

Vulcan Materials CO
Form 10-Q
May 02, 2012
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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

WASHINGTON, D.C. 20549

FORM 10-Q

(Mark One)

QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934
For the quarterly period ended **March 31, 2012**

OR

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934
For the transition period from _____ to _____

Commission File Number **001-33841**

VULCAN MATERIALS COMPANY

(Exact name of registrant as specified in its charter)

New Jersey

20-8579133

(State or other jurisdiction of incorporation)

(I.R.S. Employer Identification No.)

1200 Urban Center Drive, Birmingham, Alabama

35242

(Address of principal executive offices)

(zip code)

(205) 298-3000 (Registrant's telephone number including area code)

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

Yes No

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes No

Indicate by check mark whether registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of large accelerated filer, accelerated filer and smaller reporting company in Rule 12b-2 of the Exchange Act.

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(Check one):

Large accelerated filer Accelerated filer Non-accelerated filer Smaller reporting company

(Do not check if a smaller reporting company)

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes No

Indicate the number of shares outstanding of each of the issuer's classes of common stock, as of the latest practicable date:

Class	Shares outstanding
Common Stock, \$1 Par Value	at March 31, 2012 129,389,263

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VULCAN MATERIALS COMPANY

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QUARTER ENDED MARCH 31, 2012

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FINANCIAL STATEMENTS****VULCAN MATERIALS COMPANY AND SUBSIDIARY COMPANIES****CONDENSED CONSOLIDATED BALANCE SHEETS**

	<i>March 31</i>	<i>December 31</i>	<i>March 31</i>
<i>Unaudited, except for December 31</i>	<i>2012</i>	<i>2011</i>	<i>2011</i>
<i>in thousands, except per share data</i>			
Assets			
Cash and cash equivalents	\$191,172	\$155,839	\$63,164
Restricted cash	0	81	109
Accounts and notes receivable			
Accounts and notes receivable, gross	325,383	321,391	285,644
Less: Allowance for doubtful accounts	(7,207)	(6,498)	(7,518)
Accounts and notes receivable, net	318,176	314,893	278,126
Inventories			
Finished products	271,634	260,732	257,522
Raw materials	23,819	23,819	26,570
Products in process	5,077	4,198	4,830
Operating supplies and other	40,803	38,908	40,265
Inventories	341,333	327,657	329,187
Current deferred income taxes	43,394	43,032	57,993
Prepaid expenses	24,574	21,598	25,035
Assets held for sale	0	0	13,281
Total current assets	918,649	863,100	766,895
Investments and long-term receivables	29,172	29,004	37,271
Property, plant & equipment			
Property, plant & equipment, cost	6,698,952	6,705,546	6,729,220
Reserve for depreciation, depletion & amortization	(3,349,258)	(3,287,367)	(3,136,390)
Property, plant & equipment, net	3,349,694	3,418,179	3,592,830
Goodwill	3,086,716	3,086,716	3,097,016
Other intangible assets, net	695,852	697,502	701,046
Other noncurrent assets	135,956	134,813	105,378
Total assets	\$8,216,039	\$8,229,314	\$8,300,436
Liabilities			
Current maturities of long-term debt	\$144,706	\$134,762	\$5,238
Short-term borrowings	0	0	300,000
Trade payables and accruals	125,101	103,931	119,702
Other current liabilities	211,286	167,560	209,662
Liabilities of assets held for sale	0	0	356
Total current liabilities	481,093	406,253	634,958
Long-term debt	2,669,752	2,680,677	2,427,596
Noncurrent deferred income taxes	704,166	732,528	807,029
Other noncurrent liabilities	615,421	618,239	534,418
Total liabilities	4,470,432	4,437,697	4,404,001
Other commitments and contingencies (Note 18)			
Equity			
Common stock, \$1 par value	129,389	129,245	129,107
Capital in excess of par value	2,547,959	2,544,740	2,524,514

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Retained earnings	1,281,080	1,334,476	1,416,486
Accumulated other comprehensive loss	(212,821)	(216,844)	(173,672)
Total equity	3,745,607	3,791,617	3,896,435
Total liabilities and equity	\$8,216,039	\$8,229,314	\$8,300,436

The accompanying Notes to the Condensed Consolidated Financial Statements are an integral part of these statements.

Table of Contents**VULCAN MATERIALS COMPANY AND SUBSIDIARY COMPANIES****CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME**

<i>Unaudited</i>	<i>Three Months Ended</i>	
	<i>2012</i>	<i>March 31 2011</i>
<i>in thousands, except per share data</i>		
Net sales	\$499,851	\$456,316
Delivery revenues	36,031	30,884
Total revenues	535,882	487,200
Cost of goods sold	477,893	463,422
Delivery costs	36,031	30,884
Cost of revenues	513,924	494,306
Gross profit	21,958	(7,106)
Selling, administrative and general expenses	64,912	77,516
Gain on sale of property, plant & equipment and businesses, net	6,526	454
Recovery from legal settlement (Note 19)	0	25,546
Exchange offer costs (Note 1)	(10,065)	0
Other operating income (expense), net	214	(2,562)
Operating loss	(46,279)	(61,184)
Other nonoperating income, net	3,098	1,382
Interest expense, net	52,266	42,250
Loss from continuing operations before income taxes	(95,447)	(102,052)
Benefit from income taxes	(38,397)	(37,430)
Loss from continuing operations	(57,050)	(64,622)
Earnings on discontinued operations, net of tax	4,997	9,889
Net loss	(\$52,053)	(\$54,733)
Other comprehensive income, net of tax		
Reclassification adjustment for cash flow hedges	938	1,450
Amortization of pension and postretirement plan actuarial loss and prior service cost	3,084	2,217
Other comprehensive income	4,022	3,667
Comprehensive loss	(\$48,031)	(\$51,066)
Basic earnings (loss) per share		
Continuing operations	(\$0.44)	(\$0.50)
Discontinued operations	\$0.04	\$0.08
Net loss per share	(\$0.40)	(\$0.42)
Diluted earnings (loss) per share		
Continuing operations	(\$0.44)	(\$0.50)
Discontinued operations	\$0.04	\$0.08
Net loss per share	(\$0.40)	(\$0.42)
Weighted-average common shares outstanding		
Basic	129,593	129,078
Assuming dilution	129,593	129,078
Cash dividends declared per share of common stock	\$0.01	\$0.25
Depreciation, depletion, accretion and amortization	\$85,167	\$90,586
Effective tax rate from continuing operations	40.2%	36.7%

The accompanying Notes to the Condensed Consolidated Financial Statements are an integral part of these statements.

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VULCAN MATERIALS COMPANY AND SUBSIDIARY COMPANIES

CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS

<i>Unaudited</i>	<i>Three Months Ended</i>	
<i>in thousands</i>	<i>March 31</i>	
Operating Activities	2012 	<i>2011</i>