for cause;

specified requirements for calling special meetings of shareholders; and

the ability of our board of directors to consider the interests of various constituencies, including our employees, customers, and creditors and the local community.

In addition, we have in place a shareholder rights plan that will trigger a dilutive issuance of common stock upon substantial purchases of our common stock by a third party that are not approved by the board of directors.

Risks Related to the Notes

The notes are obligations exclusively of our 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 are not guaranteed by any of our subsidiaries. As a result, liabilities, including indebtedness or guarantees of indebtedness, of each of our subsidiaries will rank effectively senior to the indebtedness represented by the notes, to the extent of such subsidiary's assets. As of December 31, 2007, excluding intercompany liabilities, our subsidiaries had no outstanding indebtedness. In addition, the indenture governing the notes does not restrict the future incurrence of liabilities or issuances of preferred stock, including unsecured indebtedness or guarantees of indebtedness, by our subsidiaries.

The notes will be effectively junior to secured indebtedness that we may issue in the future.

The notes are unsecured. Holders of our secured debt that we may issue in the future may foreclose on the assets securing such 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. As a result, the notes will be effectively junior to any secured debt that we may issue in the future.

We may not be able to repurchase all of the notes upon a change of control repurchase event.

As described under "Description of the notes - Change of control repurchase event," we will be required to offer to repurchase the notes upon the occurrence of a change of control repurchase event. We may not have sufficient funds to repurchase the notes in cash at that time or have the ability to arrange necessary financing on acceptable terms. In addition, the terms of our other debt agreements or applicable law may limit our ability to repurchase the notes for cash.

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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 in control under the indenture governing the notes.

The term "change of control" (as used in the notes and the 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 addition, we are required to repurchase the notes upon a change of control only if such notes receive a reduction in rating below investment grade. As a result, our obligation to repurchase the notes upon the occurrence of a change in 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.

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

The notes are 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 the 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 the notes on any securities exchange or automated quotation system, respectively.

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Information regarding forward-looking statements

This prospectus supplement and the accompanying prospectus contain statements which, to the extent they are not recitations of historical fact, constitute forward-looking statements within the meaning of federal securities law. Investors are cautioned that all forward-looking statements involve risks and uncertainties, and are based on assumptions that we believe in good faith are reasonable, but which may be materially different from actual results. Investors can identify these statements by the fact that they do not relate only to historic or current facts. The words may, will, could, should, anticipate, believe, estimate, expect, forecast, intend, outlook, plan, similar expressions in connection with future events or future operating or financial performance are intended to identify forward-looking statements. Any or all of our forward-looking statements in this prospectus supplement and the accompanying prospectus and in other publications may turn out to be wrong.

Statements and assumptions regarding future revenues, income and cash flows, performance, economic trends, the outcome of litigation, regulatory compliance, and environmental remediation cost estimates are examples of forward-looking statements. Numerous factors, including the risk factors described in this prospectus supplement and the accompanying prospectus, could affect our forward-looking statements and actual performance.

Factors that we currently believe could cause its actual results to differ materially from those in the forward-looking statements include, but are not limited to, those set forth under Risk factors.

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Use of proceeds

The net proceeds from this offering, after deducting the underwriting discount and transaction expenses, are estimated to be approximately \$297,337,000. We intend to use the net proceeds from this offering to repay indebtedness outstanding under our commercial paper program and other short-term loans.

As of April 11, 2008, we had (1) approximately \$254 million outstanding under our commercial paper program bearing a weighted average per annum interest rate of 3.10%, with maturities of no more than 30 days and (2) \$100 million outstanding under short-term loans bearing a weighted average per annum interest rate of 3.20%, with maturities of no more than 90 days. These debt repayments will create sufficient liquidity in our commercial paper program to fund the maturity of the \$200 million aggregate principal amount of our 5.875% notes due December 2008.

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Table of Contents**Capitalization**

The following table sets forth our cash and cash equivalents and our capitalization as of December 31, 2007:

on an actual basis;

on a pro forma basis to give effect to (1) the settlement of share repurchases outstanding at December 31, 2007 and (2) the incurrence of \$282,000,000 of indebtedness under our commercial paper program and other short-term loans as of April 11, 2008, primarily to finance the acquisition of additional facilities announced April 14, 2008 (see Summary Our company Recent developments); and

on a pro forma as adjusted basis to give effect to the sale of the notes offered by this prospectus supplement and the application of the proceeds therefrom.

You should read this table in conjunction with the information set forth under Use of proceeds and the financial statements and notes thereto incorporated by reference into this prospectus supplement and the accompanying prospectus.

(dollars in thousands)	Actual	At December 31, 2007	
		Pro forma	Pro forma as adjusted
Cash and cash equivalents	20,038	20,038	20,038
Current loans payable, current portions of long-term debt and settlements for share repurchases:			
5.875% Notes due December 2008	202,066	202,066	202,066
Short-term loans payable		100,000	
Short-term portion of miscellaneous notes payable	2,070	2,070	2,070
Outstanding settlements for repurchases of common shares	24,017		
Commercial paper payable	72,000	254,000	56,663
Total	300,153	558,136	260,799
Long-term debt:			
Floating Rate Senior Notes due 2010, interest rate of 5.51%	224,388	224,388	224,388
6.875% Notes due 2011	249,860	249,860	249,860
7% Debentures due 2025	124,331	124,331	124,331
6.25% Senior Notes due 2037	247,795	247,795	247,795

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Other long-term debt	1,812	1,812	1,812
6.60% Notes due 2018 offered by this prospectus supplement			300,000
Total	848,186	848,186	1,148,186
Shareholders' equity:			
Total shareholders' equity	945,991	945,991	945,991
Total capitalization	2,070,313	2,352,313	2,354,976

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Description of the notes

Martin Marietta Materials will issue \$300 million aggregate principal amount of 6.60% Senior Notes due 2018 (the Notes) under a base indenture (the Base Indenture) between Martin Marietta Materials and Branch Banking & Trust Company, as trustee (the Trustee), and a supplemental indenture between itself and the Trustee (the Supplemental Indenture and, together with the Base Indenture, the Indenture).

The Supplemental Indenture provides for unlimited issuances of additional Notes. All such additional Notes (including such Notes issued hereby) will be substantially identical in all material respects other than issuance dates and will constitute a part of the same series, respectively, including with respect to redemption and matters requiring approval of the holders. There can be no assurance, however, that any additional Notes subsequently issued under the Indenture will be treated as fungible with the Notes offered hereby for U.S. federal income tax or other purposes.

To the extent that there exists a conflict between the terms and conditions of the Base Indenture and the Supplemental Indenture, the terms of the Supplemental Indenture shall govern. The following summary of the material provisions of the Indenture does not purport to be complete and is subject to, and qualified in its entirety by, reference to the provisions of the Indenture, including the definitions of certain terms contained therein and those terms made part of the Indenture by reference to the Trust Indenture Act of 1939. Capitalized terms used, but not defined in this section shall have the meanings assigned to such terms in the Base Indenture.

General

The Notes will be unsecured obligations of Martin Marietta Materials and will rank equally with all other unsecured and unsubordinated debt of Martin Marietta Materials. Secured debt of Martin Marietta Materials will be effectively senior to the Notes to the extent of the value of the assets securing such debt. The Notes will not be guaranteed and, therefore, will be structurally subordinate to the debt and liabilities of any subsidiary of Martin Marietta Materials.

The Notes will bear interest from April 21, 2008 at 6.60% per annum payable on April 15 and October 15 of each year, commencing October 15, 2008, to the person in whose name the Notes were registered at the close of business on the preceding April 1 and October 1, respectively.

The Notes will be issued only in fully registered form, without coupons, in purchase amounts of \$2,000 and integral multiples of \$1,000 thereafter.

The Notes will be redeemable by us at any time prior to maturity as described below under Optional redemption; no sinking fund.

Principal of, premium, if any, and interest, if any, on the Notes (other than Notes issued as Global Notes) will be payable, and the Notes (other than Notes issued as Global Notes) will be exchangeable and transfers thereof will be registrable, at the office of the Trustee and at any other office maintained at that time by us for such purpose, provided that, at our option, payment of interest may be made by check mailed to the address of the holder as it appears in the register of the Notes. For certain information about Notes issued in global form, see Form of notes below. No service charge shall be made for any registration of transfer or

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exchange of the Notes, but we may require payment of a sum sufficient to cover any transfer tax or other governmental charge payable in connection therewith.

The Indenture provides that the Trustee and the Paying Agent shall promptly pay to us upon request any money held by them for the payment of principal (and premium, if any) or interest that remains unclaimed for two years. In the event the Trustee or the Paying Agent returns money to us following such two-year period, the registered holders of the Notes (the Noteholders) thereafter shall be entitled to payment only from us, subject to all applicable escheat, abandoned property and similar laws.

The Indenture does not limit the amount of additional unsecured indebtedness that we or any of our subsidiaries may incur. The terms of the Notes and the covenants contained in the Indenture do not afford holders of the Notes protection in the event of a highly leveraged or other similar transaction involving Martin Marietta Materials that may adversely affect Noteholders. See Covenants below.

Interest

The Notes will bear interest at a fixed rate of 6.60% per annum. The Notes will bear interest from April 21, 2008, payable semi-annually in arrears on each April 15 and October 15, beginning on October 15, 2008, to the persons in whose names the Notes are registered at the close of business on the April 1 and October 1, as the case may be (whether or not a business day), immediately preceding such April 15 and October 15, respectively; provided, however, that interest payable at maturity will be payable to the person to whom the principal is payable. Interest on the Notes will accrue from April 21, 2008, or from the most recent interest payment date to which interest has been paid or provided for, to but excluding the relevant interest payment date. Interest on the Notes will be computed on the basis of a 360-day year of twelve 30-day months.

If an interest payment date for the Notes falls on a day that is not a business day, the interest payment shall be postponed to the next succeeding business day, and no interest on such payment shall accrue for the period from and after such interest payment date.

Change of control repurchase event

If a Change of Control Repurchase Event (as defined herein) occurs, we will make an offer to each Noteholder to repurchase all or any part (in excess of \$2,000 and in integral multiples of \$1,000) of that Noteholder's Notes at a repurchase price in cash equal to 101% of the aggregate principal amount of Notes repurchased plus any accrued and unpaid interest on the Notes repurchased to, but not including, the date of purchase.

Within 30 days following any Change of Control Repurchase Event or, at our option, prior to any Change of Control (as defined herein), but after the public announcement of the Change of Control, we will mail a notice to each holder, with a copy to the Trustee, describing the transaction or transactions that constitute or may constitute the Change of Control Repurchase Event and offering to repurchase Notes on the payment date specified in the notice, which date will be no earlier than 30 days and no later than 60 days from the date such notice is mailed. The notice shall, if mailed prior to the date of consummation of the Change of Control, state that the offer to purchase is conditioned on the Change of Control Repurchase Event occurring on or prior to the payment date specified in the notice.

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We will comply with the requirements of Rule 14e-1 under the Securities Exchange Act of 1934, as amended (the Exchange Act), and any other securities laws and regulations thereunder to the extent those laws and regulations are applicable in connection with the repurchase of the Notes as a result of a Change of Control Repurchase Event. To the extent that the provisions of any securities laws or regulations conflict with the Change of Control Repurchase Event provisions of the Notes, we will comply with the applicable securities laws and regulations and will not be deemed to have breached our obligations under the Change of Control Repurchase Event provisions of the Notes by virtue of such conflict.

On the Change of Control Repurchase Event payment date, we will, to the extent lawful:

- (1) accept for payment all Notes or portions of Notes properly tendered pursuant to our offer;
- (2) deposit with the Paying Agent an amount equal to the aggregate purchase price in respect of all Notes or portions of Notes properly tendered; and
- (3) deliver or cause to be delivered to the Trustee the Notes properly accepted, together with an officers certificate stating the aggregate principal amount of Notes being repurchased by us.

The Paying Agent will promptly mail to each holder of Notes properly tendered the purchase price for such Notes, and the Trustee will promptly authenticate and mail (or cause to be transferred by book-entry) to each holder a new Note equal in principal amount to any unpurchased portion of any Notes surrendered.

We will not be required to make an offer to repurchase the Notes upon a Change of Control Repurchase Event if a third party makes such an offer in the manner, at the times and otherwise in compliance with the requirements for an offer made by us and such third party purchases all Notes properly tendered and not withdrawn under its offer.

Below Investment Grade Rating Event means the rating on the Notes is lowered by at least two of the three Rating Agencies and the Notes are rated below an Investment Grade Rating by at least two of the three Rating Agencies on any day during the period (which period shall be extended so long as the rating of the Notes is under publicly announced consideration for a possible downgrade by any of the Rating Agencies) commencing 60 days prior to the first public notice of the occurrence of a Change of Control or our intention to effect a Change of Control and ending 60 days following consummation of such Change of Control.

Change of Control means (1) the consummation of any transaction (including, without limitation, any merger or consolidation) the result of which is that any person or group (as used in Section 13(d)(3) of the Exchange Act), becomes the beneficial owner, directly or indirectly, of more than 50% of our Voting Stock (as defined herein), measured by voting power rather than number of shares, (2) any sale, lease, exchange or other transfer (in one transaction or a series of related transactions) of all or substantially all of the assets of the Company and its Subsidiaries, taken as a whole, to any person or group of related persons for the purpose of Section 13(d)(3) of the Exchange Act, together with any affiliates thereof (whether or not otherwise in compliance with the provisions of the Indenture), (3) the replacement of a majority of our board of directors over a two-year period from the directors who constituted our board of directors at the beginning of such period, when such replacement shall have not been approved by a vote of at least a majority of the board of directors then still in office who either were members of such board of directors at the beginning of such period or whose election as

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members of such board of directors was previously so approved, or (4) the adoption of a plan relating to the liquidation or dissolution of the Company.

Change of Control Repurchase Event means the occurrence of both a Change of Control and a Below Investment Grade Rating Event.

Fitch means Fitch Inc. and its successors.

Investment Grade Rating means a rating equal to or higher than Baa3 (or the equivalent) by Moody's, BBB- (or the equivalent) by S&P and BBB- (or the equivalent) by Fitch and the equivalent investment grade credit rating from any replacement rating agency or rating agencies selected by us.

Moody's means Moody's Investors Service Inc. and its successors.

Rating Agency means (1) each of Moody's, S&P and Fitch; and (2) if any of Moody's, S&P or Fitch ceases to rate the Notes or fails to make a rating of such Notes publicly available for reasons outside of our control, a nationally recognized statistical rating organization within the meaning of Rule 15c3-1(c)(2)(vi)(F) under the Exchange Act selected by us (as certified by a resolution of our board of directors) to act as a replacement agency for Moody's, S&P or Fitch, or all of them, as the case may be.

S&P means Standard & Poor's Ratings Services, a division of The McGraw-Hill Companies, Inc. and its successors.

Subsidiary means an entity, a majority of the Voting Stock of which is owned by the Company and/or one or more Subsidiaries.

Voting Stock of any specified person (as that term is used in Section 13(d)(3) of the Exchange Act) as of any date means the capital stock of such person that is at the time entitled to vote generally in the election of the board of directors of such person.

Optional redemption; no sinking fund

The Notes will be redeemable at the option of Martin Marietta Materials, in whole or in part at any time or in part from time to time, on at least 30 days but not more than 60 days prior written notice mailed to the registered holders thereof, at a redemption price equal to the greater of:

- (1) 100% of the principal amount of the Notes to be redeemed; or
- (2) the sum, as determined by the Quotation Agent (as defined herein), of the present values of the principal amount of the Notes to be redeemed and the remaining scheduled payments of interest thereon from the redemption date to the maturity date of the Notes to be redeemed, exclusive of interest accrued to the redemption date (the Remaining Life), discounted from their respective scheduled payment dates to the redemption date on a semi-annual basis (assuming a 360-day year consisting of 30-day months) at the Treasury Rate (as defined herein) plus 45 basis points, plus accrued and unpaid interest on the principal amount being redeemed to the date of redemption.

Comparable Treasury Issue means the United States Treasury security selected by the Quotation Agent as having a maturity comparable to the Remaining Life that would be utilized, at

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the time of selection and in accordance with customary financial practice, in pricing new issues of corporate debt securities of comparable maturity with the Remaining Life.

Comparable Treasury Price means, with respect to any redemption date, the average of two Reference Treasury Dealer Quotations for such redemption date.

Quotation Agent means the Reference Treasury Dealer appointed by Martin Marietta Materials.

Reference Treasury Dealer means each of (1) J.P. Morgan Securities Inc., (2) Banc of America Securities LLC and (3) one other primary U.S. Government securities dealer in New York City (a Primary Treasury Dealer) selected by Wachovia Capital Markets, LLC, and their respective successors; provided, however, that if the foregoing ceases to be a Primary Treasury Dealer, we will substitute therefor another Primary Treasury Dealer.

Reference Treasury Dealer Quotations means, with respect to each Reference Treasury Dealer and any redemption date, the average, as determined by the Trustee, of the bid and asked prices for the Comparable Treasury Issue (expressed in each case as a percentage of its principal amount) quoted in writing to the Trustee by such Reference Treasury Dealer at 5:00 p.m., New York City time, on the third business day preceding such redemption date.

Treasury Rate means, with respect to any redemption date, the rate per annum equal to the semi-annual yield to maturity of the Comparable Treasury Issue, calculated on the third business day preceding such redemption date using a price for the Comparable Treasury Issue (expressed as a percentage of its principal amount) equal to the Comparable Treasury Price for such redemption date.

If money sufficient to pay the redemption price of and accrued interest on all the Notes (or portions thereof) to be redeemed on the redemption date is deposited with the Trustee or Paying Agent on or before the redemption date and certain other conditions are satisfied, then on and after such redemption date, interest will cease to accrue on such Notes (or such portion thereof) called for redemption.

We may at any time, and from time to time, purchase the Notes at any price or prices in the open market or otherwise. The Notes will not be entitled to the benefit of any sinking fund or other mandatory redemption obligation prior to maturity.

Amendment, supplement and waiver

Subject to certain exceptions, the Indenture and the Notes may be amended or supplemented with the written consent of the holders of not less than a majority principal amount of the then outstanding Notes; provided that Martin Marietta Materials and the Trustee may not without the consent of the holder of each outstanding Note affected thereby:

- (1) reduce the amount of such Notes whose holders must consent to an amendment, supplement or waiver;
- (2) reduce the rate of or extend the time for payment of interest on such Notes;
- (3) reduce the principal of or extend the fixed maturity of such Notes; or
- (4) make such Notes payable in money other than that stated in such Notes.

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Any past default or compliance with any provisions may be waived with the consent of the holders of a majority in principal amount of the Notes, except a default in payment of principal or interest or in respect of other provisions requiring the consent of the holder of each such Note in order to amend. Without the consent of any Noteholder, the Company and the Trustee may amend or supplement the Indenture or the Notes without notice to cure any ambiguity, omission, defect or inconsistency, to provide for uncertificated Notes in addition to or in place of certificated Notes, to comply with the provisions of the Indenture concerning mergers, consolidations and transfers of all or substantially all of the assets of the Company, to appoint a trustee other than the Trustee (or any successor thereto) as trustee in respect of the Notes, or to add, change or eliminate provisions of the Indenture as shall be necessary or desirable in accordance with any amendment to the Trust Indenture Act of 1939. In addition, without the consent of any Noteholder, the Company and the Trustee may amend or supplement the Indenture or the Notes to make any change that does not materially adversely affect the rights of any Noteholder. Whenever we request the Trustee to take any action under the Indenture, including a request to amend or supplement the Indenture without the consent of any Noteholder, we are required to furnish the Trustee with an officers' certificate and an opinion of counsel to the effect that all conditions precedent to the action have been complied with. Without the consent of any Noteholder, the Trustee may waive compliance with any provisions of the Indenture or the Notes if the waiver does not materially adversely affect the rights of any Noteholder.

Covenants

The terms of the Notes and the covenants contained in the Indenture do not afford Noteholders protection in the event of a highly leveraged or other similar transaction involving Martin Marietta Materials that may adversely affect Noteholders. The Indenture does not limit the amount of additional unsecured indebtedness that Martin Marietta Materials or any of its Subsidiaries may incur.

Limitations on liens

Subject to the following three sentences, the Company will not, and will not permit any Restricted Subsidiary to, as security for any Debt, incur a Lien on any Restricted Property, unless the Company or such Restricted Subsidiary secures or causes to be secured any outstanding Notes equally and ratably with all Debt secured by such Lien. The Lien may equally and ratably secure such Notes and any other obligations of the Company or its Subsidiaries that are not subordinated to any outstanding Notes. This restriction will not apply to, among other things, certain Liens:

- (1) existing at the time an entity becomes a Restricted Subsidiary;
- (2) existing at the time of the acquisition of the Restricted Property or incurred to finance all or some of the purchase price or cost of construction, provided that the Lien may not extend to any other Restricted Property (other than, in the case of construction, unimproved real property) owned by the Company or any of its Restricted Subsidiaries at the time the property is acquired or the Lien is incurred and provided further that the Lien may not be incurred more than one year after the later of the acquisition, completion of construction or commencement of full operation of the property;
- (3) in favor of the Company or another Restricted Subsidiary;

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(4) existing at the time an entity merges into, consolidates with, or enters into a share exchange with the Company or a Restricted Subsidiary or a person transfers or leases all or substantially all its assets to the Company or a Restricted Subsidiary;

(5) in favor of a government or governmental entity that secures payment pursuant to a contract, subcontract, statute or regulation, secure Debt guaranteed by the government or governmental agency, secures Debt incurred to finance all or some of the purchase price or cost of construction of goods, products or facilities produced under contract or subcontract for the government or governmental entity, or secures Debt incurred to finance all or some of the purchase price or cost of construction of the property subject to the Lien; or

(6) extends, renews or replaces in whole or in part a Lien (existing Lien) permitted by any of clauses (1) through (5) or a Lien existing on the date that the Notes are first issued; provided, that such Lien may not extend beyond the property subject to the existing Lien and the Debt secured by the Lien may not exceed the amount of Debt secured at the time by the existing Lien unless the existing Lien or a predecessor Lien equally and ratably secures the Notes and the Debt.

In addition and notwithstanding the foregoing restrictions, the Company and any of its Restricted Subsidiaries may, without securing the Notes, incur a Lien that otherwise would be subject to the restrictions, provided that after giving effect to such Lien the aggregate amount of all Debt secured by Liens that otherwise would be prohibited plus all Attributable Debt in respect of sale-leaseback transactions that otherwise would be prohibited by the covenant limiting sale-leaseback transactions described below would not exceed 15% of Consolidated Net Tangible Assets.

Limitations on sale-leaseback transactions

Subject to the following two sentences, the Company will not, and will not permit any Restricted Subsidiary to, sell or transfer a Principal Property and contemporaneously lease it back, except a lease for a period of three years or less. Notwithstanding the foregoing restriction, the Company or any Restricted Subsidiary may sell a Principal Property and lease it back for a longer period if:

- (1) the lease is between the Company and a Restricted Subsidiary or between Restricted Subsidiaries;
- (2) the Company or such Restricted Subsidiary would be entitled, pursuant to the provisions set forth above under the caption *Limitations on liens*, to create a Lien on the property to be leased securing Debt in an amount at least equal in amount to the Attributable Debt in respect of the sale-leaseback transaction without equally and ratably securing the outstanding Notes;
- (3) the Company owns or acquires other property which will be made a Principal Property and is determined by the Board of Directors of the Company to have a fair value equal to or greater than the Attributable Debt incurred;
- (4) within 270 days the Company makes Capital Expenditures with respect to a Principal Property in an amount at least equal to the amount of the Attributable Debt; or
- (5) the Company or a Restricted Subsidiary makes an optional prepayment in cash of its Debt or capital lease obligations at least equal in amount to the Attributable Debt for the

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lease, the prepayment is made within 270 days, the Debt prepaid is not owned by the Company or a Restricted Subsidiary, the Debt prepaid is not subordinated to any of the Notes, and the Debt prepaid was Long-Term Debt at the time it was created.

In addition and notwithstanding the foregoing restrictions, the Company and any of its Restricted Subsidiaries may, without securing the Notes, enter into a sale-leaseback transaction that otherwise would be subject to the restrictions, provided that after giving effect to such sale-leaseback transaction the aggregate amount of all Debt secured by Liens that otherwise would be prohibited by the covenant limiting Liens described above plus all Attributable Debt in respect of sale-leaseback transactions that otherwise would be prohibited would not exceed 15% of Consolidated Net Tangible Assets.

Consolidation, merger, sale of assets

The Company shall not consolidate with or merge into, or transfer all or substantially all of its assets to, another entity unless:

- (1) the resulting, surviving or transferee entity assumes by supplemental indenture all of the obligations of the Company under the Notes and the Indenture;
- (2) immediately after giving effect to the transaction no Event of Default, and no event that, after notice or lapse of time or both, would become an Event of Default, shall have happened and be continuing; and
- (3) the Company shall have delivered an officers certificate and an opinion of counsel each stating that the consolidation, merger or transfer and the supplemental indenture comply with the Indenture.

If upon any such consolidation, merger or transfer, a Restricted Property would become subject to an attaching Lien that secures Debt, then, before the consolidation, merger or transfer occurs, the Company by supplemental indenture shall secure the debt securities by a direct lien on such Restricted Property. The direct Lien shall have priority over all Liens on such Restricted Property except these already on it. The direct Lien may equally and ratably secure the debt securities and any other obligation of the Company or a Subsidiary. However, the Company need not comply with this provision if: upon the consolidation, merger or transfer the attaching Lien will secure the debt securities, equally and ratably with or prior to Debt secured by the attaching Lien; or the Company or a Restricted Subsidiary could create a Lien on the Restricted Property to secure Debt at least equal in amount to that secured by the attaching Lien pursuant to the provisions described under Limitations on liens above.

When a successor corporation, trustee, paying agent or registrar assumes all of the obligations of its predecessor under the debt securities and the Indenture, the predecessor will be released from those obligations.

Definitions

For purposes of the covenants included in the Indenture, the following terms generally shall have the meanings provided below.

Attributable Debt for a lease means the carrying value of the capitalized rental obligation determined under generally accepted accounting principles whether or not such obligation is

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required to be shown on the balance sheet as a long-term liability. The carrying value may be reduced by the capitalized value of the rental obligations, calculated on the same basis, that any sublessee has for all or part of the same property. A lease obligation shall be counted only once even if the Company and one or more of its Subsidiaries may be responsible for the obligation.

Capital Expenditures means, for any period, any expenditures of the Company or its Subsidiaries during such period that, in conformity with generally accepted accounting principles consistently applied, are required to be included in fixed asset accounts as reflected in the consolidated balance sheet of the Company and its Subsidiaries.

Consolidated Net Tangible Assets means total assets less:

(1) total current liabilities (excluding any Debt which, at the option of the borrower, is renewable or extendible to a term exceeding 12 months and which is included in current liabilities and further excluding any deferred income taxes which are included in current liabilities); and

(2) goodwill, patents and trademarks,

all as stated on the Company's most recent publicly available consolidated balance sheet preceding the date of determination.

Debt means any debt for borrowed money which would appear on the balance sheet as a liability or any guarantee of such a debt and includes purchase money obligations. A Debt shall be counted only once even if the Company and one or more of its Subsidiaries may be responsible for the obligation.

Lien means any mortgage, pledge, security interest or lien.

Long-Term Debt means Debt that by its terms matures on a date more than 12 months after the date it was created or Debt that the obligor may extend or renew without the obligee's consent to a date more than 12 months after the Debt was created.

Principal Property means any mining and quarrying or manufacturing facility located in the United States and owned by the Company or by one or more Restricted Subsidiaries from the date the Notes are first issued and which has, as of the date the Lien is incurred, a net book value (after deduction of depreciation and other similar charges) greater than 3% of Consolidated Net Tangible Assets, except:

(1) any such facility or property which is financed by obligations of any State, political subdivision of any State or the District of Columbia under terms which permit the interest payable to the holders of the obligations to be excluded from gross income as a result of the plant, facility or property satisfying the conditions of Section 103(b)(4)(C), (D), (E), (F) or (H) or Section 103(b)(6) of the Internal Revenue Code of 1954 or Section 142(a) or Section 144(a) of the Internal Revenue Code of 1986, or of any successors to such provisions; or

(2) any such facility or property which, in the opinion of the Board of Directors of the Company is not of material importance to the total business conducted by the Company and its Subsidiaries taken as a whole. However, the chief executive officer or chief financial officer of the Company may at any time declare any mining and quarrying or manufacturing

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facility or other property to be a Principal Property by delivering a certificate to that effect to the Trustee.

Restricted Property means any Principal Property, any Debt of a Restricted Subsidiary owned by the Company or a Restricted Subsidiary on the date the Notes are first issued or secured by a Principal Property (including any property received upon a conversion or exchange of such debt), or any shares of stock of a Restricted Subsidiary owned by the Company or a Restricted Subsidiary (including any property or shares received upon a conversion, stock split or other distribution with respect to the ownership of such stock).

Restricted Subsidiary means a Subsidiary that has substantially all of its assets in, or carries on substantially all of its business in, the United States and that owns a Principal Property. Notwithstanding the preceding sentence, a Subsidiary shall not be a Restricted Subsidiary during such period of time as it has shares of capital stock registered under the Exchange Act or it files reports and other information with the Commission pursuant to Section 13 or 15(d) of the Exchange Act.

Subsidiary means an entity, a majority of the Voting Stock of which is owned by the Company and/or one or more Subsidiaries.

Voting Stock means capital stock or other equity interest having voting power under ordinary circumstances to elect directors or managers, as applicable.

Default and remedies

An Event of Default under the Indenture is:

- (1) default for 30 days in payment of interest on the Notes;
- (2) default in payment of principal on the Notes;
- (3) failure by the Company for 90 days, after notice to it to comply with any of its other agreements in the Indenture for the benefit of holders of the Notes; and
- (4) certain events of bankruptcy or insolvency.

If an Event of Default (other than as referred to in clause (4) above) occurs and is continuing, the Trustee or the holders of at least 25% in principal amount of the outstanding Notes may declare the Notes to be due and payable immediately, but under certain conditions such acceleration may be rescinded by the holders of a majority in principal amount of the outstanding Notes. If an Event of Default referred to in clause (4) above occurs and is continuing, the principal of, premium, if any, and interest on all the Notes will become immediately due and payable without any declaration or other act on the part of the Trustee or the Noteholders.

No Noteholder may pursue any remedy against the Company under the Indenture (other than with respect to the right to receive payment of principal or interest, if any) unless such holder previously shall have given to the Trustee written notice of default and unless the holders of at least 25% in principal amount of the Notes shall have requested the Trustee to pursue the remedy and shall have offered the Trustee indemnity satisfactory to it, the Trustee shall not have complied with the request within 60 days of receipt of the request and the offer of indemnity, and the Trustee shall not have received direction inconsistent with the request during such 60-day period from the holders of a majority in principal amount of the Notes.

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Noteholders may not enforce the Indenture or the Notes except as provided in the Indenture. The Trustee may refuse to enforce the Indenture or the Notes unless it receives indemnity satisfactory to it from the Company or, under certain circumstances, the Noteholders seeking to direct the Trustee to take certain actions under the Indenture against any loss, liability or expense.

Subject to certain limitations, holders of a majority in principal amount of the Notes may direct the Trustee in its exercise of any trust or power under the Indenture in respect of the Notes. The Indenture provides that the Trustee will give to the Noteholders notice of all defaults known to it, within 90 days after the occurrence of any default with respect to the Notes unless the default shall have been cured or waived. The Trustee may withhold from Noteholders notice of any continuing default (except a default in payment of principal or interest) if it determines in good faith that withholding such notice is in the interests of such holders. The Company is required annually to certify to the Trustee as to the compliance by the Company with certain covenants under the Indenture and the absence of a default thereunder, or as to any such default that existed.

A director, officer, employee or stockholder, as such, of the Company shall not have any liability for any obligations of the Company under the Notes or the Indenture or for any claim based on, in respect of, or by reason of such obligations or their creation. By accepting a Note, each Noteholder waives and releases all such claims and liability. This waiver and release are part of the consideration for the issue of the Notes.

Defeasance of the notes

The Indenture provides that the Company may, subject to certain conditions described below, discharge its indebtedness and its obligations or certain of its obligations under the Indenture in respect of the Notes by depositing funds or U.S. Government Obligations (as defined in the Indenture) or Notes with the Trustee. The Indenture provides that:

(1) the Company will be discharged from any obligation to comply with certain restrictive covenants of the Indenture and certain other obligations under the Indenture and any noncompliance with such obligations shall not be an Event of Default in respect of the Notes; or

(2) provided that 91 days have passed from the date of the deposit referred to below and certain specified Events of Default have not occurred, the Company will be discharged from any and all obligations in respect of the Notes (except for certain obligations, including obligations to register the transfer and exchange of the Notes, to replace mutilated, destroyed, lost or stolen Notes, to maintain paying agencies and to cause money to be held in trust), in either case upon the deposit with the Trustee, in trust, of money, Notes, and/or U.S. Government Obligations that, through the payment of interest and principal in accordance with their terms, will provide money in an amount sufficient to pay the principal of and each installment of interest on the Notes on the date when such payments become due in accordance with the terms of the Indenture and the Notes.

In the event of any such defeasance under clause (1) above, the obligations of the Company under the Indenture and the Notes, other than with respect to the covenants relating to limitations on liens and sale-leaseback transactions and reporting thereon, and covenants relating to consolidations, mergers and transfers of all or substantially all of the assets of the Company, shall remain in full such and effect. In the event of defeasance and discharge under

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clause (2) above, the Noteholders are entitled to payment only from the trust fund created by such deposit for payment. In the case of the Company's discharge from any and all obligations in respect of the Notes, as described in clause (2) above, the trust may be established only if, among other things, the Company shall have delivered to the Trustee an opinion of counsel to the effect that, if the Notes are then listed on a national securities exchange, such deposit, defeasance or discharge will not cause the Notes to be delisted. For U.S. federal income tax purposes, defeasance and discharge under clause (2) above may cause holders of the Notes to recognize gain or loss in an amount equal to the difference between the fair market value of the obligations of the trust to the holder and such holder's tax basis in the Notes. Prospective purchasers should consult their tax advisors as to the possible tax effects of such a defeasance and discharge.

Pursuant to the escrow trust agreements that the Company may execute in connection with the defeasance of all or certain of its obligations under the Indenture as provided above, the Company from time to time may elect to substitute U.S. Government Obligations or the Notes of the same series for any or all of the U.S. Government Obligations deposited with the Trustee; provided that the money, U.S. Government Obligations, and/or Notes in trust following such substitution or substitutions will be sufficient, through the payment of interest and principal in accordance with their terms, to pay the principal of and each installment of interest on the Notes on the date when such payments become due in accordance with the terms of the Indenture and the Notes. The escrow trust agreements also may enable the Company:

(1) to direct the Trustee to invest any money received by the Trustee on the U.S. Government Obligations comprising the trust in additional U.S. Government Obligations; and

(2) to withdraw monies or U.S. Government Obligations from the trust from time to time; *provided*, that the money and/or U.S. Government Obligations in trust following such withdrawal will be sufficient, through the payment of interest