Vulcan Materials CO
Form 11-K
June 24, 2011

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, DC 20549

FORM 11-K

ANNUAL REPORT PURSUANT TO SECTION 15(d) OF THE
SECURITIES EXCHANGE ACT OF 1934

For the Fiscal Year Ended December 31, 2010

Commission File Number: 001-33841

VULCAN MATERIALS COMPANY
401(k) AND PROFIT SHARING RETIREMENT PLAN
(Full title of the Plan)

VULCAN MATERIALS COMPANY
(Name of issuer of the securities held pursuant to the Plan)

1200 Urban Center Drive
Birmingham, Alabama 35242
(205) 298-3000
(Address of issuer's principal executive offices and address of the Plan)

Vulcan Materials Company
401(k) and Profit Sharing Retirement Plan

Financial Statements as of December 31, 2010 and 2009
for the Year Ended December 31, 2010,
Supplemental Schedule as of December 31, 2010,
and Report of Independent Registered Public Accounting Firm

VULCAN MATERIALS COMPANY 401(k) AND PROFIT SHARING
RETIREMENT PLAN

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REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Trustees and Participants of
Vulcan Materials Company 401(k) and Profit
Sharing Retirement Plan

We have audited the accompanying statements of net assets available for benefits of Vulcan Materials Company 401(k) and Profit Sharing Retirement Plan (the "Plan") as of December 31, 2010 and 2009, and the related statements of changes in net assets available for benefits for the year ended December 31, 2010. These financial statements are the responsibility of the Plan's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. The Plan is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. Our audits included consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Plan's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, such financial statements present fairly, in all material respects, the net assets available for benefits of the Plan as of December 31, 2010 and 2009, and the changes in net assets available for benefits for the years then ended in conformity with accounting principles generally accepted in the United States of America.

Our audits were conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplemental schedule of assets (held at end of year) as of December 31, 2010, are presented for the purpose of additional analysis and are not a required part of the basic financial statements, but are supplementary information required by the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974. This schedule is the responsibility of the Plan's management. Such schedule has been subjected to the auditing procedures applied in our audit of the basic 2010 financial statements and, in our opinion, are fairly stated in all material respects when considered in relation to the basic financial statements taken as a whole.

DELOITTE & TOUCHE LLP

Birmingham, Alabama
June 23, 2011

VULCAN MATERIALS COMPANY 401(k) AND PROFIT SHARING RETIREMENT PLAN

STATEMENTS OF NET ASSETS AVAILABLE FOR BENEFITS
AS OF DECEMBER 31, 2010 AND 2009

	2010	2009
ASSETS:		
Interest in Vulcan Materials Company Retirement Savings Trust — at fair value	$193,135,747	$185,863,411
Receivables:		
Employer contributions receivable	4,128,987	3,600,419
Notes receivable from participants	12,869,430	13,385,835
Net assets available for benefits — at fair value	210,134,164	202,849,665
Adjustment from fair value to contract value for fully benefit-responsive investment contracts	(341,338)	(182,253)
NET ASSETS AVAILABLE FOR BENEFITS	$209,792,826	$202,667,412

See notes to financial statements.

VULCAN MATERIALS COMPANY 401(k) AND PROFIT SHARING RETIREMENT PLAN

STATEMENT OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS
FOR THE YEAR ENDED DECEMBER 31, 2010

ADDITIONS TO NET ASSETS:	
Investment income from interest in Vulcan Materials Company Retirement Savings Trust	$12,498,293
Income from notes receivable from participants	702,977
Contributions:	
Participants	9,238,310
Employer	8,033,394
Total contributions	17,271,704
Total additions to net assets	30,472,974
DEDUCTIONS FROM NET ASSETS:	
Withdrawals by participants	23,347,560
Total deductions from net assets	23,347,560
NET INCREASE	7,125,414
NET ASSETS AVAILABLE FOR BENEFITS:	
Beginning of year	202,667,412
End of year	$209,792,826

See notes to financial statements.

VULCAN MATERIALS COMPANY 401(k) AND PROFIT SHARING

RETIREMENT PLAN

NOTES TO FINANCIAL STATEMENTS
AS OF DECEMBER 31, 2010 AND 2009, AND FOR THE YEAR ENDED DECEMBER 31, 2010

1. DESCRIPTION OF THE PLAN

General — The Vulcan Materials Company 401(k) and Profit Sharing Retirement Plan (the "Plan"), a defined contribution employee benefit plan established effective July 15, 2007, provides for accumulation of savings, including ownership of common stock of Vulcan Materials Company (the "Company"), for all qualified employees of the Company hired on or after July 15, 2007.

The Company has designated a portion of the Plan consisting of the Vulcan Materials Company common stock fund as an Employee Stock Ownership Plan (ESOP). The ESOP fund allows a participant to elect to have the dividends on Vulcan Materials Company common stock reinvested in the Company's common stock or paid to the participant in cash.

A participant may transfer between the Company's defined contribution employee benefit plans. In these instances, the net assets of the participant's account will be transferred between the other defined contribution employee benefit plans that participate in the Vulcan Materials Company Retirement Savings Trust (the "Master Trust").

All assets of the Plan are held by The Northern Trust Company of Chicago, Illinois (the "Trustee"). Hewitt Associates, LLC (the "Recordkeeper") is the recordkeeper for the Plan.

Participation and Vesting — Generally, all qualified employees participate on the first day of employment. Participants are fully vested in all contributions at all times.

Contributions — The Plan is funded through contributions by participants and the Company. The Plan provides for two types of employee contributions to the Plan: pay conversion contributions (pretax) and after-tax contributions. An employee may designate multiples of 1%, ranging from 1% to 35%, of earnings as before-tax contributions. Pay conversion contributions, which are subject to annual increases pursuant to federal regulations, are limited to a maximum dollar amount of $16,500 in 2010. Certain additional limits may be imposed on the amount of contributions by or on behalf of certain higher-paid employees. For participants over the age of 50, additional contributions may be made in the amount of $5,500 for the year ended December 31, 2010. Participants may also contribute amounts representing distributions from other qualified plans.

The Company expects to make matching contributions out of accumulated earnings and profits to match a portion of an employee's contribution equal to 100% of that contribution, not to exceed 4% of the employee's earnings. In addition to the contributions described above, the Company may make an additional discretionary bonus match not to exceed 2% of the employee's earnings and a profit sharing contribution with a minimum equal to 3% of the employee's earnings for the portion of the Plan year in which the employee was an eligible participant. These discretionary profit sharing contributions totaled approximately $4,129,000 for the year ended December 31, 2010.

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Investment Options — Participants' contributions are invested in 15 separate investment funds of the Plan in proportions elected by the participant. The Company's matching contributions are invested in the Company stock fund, which invests primarily in the Company's common stock and are available for immediate reallocation by the participants. The Company's profit sharing contributions are invested as selected by the participant. In the event that no contribution investment election is made by the participant, the profit sharing contribution is invested into a target fund based on the participant's year of birth.

Participant Accounts — Separate accounts are maintained for each investment option, before-tax contributions, rollovers, transfers, and Company contributions and accumulated earnings thereon. Earnings (losses) are allocated daily to each participant's account in the ratio of the participant's account balance to total participants' account balances. Distributions and withdrawals are charged to participant accounts.

Distributions and Withdrawals — A participant's total account is distributed upon retirement, disability, death, or termination of employment, unless the account value is greater than $1,000, in which case the participant may defer distribution until age 70-1/2. Distributions are made in cash, except that the portion invested in common stock of the Company may be distributed in whole shares of such stock, if requested by the participant or beneficiary.

Prior to a termination of employment, a participant may withdraw any amount up to the value of his or her entire account provided, however, that (1) no portion of an actively employed participant's pay conversion contribution account may be distributed to him or her before age 59-1/2, unless the administrative committee approves a "hardship" withdrawal (as defined in the Plan) and (2) the preceding 24 months of matching contributions may not be withdrawn by an actively employed participant who has not been a participant in the Plan for at least 60 months.

Participant Loans — A participant may apply for a loan at any time provided that the participant is receiving compensation from which payroll deductions may be made. The amount of the loan cannot exceed the lesser of 50% of the participant's total account, less the outstanding balance of all existing loans, or $50,000, reduced by the highest outstanding balance of existing loans during the 12 months preceding the effective date of such loan.

A loan is considered a note receivable of the Plan. The participant's investment accounts will be reduced by the amount of the loan. Any repayment made will be allocated to the participant's investment accounts in accordance with his or her current investment direction. Loans must be repaid in monthly installments through payroll deductions within 60 months. The interest rate of the loan is determined by the administrative committee, which consists of at least three members appointed by the Chief Executive Officer of the Company, at the time the application for the loan is made and may not exceed the maximum rate for such loans permitted by law. The average rate of interest on loans approximated 5.3% and 5.8% as of December 31, 2010 and 2009, respectively.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting — The financial statements of the Plan have been prepared in accordance with accounting principles generally accepted in the United States of America ("generally accepted accounting principles").

Recent Accounting Pronouncements — In January 2010, the Financial Accounting Standards Board (FASB) issued new guidance related to fair value measurement and disclosure. The guidance requires additional disclosure requirements for Level 1 and 2 measurements of the fair value hierarchy as well as separate disclosures of purchases, sales, issuances and settlements relating to Level 3 measurements. The guidance is effective for periods beginning after December 15, 2009, except for the requirement to provide Level 3 activity of purchases, sales, issuances and settlements on a gross basis, which is effective for fiscal years beginning after December 15, 2010. See Note 5 for related disclosures.

Effective January 1, 2010, the Plan retrospectively adopted new FASB guidance requiring that participant loans be classified as notes receivable rather than a plan investment and measured at unpaid principal balance plus accrued but unpaid interest rather than fair value. Accordingly, the plan reclassified participant loans of $12,869,430 and $13,385,835 for the years ended December 31, 2010 and 2009, respectively, from investments to notes receivable from participants.

Valuation of Investments and Income Recognition — The Plan's investment in the Master Trust established by the Company and administered by the Trustee is presented at fair value, which has been determined based on the fair values of the underlying investments of the Master Trust.

Investments are reported at fair value. Fair value of a financial instrument is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Investments in securities traded on national and over-the-counter exchanges are valued at the closing bid price of the security as of the last trading day of the year. Investments in common/collective-trust funds are stated at estimated fair value as determined by the issuer of the funds based on the underlying investments. The stable value fund is stated at fair value and then adjusted to contract value as described below. Fair value of the stable value fund is the fair value of its underlying investments, and contract value is principal plus accrued interest.

In accordance with Accounting Standards Codification (ASC) Topic 962-325, Plan Accounting — Defined Contribution Pension Plans — Investments — Others, the stable value fund is included at fair value in participant-directed investments in the statement of net assets available for benefits, and an additional line is presented representing the adjustment from fair value to contract value. The statement of changes in net assets available for benefits is prepared on a contract value basis.

The average cost of securities sold or distributed is used to determine net investment gains or losses realized. Security transactions are recorded on the trade date. Distributions of common stock, if any, to participants are recorded at the market value of such stock at the time of distribution. Interest income is recorded on the accrual basis. Dividends are recorded on the ex-dividend date. Investment manager fees are netted against Plan investment income and are not separately reflected. Consequently, management fees and operating expenses are reflected as a reduction of investment return for such investments. Expenses incurred in connection with the transfer of securities, such as brokerage commissions and transfer taxes, are added to the cost of such securities or deducted from the proceeds thereof.

Valuation of Investments (Securities with no Quoted Market Prices) — Amounts for securities that have no quoted market price represent estimated fair value. Many factors are considered in arriving at that fair value. In general, however, corporate debt instruments are valued based on yields currently available on comparable securities of issuers with similar credit ratings. Investments in certain other equity instruments are valued at the quoted market price of the issuer's unrestricted common stock, less an appropriate discount. If a quoted market price for unrestricted common stock of the issuer is not available, restricted common stocks are valued at a multiple of current earnings. The multiple chosen is consistent with multiples of similar companies based on current market prices. The fair value of venture capital and partnership investments has been estimated on the basis of methods employed by the general partners, including consideration of, among other things, reference to third-party transactions, valuations of comparable companies operating within the same or similar industry, current economic and competitive environment, creditworthiness of the corporate issuer, as well as market prices for instruments with similar quality rate, maturity, term, and conditions.

Use of Estimates and Risks and Uncertainties — The preparation of financial statements in conformity with generally accepted accounting principles requires Plan management to make estimates and assumptions that affect the reported amounts of assets, liabilities, and changes therein and disclosure of contingent assets and liabilities. Actual results could differ from those estimates. The Master Trust invests in various securities including U.S. government securities, corporate debt instruments, a stable value fund, other equities, common/collective-trusts, interest-bearing cash, commingled funds holding principally venture capital and partnership investments, other equity investments, and corporate stocks. Investment securities, in general, are exposed to various risks, such as interest rate, credit, and overall market volatility. Due to the level of risk associated with certain investment securities, it is reasonably possible that changes in the values of investment securities will occur in the near term and that such changes could materially affect the amounts reported in the financial statements.

Payment of Benefits — Benefits are recorded when paid.

Administrative Expenses — The Company pays the administrative costs of the Plan, including the Trustee's fees and charges.

3. STABLE VALUE FUND — SYNTHETIC GUARANTEED INVESTMENT CONTRACT

The Plan provides participants a self-managed stable value investment option ("Fund" or "Synthetic Guaranteed Investment Contract") that simulates the performance of a guaranteed investment contract (GIC), whereby participants execute plan transactions at contract value. Contract value represents contributions made to the fund, plus earnings, less participant withdrawals. The self-managed stable value fund is comprised of a portfolio of bonds and other fixed income securities owned by the Plan and an investment contract issued by an insurance company or other financial institution, designed to provide a contract value "wrapper" around the fixed income portfolio to guarantee a specific interest rate which is reset quarterly and that cannot be less than zero. The wrapper contract provides that realized and unrealized gains and losses on the underlying fixed income portfolio are not reflected immediately in the net assets of the fund, but rather are amortized over the duration of the underlying assets through adjustments to the future interest crediting rate. Primary variables impacting future crediting rates of the Fund include the current yield, duration, and existing difference between market and contract value of the underlying assets within the wrapper contract.

Limitations on the Ability of the Synthetic Guaranteed Investment Contract to Transact at Contract Value — Certain events may limit the ability of the Plan to transact at contract value or may allow for the termination of the wrapper contract at less than contract value. The following employer-initiated events may limit the ability of the Fund to transact at contract value:

- A failure of the Plan or its trust to qualify for exemption from federal income taxes or any required prohibited transaction exemption under ERISA;
- Any communication given to Plan participants designed to influence a participant not to invest in the Fund or to transfer assets out of the Fund;
- Any transfer of assets from the Fund directly into a competing investment option;
- The establishment of a defined contribution plan that competes with the Plan for employee contributions; and
- Complete or partial termination of the Plan or its merger with another plan.

The wrapper contract contains provisions that limit the ability of the Fund to transact at contract value upon the occurrence of certain events. These events include any substantive modification of the Fund or the administration of the Fund that is not consented to by the wrapper issuer, any change in law, regulation, or administrative ruling applicable to a plan that could have a material adverse effect on the Fund's cash flow and employer-initiated transactions as described above.

In the event that the wrapper contract fails to perform as intended, the Fund's net asset value may decline if the market value of its assets declines. The Fund's ability to receive amounts due pursuant to the wrapper contract is dependent on the third-party issuer's ability to meet its financial obligations. The wrapper issuer's ability to meet its contractual obligations under the wrapper contract may be affected by future economic and regulatory developments.

The Fund is unlikely to maintain a stable net asset value if, for any reason, it cannot obtain or maintain wrapper contracts covering all of its underlying assets. This could result from the Fund's inability to promptly find a replacement wrapper contract following termination of a wrapper contract. Wrapper contracts are not transferable and have no trading market. There are a limited number of wrapper issuers. The Fund may lose the benefit of wrapper contracts on any portion of its assets in default in excess of a certain percentage of portfolio assets.

Plan management believes that the occurrence of events that may limit the ability of the Plan to transact at less than contract value is not probable.

Average Yields —

	2010	2009
Average yields:		
Based on annualized earnings(1)	2.87%	3.04%
Based on interest rate credited to participants(2)	3.45	2.40

(1)