Virginia Holdco, Inc.
Form S-4
April 12, 2007

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As filed with the Securities and Exchange Commission on April 12, 2007
Registration No. 333-

SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

Form S-4

REGISTRATION STATEMENT
UNDER
THE SECURITIES ACT OF 1933

VIRGINIA HOLDCO, INC.
(Exact name of Registrant as specified in its charter)

New Jersey	**1400**	**20-8579133**
(State or other jurisdiction of incorporation or organization)	*(Primary Standard Industrial Classification Code Number)*	*(I.R.S. Employer Identification No.)*

c/o Vulcan Materials Company
1200 Urban Center Drive
Birmingham, Alabama 35242
205-298-3000
(Address, including zip code, and telephone number, including area code, of Registrant s principal executive offices)

William F. Denson, III, Esq.
Vice President and Secretary
Virginia Holdco, Inc.
c/o Vulcan Materials Company
1200 Urban Center Drive
Birmingham, Alabama 35242
205-298-3000
(Name, address, including zip code, and telephone number, including area code, of agent for service)

Copies to:

John D. Milton, Jr., Esq. **Florida Rock Industries, Inc.** **155 East 21st Street** **Jacksonville, Florida 32206** **904-355-1781**	**Thomas A. Roberts, Esq.** **Raymond O. Gietz, Esq.** **Weil, Gotshal & Manges LLP** **767 Fifth Avenue** **New York, New York 10154** **212-310-8000**	**Daniel B. Nunn Jr., Esq.** **McGuireWoods LLP** **Bank of America Tower** **50 North Laura Street, Suite 3300** **Jacksonville, Florida 32202** **904-360-6339**	**Edward D. Herlihy, Esq.** **Igor Kirman, Esq.** **Wachtell, Lipton, Rosen & Katz** **51 West 52nd Street** **New York, New York 10019** **212-403-1000**

Approximate date of commencement of proposed sale of the securities to the public: As soon as practicable after this Registration Statement becomes effective and all other conditions to the proposed mergers described herein have been satisfied or waived.

If the securities being registered on this Form are being offered in connection with the formation of a holding company and there is compliance with General Instruction G, check the following box. o

If this Form is filed to register additional securities for an offering pursuant to Rule 462(b) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. o

If this Form is a post-effective amendment filed pursuant to Rule 462(d) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. o

Title of Each Class of Securities to be Registered	**Amount to be Registered(1)**	**Proposed Maximum Offering Price Per Share**	**Proposed Maximum Aggregate Offering Price(2)**	**Amount Registra Fee(3**
mmon Stock, par value 1 per share	13,087,491	Not Applicable	$1,441,008,865	$45,00

(1) The number of shares of common stock, par value $0.01 per share, of the registrant (Holdco Common Stock) being registered is based upon the product obtained by multiplying (i) 69,245,981 shares of common stock, par value $0.10 per share, of Florida Rock Industries, Inc. (Florida Rock Common Stock) estimated to be outstanding immediately prior to the Florida Rock merger (including 3,296,644 shares of Florida Rock common stock subject to options exercisable prior to the expected closing of the Florida Rock merger), by (ii) 30% (being the maximum number of shares of Florida Rock Common Stock convertible into shares of Holdco Common Stock), by (iii) the exchange ratio of 0.63.

(2)

Pursuant to Rules 457(f)(1) and 457(c) under the Securities Act of 1933, as amended (the Securities Act) and solely for the purpose of calculating the registration fee, the proposed maximum aggregate offering price is equal to (i) the product obtained by multiplying (a) $67.71 (the average of the high and low prices of Florida Rock Common Stock on April 11, 2007), by (b) 69,245,981 shares of Florida Rock Common Stock (estimated number of shares of Florida Rock Common Stock to be cancelled in the Florida Rock merger), minus (ii) $3,247,636,509 (the estimated amount of cash to be paid by the registrant to Florida Rock s shareholders in the Florida Rock merger).

(3) Determined in accordance with Section 6(b) of the Securities Act at a rate equal to $30.70 per $1,000,000 of the proposed maximum aggregate offering price.

The Registrant hereby amends this registration statement on such date or dates as may be necessary to delay its effective date until the registrant shall file a further amendment which specifically states that this registration statement shall thereafter become effective in accordance with Section 8(a) of the Securities Act of 1933 or until the registration statement shall become effective on such date as the Commission, acting pursuant to said Section 8(a), may determine.

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The information in this proxy statement/prospectus is not complete and may be changed. We may not sell the securities offered by this proxy statement/prospectus until the registration statement filed with the Securities and Exchange Commission is effective. This proxy statement/prospectus does not constitute an offer to sell or a solicitation of an offer to buy any securities in any jurisdiction where an offer or solicitation is not permitted.

SUBJECT TO COMPLETION DATED APRIL 12, 2007

TO THE SHAREHOLDERS OF
FLORIDA ROCK INDUSTRIES, INC.

FLORIDA ROCK MERGER PROPOSED YOUR VOTE IS VERY IMPORTANT

Dear Shareholder,

After careful consideration, the board of directors of Florida Rock Industries, Inc. (Florida Rock), by a unanimous vote of directors voting, has adopted an agreement and plan of merger with Vulcan Materials Company (Vulcan). As part of the transaction, Florida Rock and Vulcan will become subsidiaries of Virginia Holdco, Inc., a new holding corporation (Holdco), and Florida Rock common shareholders will have the right to elect to receive either $67.00 in cash, without interest, or 0.63 of a share of Holdco common stock for each share of Florida Rock common stock that they own. The elections are subject to proration so that, in the aggregate, 70% of all outstanding shares of Florida Rock common stock will be exchanged for cash and 30% of all outstanding shares of Florida Rock common stock will be exchanged for shares of Holdco common stock. In addition, Vulcan common shareholders will receive one share of Holdco common stock for each share of Vulcan common stock that they own. Approximately 13,088,718 shares of Holdco common stock will be issued in the merger in exchange for shares of Florida Rock common stock. Upon completion of the transaction, we estimate that Florida Rock s former shareholders will own approximately 12%, and former Vulcan shareholders will own approximately 88%, of the common stock of Holdco. The common stock of Holdco is expected to be listed on the New York Stock Exchange under Vulcan s current ticker symbol, VMC, Vulcan is expected to be renamed VMC Corp. and Holdco is expected to be renamed Vulcan Materials Company after the closing of the transaction.

Florida Rock will hold a special meeting of shareholders at which we will ask our shareholders to approve the merger agreement. Information about this meeting and the transaction is contained in this proxy statement/prospectus. **In particular, see Risk Factors beginning on page 14.** We urge you to read this proxy statement/prospectus, and the documents incorporated by reference into this proxy statement/prospectus, carefully and in their entirety.

The approval of the merger agreement requires the affirmative vote of a majority of the outstanding shares of Florida Rock common stock. No vote of Vulcan shareholders is required in order to approve the merger agreement. Pursuant to a support agreement with certain members and affiliates of the Baker family, such members and affiliates of the Baker family have agreed to vote certain of the shares of Florida Rock common stock beneficially owned by them, representing approximately 9.9% of the outstanding shares of Florida Rock common stock, in favor of the approval of the merger agreement.

Whether or not you plan to attend the special meeting, please vote as soon as possible to make sure that your shares are represented at that meeting. If you do not vote, it will have the same effect as voting against the merger proposal.

The Florida Rock board of directors unanimously recommends (with the undersigned, Edward L. Baker and Thompson S. Baker II abstaining) that you vote FOR the approval of the merger agreement.

Sincerely,

/s/ John D. Baker II
John D. Baker II
President and Chief Executive Officer
Florida Rock Industries, Inc.

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of the securities to be issued under this proxy statement/prospectus or determined if this proxy statement/prospectus is accurate or complete. Any representation to the contrary is a criminal offense.

This proxy statement/prospectus is dated , 2007, and is first being mailed to shareholders of Florida Rock on or about , 2007.

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FLORIDA ROCK INDUSTRIES, INC.
155 East 21st Street, Jacksonville, Florida 32206

NOTICE OF SPECIAL MEETING OF SHAREHOLDERS
TO BE HELD , 2007

To the Shareholders of Florida Rock Industries, Inc.:

A special meeting of the shareholders of Florida Rock Industries, Inc. will be held at , on , 2007 at a.m., local time, for the following purposes:

1. to consider and vote upon the approval of the Agreement and Plan of Merger, dated as of February 19, 2007, as amended on April 9, 2007, by and among Vulcan Materials Company, a New Jersey corporation, Florida Rock Industries, Inc., a Florida corporation, Virginia Holdco, Inc., a New Jersey corporation, Virginia Merger Sub, Inc., a New Jersey corporation, and Fresno Merger Sub, Inc., a Florida corporation;

2. to consider and vote upon an adjournment of the special meeting, if necessary or appropriate, to permit further solicitation of proxies if there are not sufficient votes at the special meeting to approve the first proposal described above; and

3. to transact such other business as may properly come before the special meeting and any adjournment or postponement thereof.

We have included a copy of the Agreement and Plan of Merger as Annex A to the accompanying proxy statement/prospectus. The proxy statement/prospectus further describes the matters to be considered at the special meeting.

The approval of the merger agreement requires the affirmative vote of a majority of the outstanding shares of Florida Rock common stock. Pursuant to a support agreement with certain members and affiliates of the Baker family, such members and affiliates of the Baker family have agreed to vote certain of the shares of Florida Rock common stock beneficially owned by them, representing approximately 9.9% of the outstanding shares of Florida Rock common stock, in favor of the approval of the merger agreement. The affirmative vote of a majority of the votes cast at the special meeting is required to approve the adjournment of the special meeting, if necessary or appropriate, to solicit additional proxies.

The board of directors of Florida Rock unanimously (with Edward L. Baker, John D. Baker II and Thompson S. Baker II abstaining) recommends that you vote FOR the approval of the Agreement and Plan of Merger at the special meeting and FOR the approval of the adjournment of the meeting, if necessary or appropriate, to solicit additional proxies.

Only shareholders of record at the close of business on , 2007 will be entitled to notice of and to vote at the special meeting and any adjournments or postponements thereof. To vote your shares, please complete and return the enclosed proxy card to us or grant your proxy by telephone or through the Internet. You may also cast your vote in person at the special meeting. Please vote promptly whether or not you expect to attend the special meeting.

By Order of the Board of Directors,

/s/ John D. Milton, Jr.

John D. Milton, Jr.
Executive Vice President
Treasurer and Chief Financial Officer

, 2007

PLEASE VOTE YOUR SHARES PROMPTLY.

YOU CAN FIND INSTRUCTIONS FOR VOTING ON THE ENCLOSED PROXY CARD. IF YOU HAVE QUESTIONS ABOUT THE PROPOSALS OR ABOUT VOTING YOUR SHARES, PLEASE CALL AT ( ) - ( ) COLLECT OR ( ) - ( ) TOLL FREE.

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REFERENCES TO ADDITIONAL INFORMATION

This proxy statement/prospectus incorporates important business and financial information from other documents that are not included in or delivered with this proxy statement/prospectus. This information is available to you without charge upon your written or oral request. You can obtain those documents incorporated by reference in this proxy statement/prospectus or other information about the companies that is filed with the Securities and Exchange Commission (the SEC) under the Securities and Exchange Act of 1934, as amended (the Exchange Act), by requesting them in writing or by telephone from the appropriate company at the following addresses and telephone numbers:

For information about Vulcan:		For information about Florida Rock:	
By Mail:	Vulcan Materials Company 1200 Urban Center Drive Birmingham, Alabama 35242 Attention: Office of the Secretary	By Mail:	Florida Rock Industries, Inc. 155 East 21st Street Jacksonville, Florida 32206 Attention: Office of the Secretary
By Telephone:	205-298-3000	By Telephone:	904-355-1781

IF YOU WOULD LIKE TO REQUEST ANY DOCUMENTS, PLEASE DO SO BY [ ], 2007 IN ORDER TO RECEIVE THEM BEFORE THE SPECIAL MEETING.

For additional information on documents incorporated by reference in this proxy statement/prospectus, please see Where You Can Find More Information.

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Annex B Support Agreement
Annex C Shareholders Agreement
Annex D Opinion of Lazard Frères & Co. LLC
Annex E Form of Holdco Amended and Restated Certificate of Incorporation
Annex F Form of Holdco Amended and Restated By-Laws
Annex G Vulcan Materials Company s Annual Report on Form 10-K for the year ended December 31, 2006
Annex H Vulcan Materials Company s Proxy Statement for its 2007 Annual Meeting of Shareholders

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QUESTIONS AND ANSWERS ABOUT THE TRANSACTION

The questions and answers below highlight only selected procedural information from this proxy statement/prospectus. They do not contain all of the information that may be important to you. You should read carefully the entire proxy statement/prospectus and the additional documents incorporated by reference into this proxy statement/prospectus to fully understand the voting procedures for the special meeting and the procedures for making cash and share elections.

Q. What is the proposed transaction for which I am being asked to vote?

A. You, as a shareholder of Florida Rock Industries, Inc., are being asked to vote to approve at a special meeting an Agreement and Plan of Merger dated as of February 19, 2007, as amended on April 9, 2007, which we refer to in this proxy statement/prospectus as the merger agreement, entered into by and among Vulcan Materials Company, Florida Rock Industries, Inc., Virginia Holdco, Inc., Virginia Merger Sub, Inc. and Fresno Merger Sub, Inc. In this proxy statement/prospectus, we also refer to Vulcan Materials Company as Vulcan, to Florida Rock Industries, Inc. as Florida Rock, and to Virginia Holdco, Inc. as Holdco.

Subject to the terms and conditions of the merger agreement, Virginia Merger Sub, Inc. (a wholly owned subsidiary of Holdco) will merge with and into Vulcan (which we refer to as the Vulcan merger), and Fresno Merger Sub, Inc. (a wholly owned subsidiary of Holdco) will merge with and into Florida Rock (which we refer to as the Florida Rock merger). We refer to the Vulcan merger and the Florida Rock merger together as the mergers, and neither merger will occur unless both do. Vulcan and Florida Rock will survive their respective mergers as wholly owned subsidiaries of Holdco.

You are also being asked to vote to approve the adjournment of the special meeting, if necessary or appropriate, to solicit additional proxies if there are insufficient votes at the time of the special meeting to approve the merger agreement.

Q. Are Vulcan shareholders being asked to vote on the proposed transaction?

A. No. No vote of Vulcan shareholders is required to approve the merger agreement.

Q. What will I receive for my Florida Rock shares in the Florida Rock merger?

A. You may make one of the following elections, or a combination of the two, regarding the type of merger consideration you wish to receive in exchange for your shares of Florida Rock common stock:

a cash election to receive $67.00 in cash, without interest, for each share of Florida Rock common stock; or

a share election to receive 0.63 of a share of Holdco common stock for each share of Florida Rock common stock.

If you make a cash election or a share election, the form of merger consideration that you actually receive as a Florida Rock shareholder may be adjusted as a result of the proration procedures pursuant to the merger agreement as described in this proxy statement/prospectus under The Mergers Florida Rock Shareholders Making Cash and Share Elections on page 50. These proration procedures are designed to ensure that 30% of Florida Rock shares outstanding immediately prior to the Florida Rock merger are converted into Holdco shares

and 70% of Florida Rock shares outstanding immediately prior to the Florida Rock merger are converted into cash.

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Q. How and when do I make a cash election or a share election?

A. You should carefully review and follow the instructions accompanying the form of election provided together with this proxy statement/prospectus. To make a cash election or a share election, Florida Rock shareholders of record must properly complete, sign and send the form of election and any stock certificates representing their Florida Rock shares to , the exchange agent, at the following address:

Attention: [ ]
Telephone Number: [ ]

Questions regarding the cash or share elections should be directed to:

Attention: [ ]
Telephone Number: [ ]

The exchange agent must receive the form of election and any stock certificates representing Florida Rock shares, a book-entry transfer of shares or a guarantee of delivery as described in the instructions accompanying the form of election by the election deadline. **The election deadline will be 5:00 p.m., EDT, on , 2007, the date of the special meeting, unless the completion of the Florida Rock merger will occur more than four business days following the date of the special meeting, in which case the election deadline will be extended until two business days before the completion of the Florida Rock merger.** Vulcan and Florida Rock will publicly announce the election deadline at least five business days prior to the anticipated completion date of the Florida Rock merger.

If you own Florida Rock shares in street name through a bank, broker or other nominee and you wish to make an election, you should seek instructions from the financial institution holding your shares concerning how to make your election.

If you are a participant in the Florida Rock Industries, Inc. Profit Sharing and Deferred Earnings Plan or The Arundel Corporation Profit Sharing and Savings Plan and you wish to make an election, you should seek instructions from your plan administrator concerning how to make your election with respect to Florida Rock shares allocated to your account.

Q. Can I elect to receive cash consideration for a portion of my Florida Rock shares and share consideration for my remaining Florida Rock shares?

A. Yes. The form of election allows an election to be made for cash consideration or share consideration for all or any portion of your Florida Rock shares.

Q. Can I change my election after the form of election has been submitted?

A. Yes. You may revoke your election prior to the election deadline by submitting a written notice of revocation to the exchange agent or by submitting new election materials. Revocations must specify the name in which your shares are registered on the stock transfer books of Florida Rock and such other information as the exchange agent may request. If you wish to submit a new election, you must do so in accordance with the election procedures described in this proxy statement/prospectus and the form of election. If you instructed a broker to submit an election for your shares, you must follow your broker s directions for changing those instructions. **Whether you revoke your election by submitting a written notice of revocation or by submitting new**

election materials, the notice or materials must be received by the exchange agent by the election deadline in order for the revocation to be valid.

Q. May I transfer Florida Rock shares after an election is made?

A. No. Florida Rock shareholders who have made elections will be unable to sell or otherwise transfer their shares after making the election, unless the election is properly revoked before the election deadline or unless the merger agreement is terminated.

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Q. What if I do not send a form of election or it is not received?

A. If the exchange agent does not receive a properly completed form of election from you before the election deadline, together with any stock certificates representing the shares you wish to exchange for cash or shares of Holdco common stock, properly endorsed for transfer, a book-entry transfer of shares or a guarantee of delivery as described in the form of election, then you will have no control over the type of merger consideration you receive. As a result, your Florida Rock shares may be exchanged for cash consideration, share consideration or a combination of cash consideration and share consideration consistent with the proration procedures contained in the merger agreement and described under The Mergers Florida Rock Shareholders Making Cash and Share Elections beginning on page 50. Because the value of the share consideration and cash consideration may differ and other shareholders would likely elect the consideration having the higher value, in such a circumstance you would likely receive the consideration having the lower value at the time. **You bear the risk of delivery and should send any form of election by courier or by hand to the appropriate addresses shown in the form of election.**

If you do not make a valid election with respect to the Florida Rock shares you own of record, after the completion of the Florida Rock merger, you will receive written instructions from the exchange agent on how to exchange your Florida Rock stock certificates for the shares of Holdco common stock and/or cash that you are entitled to receive in the Florida Rock merger as a non-electing Florida Rock shareholder.

Q. May I submit a form of election even if I do not vote to approve the merger agreement?

A. Yes. You may submit a form of election even if you vote against the approval of the merger agreement or abstain with respect to the approval of the merger agreement.

Q. What shareholder approvals are needed for Florida Rock?

A. Approval of the merger agreement requires the affirmative vote of a majority of the outstanding shares of Florida Rock common stock.

Each holder of Florida Rock common stock is entitled to one vote per share.

As of , 2007, the record date for determining shareholders entitled to vote at the special meeting, there were shares of Florida Rock common stock outstanding.

Pursuant to a support agreement with certain members and affiliates of the Baker family, such members and affiliates of the Baker family have agreed to vote certain shares of Florida Rock common stock beneficially owned by them, representing approximately 9.9% of the outstanding shares of Florida Rock common stock, in favor of the approval of the merger agreement.

The affirmative vote of a majority of the votes cast at the special meeting is required to approve the proposal to adjourn the special meeting, if necessary or appropriate, to solicit additional proxies if there are insufficient votes at the time of the meeting to approve the merger agreement.

Q. When and where is the special meeting?

A. The special meeting will be held at , on , 2007 at a.m., local time.

Q. What is the recommendation of the Florida Rock Board of Directors?

A. The Florida Rock Board of Directors unanimously (with Edward L. Baker, John D. Baker II and Thompson S. Baker II abstaining) recommends a vote FOR the approval of the merger agreement and a vote FOR the proposal to adjourn the special meeting, if necessary or appropriate, to solicit additional proxies.

Q. Why was the merger agreement amended?

A. The merger agreement was amended on April 9, 2007, for the purpose of providing that certificates representing shares of Vulcan common stock immediately prior to the Vulcan merger will from and after the

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Vulcan merger represent the same number of shares of Holdco common stock. Consequently, no new certificates representing shares of Holdco common stock will be issued in exchange for existing certificates representing shares of Vulcan common stock.

Q. What do I need to do now?

A. After carefully reading and considering the information contained in this proxy statement/prospectus, please respond by completing, signing and dating your proxy card or voting instruction card and returning it in the enclosed postage-paid envelope, or, if available, by submitting your proxy or voting instruction by telephone or through the Internet, as soon as possible so that your shares may be represented and voted at the special meeting. If you hold shares registered in the name of a broker, bank or other nominee, that broker, bank or other nominee has enclosed or will provide a voting instruction card for use in directing your broker, bank or other nominee how to vote those shares.

Q. Should I send in my stock certificates with my proxy card or my form of election?

A. **Please DO NOT send your Florida Rock stock certificates with your proxy card.** You should send in your Florida Rock stock certificates to the exchange agent with your form of election.

If you wish to make an election with respect to your Florida Rock shares, prior to the election deadline, you should send your completed, signed form of election together with your Florida Rock stock certificates, properly endorsed for transfer, a book-entry transfer of your Florida Rock shares or a guarantee of delivery to the exchange agent as described in the form of election. If your shares are held in street name, you should follow your broker s instructions for making an election with respect to your shares. If you are a participant in the Florida Rock Industries, Inc. Profit Sharing and Deferred Earnings Plan or The Arundel Corporation Profit Sharing and Savings Plan and you wish to make an election, you should seek instructions from your plan administrator concerning how to make your election with respect to Florida Rock shares allocated to your account.

If you make no election with respect to your Florida Rock shares, after the completion of the Florida Rock merger you will receive a letter of transmittal for you to use in surrendering any Florida Rock stock certificates you have at that time.

Q. If my shares are held in street name by a broker, bank or other nominee, will my broker, bank or other nominee vote my shares for me?

A. If you hold your shares in street name and do not provide voting instructions to your broker, your shares will not be voted on any proposal on which your broker does not have discretionary authority to vote. Generally, your broker, bank or other nominee does not have discretionary authority to vote on the merger proposal. Accordingly, your broker, bank or other nominee will vote your shares held by it in street name only if you provide instructions to it on how to vote. You should follow the directions your broker, bank or other nominee provides. Shares that are not voted because you do not properly instruct your broker, bank or other nominee will have the effect of votes against the approval of the merger agreement. Broker non-votes will have no effect on the proposal to adjourn the special meeting, if necessary or appropriate, to solicit additional proxies.

Q. If I beneficially own Florida Rock shares held pursuant to any Florida Rock Plan, will I be able to vote on approval of the merger agreement and elect whether to receive cash or share consideration?

A. If your shares are held through the Florida Rock Industries, Inc. Profit Sharing and Deferred Earnings Plan or The Arundel Corporation Profit Sharing and Savings Plan, which we refer to in this proxy statement/prospectus

collectively as the Florida Rock Plans, you must instruct your plan administrator on how to vote your shares. If you hold shares through any Florida Rock Plan, your shares in the plan may be voted even if you do not instruct the trustee how to vote, as explained in your voting instructions. Participants in the Florida Rock Industries, Inc. Profit Sharing and Deferred Earnings Plan and The Arundel Corporation Profit Sharing and Savings Plan will be able to direct how they want Florida Rock shares allocated to their accounts as of the record

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date to be voted and whether they want to elect cash consideration or share consideration to be allocated to their accounts in exchange for each Florida Rock share in their accounts as of the closing date.

Q. What if I don t vote?

A. If you fail to respond with a vote on the merger proposal, or if you respond and indicate that you are abstaining from voting, it will have the same effect as a vote against the approval of the merger agreement. A non-response or abstention will have no effect with respect to the proposal to adjourn the special meeting, if necessary or appropriate, to solicit additional proxies. If you respond but do not indicate how you want to vote, your proxy will be counted as a vote in favor of approving the merger agreement and a vote in favor of the proposal to adjourn the special meeting, if necessary or appropriate, to solicit additional proxies. If you hold your shares through any Florida Rock Plan, your shares in the plan may be voted even if you do not instruct the trustee how to vote as explained in your voting instructions.

Q. Can I change my vote after I have delivered my proxy?

A. Yes. You can change your vote at any time before your proxy is voted at the special meeting. If you are a holder of record, you can do so by:

filing a written notice of revocation with the Secretary, Florida Rock Industries, Inc., 155 E. 21st Street, Jacksonville, Florida 32206.

submitting a new proxy before the special meeting. If you submit your proxy or voting instruction electronically through the Internet or by telephone, you can change your vote by submitting a proxy or voting instruction at a later date, in which case your later-submitted proxy or voting instruction will be recorded and your earlier proxy or voting instruction will be revoked.

attending the special meeting and voting in person. Attendance at the special meeting will not in and of itself constitute revocation of a proxy.

If your shares are held in an account at a broker, bank or other nominee, you should contact your broker, bank or other nominee to change your vote. If the special meeting is postponed or adjourned, it will not affect the ability of shareholders of record as of the record date to exercise their voting rights or to revoke any previously granted proxy using the methods described above.

Q. What does it mean if I receive more than one proxy card or more than one email instructing me to vote?

A. If you receive more than one proxy card or more than one email instructing you to vote, your shares are registered in more than one name or are registered in different accounts. Please complete, date, sign and return each proxy card, and respond to each email, to ensure that all your shares are voted.

Q. What does it mean if multiple members of my household are shareholders but we received only one set of proxy materials?

A. If you hold shares in street name, in accordance with a notice sent to certain brokers, banks or other nominees, we are sending only one proxy statement/prospectus to an address unless we received contrary instructions from any shareholder at that address. This practice, known as householding, is designed to reduce our printing and postage costs.

Q. Am I entitled to appraisal rights?

A. No. Under the Florida Business Corporation Act (the FBCA), Florida Rock shareholders are not entitled to appraisal rights in connection with the Florida Rock merger.

Q. What are the tax consequences to Florida Rock shareholders of the mergers?

A. Assuming that the mergers are completed as currently contemplated, we expect that the exchange of shares by a Florida Rock shareholder solely for Holdco common stock will be nontaxable to such shareholder for

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U.S. federal income tax purposes, except in respect of any cash that such shareholder receives in lieu of fractional shares of Holdco common stock. We expect that a Florida Rock shareholder who exchanges shares of Florida Rock common stock for a combination of Holdco common stock and cash will only recognize gain up to the amount of cash received. We expect that the exchange of shares of Florida Rock common stock by a Florida Rock shareholder solely for cash will be taxable to such shareholder for U.S. federal income tax purposes.

Tax matters are very complicated. You should be aware that the tax consequences to you of either merger may depend upon your own situation. In addition, you may be subject to state, local or foreign tax laws that are not discussed in this proxy statement/prospectus. You should therefore consult with your own tax advisor for a full understanding of the tax consequences to you of the mergers. For more information regarding the tax consequences of the mergers, please see The Mergers Material United States Federal Income Tax Consequences beginning on page 46.

Q. When are the mergers expected to be completed?

A. We expect to complete the mergers in mid-year 2007. Because the Florida Rock merger is subject to shareholder approval and because the mergers are subject to governmental approvals, we cannot predict the exact timing of their completion.

Q. Who can help answer my questions?

A. If you have any questions about the mergers or how to submit your proxy, or if you need additional copies of this proxy statement/prospectus, the form of election or the enclosed proxy card or voting instruction card, you should contact:

[ ]

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SUMMARY

This summary highlights selected information in this proxy statement/prospectus and may not contain all of the information that is important to you. To understand the transaction fully and to obtain a more complete description of the legal terms of the merger agreement, you should carefully read this entire proxy statement/prospectus, including the Annexes, and the documents to which we refer you. Please see Where You Can Find More Information.

THE COMPANIES

Vulcan Materials Company

1200 Urban Center Drive
Birmingham, Alabama 35242
205-298-3000

Vulcan Materials Company, a New Jersey corporation, provides infrastructure materials that are required by the American economy. Vulcan is the nation s largest producer of construction aggregates and a leader in the production of other construction materials. Vulcan s construction materials business produces and sells aggregates primarily crushed stone, sand and gravel that are used in nearly all forms of construction. In particular, large quantities of aggregates are used to build roads and nonresidential infrastructure. References to Vulcan in this proxy statement/prospectus refer to Vulcan Materials Company.

Florida Rock Industries, Inc.

155 East 21st Street
Jacksonville, Florida 32206
904-355-1781

Florida Rock Industries, Inc., a Florida corporation, is one of the nation s leading producers of construction aggregates, a major provider of ready-mix concrete and concrete products in the Southeastern and mid-Atlantic states and a significant supplier of cement in Florida and Georgia. Florida Rock operates through three business segments: construction aggregates, concrete products and cement and calcium. The construction aggregates segment is engaged in the mining, processing, distribution and sale of sand, gravel and crushed stone. The concrete products segment is engaged in production and sale of ready-mix concrete and concrete products, as well as sales of other building materials. The cement and calcium products segment is engaged in the production and sale of Portland and masonry cement, the importation of cement and slag and the sale of calcium products to the animal feed industry. References to Florida Rock in this proxy statement/prospectus refer to Florida Rock Industries, Inc.

Virginia Holdco, Inc.

c/o Vulcan Materials Company
1200 Urban Center Drive
Birmingham, Alabama 35242
205-298-3000

Virginia Holdco, Inc. is a newly incorporated New Jersey corporation that is currently a wholly owned subsidiary of Vulcan but, upon consummation of the mergers, will become the holding company of Vulcan and Florida Rock. The

common stock of Holdco is expected to be listed on the New York Stock Exchange under Vulcan s current ticker symbol, VMC, and following the mergers, Holdco will be renamed Vulcan Materials Company. References to Holdco in this proxy statement/prospectus refer to Virginia Holdco, Inc.

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Virginia Merger Sub, Inc.

c/o Vulcan Materials Company
1200 Urban Center Drive
Birmingham, Alabama 35242
205-298-3000

Virginia Merger Sub, Inc. is a wholly owned subsidiary of Holdco formed solely to effect the Vulcan merger and has not conducted and will not conduct any business during any period of its existence. Pursuant to the merger agreement, Virginia Merger Sub, Inc. will merge with and into Vulcan, with Vulcan continuing as the surviving corporation and a wholly owned subsidiary of Holdco. References to Virginia Merger Sub in this proxy statement/prospectus refer to Virginia Merger Sub, Inc.

Fresno Merger Sub, Inc.

c/o Vulcan Materials Company
1200 Urban Center Drive
Birmingham, Alabama 35242
205-298-3000

Fresno Merger Sub, Inc. is a wholly owned subsidiary of Holdco formed solely to effect the Florida Rock merger and has not conducted and will not conduct any business during any period of its existence. Pursuant to the merger agreement, Fresno Merger Sub, Inc. will merge with and into Florida Rock, with Florida Rock continuing as the surviving corporation and a wholly owned subsidiary of Holdco. References to Fresno Merger Sub in this proxy statement/prospectus refer to Fresno Merger Sub, Inc.

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THE MERGERS

Effect of the Mergers (see page 24)

The organization of Vulcan, Florida Rock and Holdco before and after the mergers is illustrated below.

Before the Mergers

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After the Mergers

(1) To be renamed Vulcan Materials Company

(2) To be renamed VMC Corp.

Florida Rock Common Shareholders to Choose Among Receiving Shares of Holdco Common Stock or Cash, or a Combination of the Two, Subject to Proration (see page 24)

In the Florida Rock merger, Florida Rock common shareholders will have the right to choose between receiving $67.00 in cash, without interest, or 0.63 of a share of Holdco common stock per share of Florida Rock common stock, subject to proration. These proration procedures are designed to ensure that 70% of Florida Rock shares outstanding immediately prior to the Florida Rock merger are converted into cash and 30% of Florida Rock shares outstanding immediately prior to the Florida Rock merger are converted into Holdco shares.

Vulcan Common Shareholders to Receive Shares of Holdco Common Stock (see page 24)

In the Vulcan merger, each outstanding share of Vulcan common stock (other than shares owned by Vulcan) will be converted into one share of Holdco common stock.

Stock Exchange Listing and Stock Prices (see page 68)

Because the exchange ratio is fixed in the merger agreement, the market value of the Holdco common stock that Florida Rock shareholders receive in the Florida Rock merger may vary significantly from that implied by current trading prices.

Holdco common stock is currently not traded or quoted on a stock exchange or quotation system. However, upon consummation of the mergers, it is expected that Holdco common stock will be traded on the New York Stock Exchange under the ticker symbol VMC.

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Vulcan common stock trades on the New York Stock Exchange under the symbol VMC and Florida Rock common stock trades on the New York Stock Exchange under the symbol FRK. The table below shows the pro forma equivalent per share value of Vulcan common stock and Florida Rock common stock at the close of the regular trading session on February 16, 2007, the last trading day before the public announcement of the mergers, and April 9, 2007, the most recent trading day for which information was available.

Date	Vulcan Closing Price	Florida Rock Closing Price	Vulcan Pro Forma Equivalent(1)	Florida Rock Pro Forma Equivalent(2)
February 16, 2007	$ 111.81	$ 46.96	$ 111.81	$ 70.44
April 11, 2007	$ 116.14	$ 67.52	$ 116.14	$ 73.17

(1) The pro forma equivalent per share value of Vulcan common stock is calculated by multiplying the Vulcan closing price by the Vulcan merger exchange ratio of 1.0.

(2) The pro forma equivalent per share value of Florida Rock common stock is calculated by multiplying the Vulcan closing price by the Florida Rock merger exchange ratio of 0.63.

Because the 0.63 exchange ratio in the Florida Rock merger is fixed and will not be adjusted as a result of changes in market prices, the implied value of the merger consideration will fluctuate with the market price of Vulcan common stock. You should obtain current market quotations for the shares of both companies from a newspaper, the Internet or your broker.

Receipt of Shares of Holdco Common Stock in Florida Rock Merger Structured to Be Generally Nontaxable to Florida Rock Shareholders (see page 46)

Subject to the limitations and qualifications described in The Merger Agreement Material U.S. Federal Income Tax Consequences below, the exchange of Florida Rock common stock and Vulcan common stock for Holdco common stock pursuant to the mergers, taken together, has been structured to be treated for United States federal income tax purposes as an exchange described in Section 351 of the Internal Revenue Code of 1986, as amended (the Code). As a result, assuming the mergers are so treated, for United States federal income tax purposes, (i) holders of Florida Rock common stock who receive solely cash will have a taxable transaction and will recognize gain or loss in connection with the receipt of cash in exchange for their Florida Rock common stock; (ii) holders of Florida Rock common stock who receive Holdco common stock will not recognize any loss in the Florida Rock merger, and will recognize gain on the exchange only to the extent of any cash received; and (iii) no gain or loss will be recognized by Holdco, Vulcan, Virginia Merger Sub, Florida Rock or Fresno Merger Sub as a result of the mergers.

The United States federal income tax consequences described above may not apply to all holders of Florida Rock common stock, including certain holders specifically referred to in the section titled The Merger Agreement Material U.S. Federal Income Tax Consequences. Your tax consequences will depend on your own situation. You should consult your tax advisor to fully understand the tax consequences of the mergers to you.

Florida Rock Board of Directors Recommends that Florida Rock Shareholders Vote to Approve the Merger Agreement and the Adjournment of the Special Meeting, if Necessary or Appropriate, to Solicit Additional

Proxies (see page 29)

The Florida Rock board of directors unanimously (with Edward L. Baker, John D. Baker II and Thompson S. Baker II abstaining) recommends that the Florida Rock shareholders vote FOR the approval of the merger agreement and FOR the proposal to adjourn the special meeting, if necessary or appropriate, to solicit additional proxies if there are insufficient votes at the time of the meeting to approve the merger agreement.

Florida Rock Board of Directors Reasons for the Merger (see page 29)

In the course of reaching its decision to adopt the merger agreement and the transactions contemplated thereby, the Florida Rock board of directors considered a number of factors in its deliberations. Those factors are described in The Mergers Florida Rock s Reasons for the Florida Rock Merger beginning on page 29.

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Opinion of Florida Rock s Financial Advisor (see page 32)

Lazard Frères & Co. LLC (Lazard) has rendered its opinion to the Florida Rock board of directors that as of February 19, 2007, the date of the merger agreement, and based on and subject to the considerations, assumptions and limitations described in its opinion, the merger consideration to be paid to the holders of Florida Rock common stock (other than Vulcan and its subsidiaries) in the Florida Rock merger was fair, from a financial point of view, to such holders. See The Mergers Opinion of Florida Rock s Financial Advisor beginning on page 32.

Vulcan Board of Directors Reasons for the Merger (see page 41)

In the course of reaching its decision to approve the merger agreement and the transactions contemplated thereby, the Vulcan board of directors considered a number of factors in its deliberations. Those factors are described in The Mergers Vulcan s Reasons for the Mergers beginning on page 41.

Florida Rock Shareholder Vote Required (see page 20)

Approval of the merger agreement requires the affirmative vote of a majority of the outstanding shares of Florida Rock common stock. The affirmative vote of a majority of the votes cast at the special meeting is required to approve the proposal to adjourn the special meeting, if necessary or appropriate, to solicit additional proxies if there are insufficient votes at the time of the meeting to approve the merger agreement.

Interests of Certain Persons in the Florida Rock Merger (see page 42)

You should be aware that some of the directors and executive officers of Florida Rock have interests in the Florida Rock merger that are different from, or are in addition to, the interests of shareholders of Florida Rock. These interests include, but are not limited to: the treatment of stock options held by directors and executive officers of Florida Rock in the Florida Rock merger; the vesting and accelerated payment of certain bonus payments and retirement benefits and the potential payment of certain severance benefits to executive officers; the continued employment after the mergers of Thompson S. Baker II as President of the Florida Rock division of Holdco; John D. Baker II s service as a director of Holdco after the mergers; the possible purchase by Edward L. Baker and John D. Baker II from Florida Rock of a 6,300 acre property immediately prior to the mergers; the support agreement between Vulcan and the Baker Shareholders; the shareholders agreement among Vulcan, Holdco and the Baker Shareholders; and the indemnification of former Florida Rock officers and directors by Holdco.

The Support Agreement (see page 65)

Baker Holdings, L.P., Edward L. Baker Living Trust, Edward L. Baker, John D. Baker II Living Trust and Anne D. Baker Living Trust, which we refer to collectively in this proxy statement/prospectus as the Baker Shareholders, entered into a support agreement with Vulcan. The Baker Shareholders (except for the Anne D. Baker Living Trust) are controlled, directly or indirectly, by Edward L. Baker and John D. Baker II. The support agreement is attached as Annex B to this proxy statement/prospectus.

Pursuant to the support agreement, among other things, the Baker Shareholders have agreed to vote shares of Florida Rock common stock representing approximately 9.9% of the outstanding shares of Florida Rock in favor of the approval of the merger agreement and to irrevocably elect to receive Holdco common stock in exchange for shares of Florida Rock common stock representing approximately 30% of the Florida Rock common stock beneficially owned by Edward L. Baker, John D. Baker II and Baker Holdings, L.P. in the Florida Rock merger, subject to proration like

all Florida Rock shareholders. The Baker Shareholders have also agreed not to sell or otherwise transfer these shares until the termination of the support agreement.

The Shareholders Agreement (see page 66)

Vulcan, Holdco and the Baker Shareholders have also entered into a shareholders agreement. The shareholders agreement is attached as Annex C to this proxy statement/prospectus.

Pursuant to the shareholders agreement, each Baker Shareholder has agreed not to transfer any shares of Holdco common stock owned by such Baker Shareholder during a restrictive period, other than to certain permitted

transferees (including, among others, family members and heirs of, and charitable foundations established by, such Baker Shareholder). The restrictive period is generally three years beginning on the effective date of the mergers, subject to some exceptions.

Each of the Baker Shareholders has also agreed to additional transfer restrictions for a period of five years following the expiration of the applicable restrictive period, during which a Baker Shareholder may only transfer shares of Holdco common stock if the transfer complies with specified conditions, including a right of first refusal in favor of Holdco.

Each of the Baker Shareholders has also agreed, until the expiration of the applicable restrictive period, to vote its shares of Holdco common stock consistent with the recommendations of the Holdco board of directors, and not to tender its shares of Holdco common stock in any tender offer opposed by the Holdco board of directors.

Comparison of Shareholder Rights (see page 79)

The rights of Florida Rock shareholders are currently governed by the FBCA and Florida Rock s restated articles of incorporation and restated bylaws. The rights of Vulcan shareholders are currently governed by the New Jersey Business Corporation Act (the NJBCA) and Vulcan s restated certificate of incorporation and restated by-laws. Upon completion of the transaction, Florida Rock shareholders that receive Holdco common stock in the Florida Rock merger and Vulcan shareholders will all be shareholders of Holdco, and their rights will be governed by the NJBCA and Holdco s restated certificate of incorporation and restated by-laws, which after completion of the transaction will be the same in all material respects as the Vulcan restated certificate of incorporation and restated by-laws that are currently in effect.

No Appraisal Rights (see page 55)

Under the FBCA, Florida Rock shareholders are not entitled to appraisal rights in connection with the Florida Rock merger. Under the NJBCA, Vulcan shareholders are not entitled to appraisal rights in connection with the Vulcan merger.

Board of Directors and Management After the Mergers (see page 46)

Immediately following the mergers, the board of directors of Holdco will consist of the Vulcan directors as of the time of the mergers. On the day following the completion of the mergers, the board of directors of Holdco will be expanded to include John D. Baker II, Florida Rock s current President and Chief Executive Officer and a director of Florida Rock. At that time, Holdco s board of directors will be divided into three classes, with one class elected at each annual meeting to serve a three-year term.

Following the mergers, officers of Holdco will consist of the Vulcan officers as of the time of the Vulcan merger, except Thompson S. Baker II, a director and Vice President of Florida Rock, is expected to become president of Holdco s Florida Rock division.

Regulatory Approvals and Conditions to Completion of the Mergers (see pages 49 and 56)

Under the Hart-Scott-Rodino Antitrust Improvements Act of 1976, as amended (the HSR Act), the mergers cannot be completed until the companies have filed required notifications with the Federal Trade Commission and the Antitrust Division of the United States Department of Justice and the specified waiting period requirements have expired or been terminated. Vulcan and Florida Rock both filed the required Notification and Report forms with the Antitrust Division and the Federal Trade Commission on March 12, 2007. On April 11, 2007 the Department of Justice issued a

request for additional information and documentary material (referred to as a Second Request) which extends the waiting period until thirty days after the parties have substantially complied with this request.

In addition to expiration or termination of the relevant waiting period under the HSR Act, the completion of the mergers depends upon the satisfaction or waiver of a number of conditions described below in this proxy statement/prospectus, including, among other things:

approval of the merger agreement by the Florida Rock shareholders;

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absence of any legal prohibition on completion of the transaction;

receipt of opinions of counsel to Vulcan (with respect to Vulcan common stock) and Florida Rock (with respect to Florida Rock common stock) to the effect that the exchanges of Vulcan common stock or Florida Rock common stock for Holdco common stock will qualify for tax-free treatment for U.S. federal income tax purposes; and

material accuracy, as of the closing, of the representations and warranties made by the parties and material compliance by the parties with their respective obligations under the merger agreement.

Termination of the Merger Agreement; Fees Payable (see pages 60 and 61)

Vulcan and Florida Rock may jointly agree to terminate the merger agreement at any time. Either of Vulcan or Florida Rock also may terminate the merger agreement in various circumstances, including failure to receive the necessary approval of Florida Rock shareholders, failure to receive certain regulatory approvals, or if the other party breaches certain of its obligations in the merger agreement.

In several circumstances, including those involving a change in the Florida Rock board s recommendation in favor of the merger agreement or a third party acquisition proposal, Florida Rock may become obligated to pay a termination fee of $135 million.

THE SPECIAL MEETING

Special Meeting (see page 20)

The special meeting will be held at [ ], Jacksonville, Florida on [ ], 2007, starting at 9:00 a.m., local time.

You may vote at the special meeting if you owned shares of Florida Rock common stock at the close of business on [ ], 2007, the record date for the special meeting. On that date there were [ ] shares of Florida Rock common stock outstanding and entitled to vote at the special meeting.

You may cast one vote for each share of Florida Rock common stock you owned as of the record date. The affirmative vote of a majority of the outstanding shares of Florida Rock common stock is required for the approval of the merger agreement. The affirmative vote of a majority of the votes cast at the special meeting is required to approve the proposal to adjourn the special meeting, if necessary or appropriate, to solicit additional proxies if there are insufficient votes at the time of the meeting to approve the merger agreement.

As of the record date, Florida Rock directors and executive officers and their affiliates (other than Edward L. Baker, John D. Baker II and Baker Holdings, L.P.) owned and were entitled to vote approximately [ ]% of the outstanding shares of Florida Rock common stock. As of the record date, Edward L. Baker, John D. Baker II and Baker Holdings, L.P. beneficially owned shares of Florida Rock common stock representing the power to vote approximately [ ]% of the outstanding shares of Florida Rock common stock.

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SELECTED HISTORICAL AND PRO FORMA FINANCIAL DATA

How the Financial Data Was Prepared

The following information is provided to aid you in your analysis of the financial aspects of the transaction. The information for Vulcan was derived from the audited financial statements of Vulcan for the years ended December 31, 2002 through 2006. The information of Florida Rock was derived from the audited financial statements of Florida Rock for the years ended September 30, 2002 through 2006 and the unaudited financial statements of Florida Rock for the three months ended December 31, 2005 and 2006. The information is only a summary and you should read it together with Vulcan s and Florida Rock s historical financial statements and related notes contained in the annual and quarterly reports and other information that Vulcan and Florida Rock have filed with the SEC, which in the case of Vulcan may be found in its Form 10-K for the year ended December 31, 2006 attached as Annex G hereto and in the case of Florida Rock are incorporated by reference. Please see Where You Can Find More Information.

Selected Historical Financial Data of Vulcan

The selected historical financial data set forth below for each of the five years ended December 31, 2006, have been derived from Vulcan s audited consolidated financial statements. The following data is only a summary and should be read in conjunction with Vulcan s Annual Report on Form 10-K for the year ended December 31, 2006 attached as Annex G hereto. The statement of earnings data represents amounts from continuing operations.

	Years Ended December 31				
	2006	2005	2004	2003	2002
	(Amounts in thousands, except per share data)				
Statement of Earnings Data:					
Net sales	$ 3,041,093	$ 2,614,965	$ 2,213,160	$ 2,086,944	$ 1,980,576
Depreciation, depletion, amortization and accretion	224,677	220,488	209,989	216,122	205,185
Operating earnings(1)	695,059	476,378	401,933	378,318	375,575
Interest expense, net	20,139	20,519	34,681	49,635	51,251
Earnings from continuing operations before income taxes(2)	703,461	480,237	375,566	335,080	329,195
Earnings from continuing operations(2)	477,498	343,835	261,213	237,513	233,236
Basic earnings per share from continuing operations	$ 4.89	$ 3.37	$ 2.55	$ 2.33	$ 2.29
Diluted earnings per share from continuing operations	$ 4.79	$ 3.30	$ 2.52	$ 2.31	$ 2.28
Basic weighted average common shares outstanding	97,577	102,179	102,447	101,849	101,709
Diluted weighted average common shares outstanding	99,777	104,085	103,664	102,710	102,515
Balance Sheet Data (end of period):					
Cash and cash equivalents	$ 55,230	$ 275,138	$ 271,450	$ 147,769	$ 127,008

Working capital(3)	237,692	585,708	991,270	507,290	491,979
Total assets	3,424,225	3,588,884	3,665,133	3,636,860	3,448,221
Long-term debt	322,064	323,392	604,522	607,654	857,757
Total shareholders equity	2,001,111	2,126,541	2,013,975	1,802,836	1,696,986
Book value per common share	$ 21.15	$ 21.20	$ 19.62	$ 17.71	$ 16.71

(1) Operating earnings in 2006 include a pretax gain of $24.8 million related to the sale of contractual rights to mine the Bellwood Quarry in Atlanta, Georgia. Operating earnings also reflect pretax gains on the sale of

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property, plant and equipment, including real estate sales, as follows: 2006 $5.6 million; 2005 $8.3 million; 2004 $23.8 million; 2003 $27.8 million; 2002 $9.1 million.

(2) Earnings from continuing operations include pretax gains of $28.7 million and $20.4 million in 2006 and 2005, respectively, related to the increase in the carrying value of the ECU (electrochemical unit) earn-out received in connection with the 2005 sale of Vulcan s Chemicals business. Earnings from continuing operations are presented before the cumulative effect of accounting changes.

(3) Working capital as of December 31, 2004 includes the total assets and total liabilities, including noncurrent assets and noncurrent liabilities, of Vulcan s former Chemicals business, which was sold in 2005. At December 31, 2004, the assets and liabilities of this business were classified as assets held for sale ($458.2 million) and liabilities of assets held for sale including minority interest ($188.4 million).

Selected Historical Financial Data of Florida Rock

The selected historical financial data set forth below for the five years ended September 30, 2006, have been derived from Florida Rock s audited consolidated financial statements. The data as of December 31, 2006 and 2005 and for the three months then ended have been derived from Florida Rock s unaudited consolidated financial statements and, in management s opinion, include all adjustments, consisting of normal recurring accruals, considered necessary for a fair presentation of the results of operations and financial position for the periods presented.

The following data is only a summary and should be read in conjunction with the audited consolidated financial statements, which may be found in Florida Rock s Annual Report on Form 10-K for the fiscal year ended September 30, 2006, and the unaudited consolidated condensed financial statements, which may be found in Florida Rock s Quarterly Report on Form 10-Q for the three months ended December 31, 2006 incorporated herein by reference. Operating results for the three months ended December 31, 2006, are not necessarily indicative of the results for the full fiscal year ending September 30, 2007.

	Three Months Ended December 31		Years Ended September 30				
	2006	2005	2006	2005	2004	2003	2002
	(Amounts in thousands, except per share data)						
Statement of Earnings Data:							
Net sales	$ 287,059	$ 297,834	$ 1,328,271	$ 1,126,608	$ 926,609	$ 728,674	$ 707,459
Depreciation, depletion, amortization and accretion	19,017	16,806	74,687	64,558	63,628	63,126	66,152
Operating earnings(1)	66,906	61,749	319,475	249,473	175,928	112,299	106,447
Interest (income) expense, net	(1,193)	(477)	(2,902)	295	1,340	(659)	2,412
Earnings from continuing operations before income taxes	68,976	66,165	330,084	255,632	177,953	116,308	106,320
Earnings from continuing operations	44,279	42,015	211,409	157,653	113,670	75,601	68,895
	$ 0.68	$ 0.64	$ 3.22	$ 2.41	$ 1.75	$ 1.17	$ 1.08

Basic earnings per share from continuing operations							
Diluted earnings per share from continuing operations	$ 0.67	$ 0.63	$ 3.16	$ 2.36	$ 1.72	$ 1.15	$ 1.06
Basic weighted average common shares outstanding	65,339	65,557	65,621	65,306	64,810	64,420	63,934
Diluted weighted average common shares outstanding	66,453	66,828	66,829	66,764	66,133	65,464	65,144
Balance Sheet Data (end of period):							
Cash and cash equivalents	$ 69,164	$ 73,489	$ 93,353	$ 68,921	$ 45,891	$ 38,135	$ 3,845
Working capital	116,758	119,037	153,925	121,545	39,435	94,371	39,406
Total assets	1,271,015	1,082,941	1,236,260	1,052,991	934,929	886,154	733,349
Long-term debt	16,364	16,593	16,423	18,437	41,927	118,964	43,695
Total shareholders equity	952,746	782,950	915,896	747,933	620,880	574,422	510,647
Book value per common share	$ 14.58	$ 11.94	$ 14.02	$ 11.41	$ 9.55	$ 8.89	$ 7.94

(1) Operating earnings include pretax gains on the sale of real estate for the fiscal years ended September 30 as follows: 2006 $3.6 million; 2005 $6.4 million; 2004 $13.2 million; 2003 $3.6 million; 2002 $2.8 million. Operating earnings include pretax gains on the sale of real estate for the three month periods ended December 31 as follows: 2006 $4.0 million; 2005 $1.2 million.

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Selected Unaudited Pro Forma Condensed Combined Financial Data of Holdco

The following selected unaudited pro forma condensed combined financial data has been prepared using the purchase method of accounting and is based on the historical financial statements of Vulcan and Florida Rock. The unaudited pro forma condensed combined statement of earnings data for the twelve months ended December 31, 2006 combines Vulcan s historical consolidated statement of earnings data for the year ended December 31, 2006 with Florida Rock s historical consolidated statement of earnings data for the twelve months ended September 30, 2006, and gives effect to the mergers as if the mergers had occurred on January 1, 2006. The unaudited pro forma condensed combined balance sheet data combines Vulcan s and Florida Rock s historical consolidated balance sheets as of December 31, 2006, and gives effect to the mergers as if the mergers had occurred on December 31, 2006.

The selected unaudited pro forma condensed combined financial data is based on certain assumptions, estimates and adjustments as discussed in the section entitled Holdco Unaudited Pro Forma Condensed Combined Financial Statements, including assumptions relating to the allocation of the consideration paid for the assets and liabilities of Florida Rock based on preliminary estimates of their fair value. The data is presented for informational purposes only and is not intended to represent or be indicative of the combined results of operations or financial condition that would have occurred had the mergers been completed on the dates indicated or that may be achieved in the future. Please see the sections entitled Risk Factors and Information Regarding Forward-Looking Statements.

The following data should be read in conjunction with the historical financial statements and accompanying notes of Vulcan, which may be found in its Annual Report on Form 10-K for the year ended December 31, 2006 attached as Annex G hereto, and Florida Rock, which are incorporated by reference in this proxy statement/prospectus, and the unaudited pro forma condensed combined financial statements and accompanying notes beginning on page 69. See Holdco Unaudited Pro Forma Condensed Combined Financial Statements beginning on page 69 and Where You Can Find More Information beginning on page 95.

Pro Forma Condensed Combined Statement of Earnings Data:

		For the Year Ended December 31, 2006 (Amounts in thousands, except per share data)
Net sales	$	4,354,198
Depreciation, depletion, amortization and accretion		359,017
Operating earnings		953,907
Interest expense, net		199,384
Earnings from continuing operations before income taxes		790,771
Earnings from continuing operations		540,573
Basic earnings per share from continuing operations	$	4.92
Diluted earnings per share from continuing operations	$	4.82
Weighted-average common shares outstanding basic		109,930
Weighted-average common shares outstanding diluted		112,130

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Pro Forma Condensed Combined Balance Sheet Data:

	As of December 31, 2006 (Amounts in thousands, except per share data)
Cash and cash equivalents	$ 124,394
Working capital	(850,925)
Total assets	8,913,784
Long-term debt	2,338,428
Total shareholders equity	3,409,007
Book value per common share	$ 31.87

COMPARATIVE PER SHARE DATA

The following table sets forth certain historical per share data for Vulcan and Florida Rock, unaudited pro forma combined per share data, and unaudited pro forma equivalent per share data for Florida Rock. The unaudited pro forma combined per share data has been based upon the historical weighted average number of outstanding shares of Vulcan common stock adjusted to include the number of shares of Holdco common stock that would be issued in the Florida Rock merger under the proposed exchange ratio of 0.63 of a Holdco share for each Florida Rock share and the proposed proration, which provides that 30% of the outstanding shares of Florida Rock common stock will be exchanged for shares of Holdco common stock at the exchange ratio and 70% of the outstanding shares of Florida Rock common stock will be exchanged for $67.00 per share. The unaudited pro forma equivalent per share data for Florida Rock has been based upon the unaudited pro forma combined per share data, multiplied by the exchange ratio of 0.63.

The unaudited pro forma combined per share data reflects the mergers as if they had occurred on January 1, 2006. Such pro forma combined per share data has been based upon the historical financial statements of Vulcan and Florida Rock and gives effect to the mergers under the purchase method of accounting for business combinations. As a result, the pro forma combined per share data has been based upon certain assumptions and adjustments as discussed in the section entitled Holdco Unaudited Pro Forma Condensed Combined Financial Statements. The pro forma combined financial information is presented for informational purposes only and is not intended to represent or be indicative of the combined results of operations or financial condition that would have occurred had the mergers been completed on the dates indicated or that may be achieved in the future. The following data should be read in conjunction with the historical financial statements and accompanying notes of Vulcan and Florida Rock contained in the annual and quarterly reports and other documents that have been filed with the Securities and Exchange Commission, and the information included under the section entitled Holdco Unaudited Pro Forma Condensed Combined Financial Statements. Please see the section entitled Where You Can Find More Information.

Vulcan Historical Per Share Data	For the Year Ended December 31, 2006
Basic earnings from continuing operations	$ 4.89
Diluted earnings from continuing operations	4.79

Cash dividends	1.48
Book value (as of December 31, 2006)	21.15

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Florida Rock Historical Per Share Data	For the Twelve Months Ended September 30, 2006
Basic earnings from continuing operations	$ 3.22
Diluted earnings from continuing operations	3.16
Cash dividends	0.60
Book value (as of December 31, 2006)	14.58

Unaudited Pro Forma Combined Per Share Data	For the Year Ended December 31, 2006
Basic earnings from continuing operations	$ 4.92
Diluted earnings from continuing operations	4.82
Cash dividends	1.31
Book value (as of December 31, 2006)	31.87

Unaudited Pro Forma Equivalent Per Share Data for Florida Rock	For the Twelve Months Ended September 30, 2006
Basic earnings from continuing operations	$ 3.10
Diluted earnings from continuing operations	3.04
Cash dividends	0.83
Book value (as of December 31, 2006)	20.08

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RISK FACTORS

In addition to the other information included in, incorporated by reference in and found in the Annexes attached to, this proxy statement/prospectus, including the matters addressed in the Cautionary Statement Regarding Forward-Looking Statements on page 18, you should carefully consider the following risk factors in deciding whether to vote for approval of the merger agreement. Other than risks that could apply to any issuer or any offering, all material risks relating to the transaction are discussed below. In addition, you should read and consider the risks associated with the businesses of Florida Rock and Vulcan. Risks relating to Florida Rock can be found in Item 1A Risk Factors, in Florida Rock s Annual Report on Form 10-K for the year ended September 30, 2006, which has been filed with the SEC and is incorporated by reference to this proxy statement/prospectus. Risks relating to Vulcan can be found in Item 1A Risk Factors, in Vulcan s Annual Report on Form 10-K for the year ended December 31, 2006, which has been filed with the SEC and is attached as Annex G to this proxy statement/prospectus. You should also read and consider the other information in this proxy statement/prospectus and the other documents incorporated by reference in this proxy statement/prospectus. Please see Where You Can Find More Information on page 95. Additional risks and uncertainties not presently known to Florida Rock or Vulcan or that are not currently believed to be important also may adversely affect the transaction and Holdco following the mergers.

Florida Rock shareholders may not receive the form of merger consideration that they elect for all their shares and may receive in part a form of consideration that has lower value.

The merger agreement contains provisions that are designed to ensure that, in the aggregate, 70% of Florida Rock shares will be converted into cash and 30% of Florida Rock shares will be converted into Holdco common shares. The value of the share consideration at the time of the mergers may be higher than the value of the cash consideration at such time, or vice versa. If elections are made by Florida Rock shareholders to receive more cash or more shares of Holdco than these percentages, either those electing to receive cash or those electing to receive shares of Holdco, respectively, will have the consideration of the type they selected reduced by a pro rata amount, and will receive a portion of their consideration in the form that they did not elect to receive. Accordingly, it is likely that a substantial number of Florida Rock shareholders will not receive a portion of the merger consideration in the form that they elect and that the consideration they do receive will have a lower value than what they elected to receive.

Pursuant to the support agreement, among other things, the Baker Shareholders irrevocably elect to receive Holdco common stock in exchange for shares of Florida Rock common stock representing approximately 30% of the Florida Rock common stock beneficially owned by Edward L. Baker, John D. Baker II and Baker Holdings, L.P. in the Florida Rock merger, subject to proration like all Florida Rock shareholders.

Because the exchange ratio is fixed, the market value of Holdco common stock issued to you may be less than the value of your shares of Florida Rock common stock.

Florida Rock shareholders who receive shares in the Florida Rock merger will receive a fixed number of shares of common stock of Holdco rather than a number of shares with a particular fixed market value. The market values of Vulcan and Florida Rock common stock at the time of the mergers may vary significantly from their prices on the date the merger agreement was executed, the date of this proxy statement/prospectus or the date on which Florida Rock shareholders vote on the Florida Rock merger. Because the exchange ratio will not be adjusted to reflect any changes in the market value of Vulcan or Florida Rock common stock, the market value of the Holdco common stock issued in the Florida Rock merger and the Florida Rock common stock surrendered in the Florida Rock merger may be higher or lower than the values of such shares on such earlier dates, and may be higher or lower than the $67.00 to be paid to Florida Rock shareholders in the cash portion of the Florida Rock merger. Stock price changes may result from a

variety of factors, including changes in their businesses and operations, and other factors that are beyond the control of Vulcan and Florida Rock, including changes in their business prospects, regulatory considerations and general and industry specific market and economic conditions. Neither Vulcan nor Florida Rock is permitted to terminate the merger agreement solely because of changes in the market price of either party s common stock.

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After you submit a form of election, you will not be able to sell those shares, unless you revoke your election prior to the election deadline or the merger agreement is terminated.

The deadline for making a cash or share election for Florida Rock shares is 5:00 p.m., EDT, on [ ], 2007, the day of the special meeting of Florida Rock shareholders, unless the completion of the Florida Rock merger will occur more than four business days following the date of this special meeting, in which case the election deadline will be extended until two business days before the completion of the Florida Rock merger. After you submit a form of election, under the terms of the election, you will not be able to sell any Florida Rock shares covered by your form of election, regardless of whether those shares are held in certificated or book-entry form, unless you revoke your election before the deadline by providing written notice to the exchange agent. If you do not revoke your election, you will not be able to sell your Florida Rock shares covered by a form of election prior to completion of the Florida Rock merger. In the time between your submission of a form of election and the completion of the Florida Rock merger, the trading price of Florida Rock common stock may change, and you might otherwise want to sell your Florida Rock shares covered by a form of election to gain access to cash, make other investments, or reduce the potential for an adverse change in the value of your investment.

We may fail to realize the anticipated benefits of the mergers, which could adversely affect the value of Holdco stock.

The mergers involve the integration of two companies that have previously operated independently. Vulcan and Florida Rock expect the combined company to result in financial and operational benefits, including enhanced earnings growth, overhead savings, operating cost savings and other synergies. However, to realize the anticipated benefits from the mergers, we must successfully combine the businesses of Vulcan and Florida Rock in a manner that permits this earnings growth and cost savings. In addition, we must achieve these savings without adversely affecting revenues. If we are not able to successfully achieve these objectives, the anticipated benefits of the mergers may not be realized fully or at all or may take longer to realize than expected.

The failure to integrate successfully Vulcan s and Florida Rock s businesses and operations in the expected timeframe may adversely affect Holdco s future results.

Vulcan and Florida Rock have operated and, until the completion of the mergers, will continue to operate, independently. Vulcan and Florida Rock will face significant challenges in consolidating functions, integrating their organizations, procedures and operations in a timely and efficient manner and retaining key Vulcan and Florida Rock personnel. The integration of Vulcan and Florida Rock will be costly, complex and time consuming.

The integration process and other disruptions from the transaction could be more costly than we expect or result in the loss of key employees, the disruption of each company s ongoing businesses or inconsistencies in standards, controls, procedures and policies that adversely affect our ability to maintain relationships with customers, suppliers, employees and others with whom we have business dealings or to achieve the anticipated benefits of the mergers.

Integrating Vulcan and Florida Rock may divert management s attention away from our operations.

Successful integration of Vulcan s and Florida Rock s organizations, procedures and operations may place a significant burden on the managements of Vulcan and Florida Rock and their internal resources. The integration efforts could divert management s focus and resources from other strategic opportunities and from operational matters during the integration process.

Officers and directors of Florida Rock have certain interests in the Florida Rock merger that are different from, or in addition to, interests of Florida Rock shareholders. These interests may be perceived to have

affected their decision to support or approve the Florida Rock merger.

Florida Rock officers and directors have certain interests in the Florida Rock merger that are different from, or in addition to, interests of Florida Rock shareholders. These interests include, but are not limited to, the treatment of stock options held by directors and executive officers of Florida Rock in the Florida Rock merger (including the

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acceleration of stock options), the vesting and accelerated payment of certain retirement benefits and the potential payment of certain severance benefits to executive officers, the continued employment after the mergers of Thompson S. Baker II as President of the Florida Rock division of Holdco, John D. Baker II s service as a director of Holdco after the mergers, the possible purchase by Edward L. Baker and John D. Baker II from Florida Rock of a 6,300 acre property immediately prior to the mergers, the support agreement between Vulcan and the Baker Shareholders, the shareholders agreement among Vulcan, Holdco and the Baker Shareholders, and the indemnification of former Florida Rock officers and directors by Holdco. Florida Rock shareholders should be aware of these interests when considering the Florida Rock board of directors recommendation to approve the merger agreement. Please see The Mergers Interests of Certain Persons in the Florida Rock Merger.

The costs of the merger could adversely affect Holdco s operating results.

Vulcan and Florida Rock estimate the total merger-related costs, exclusive of employee benefit costs, to be approximately $[ ], primarily consisting of investment banking, legal and accounting fees and financial printing and other related charges. The foregoing estimate is preliminary and subject to change. In addition, the combined company will incur certain expenses in connection with the integration of Vulcan s and Florida Rock s businesses. Although Vulcan and Florida Rock expect that the elimination of duplicative costs, as well as the realization of other efficiencies related to the integration of the businesses, may offset incremental transaction and transaction-related costs over time, this net benefit may not be achieved in the near term, or at all.

Vulcan s incurrence of additional debt to pay the cash portion of the merger consideration will significantly increase Vulcan s interest expense, financial leverage and debt service requirements.

Vulcan anticipates borrowing approximately $3.3 billion to $3.4 billion in order to pay for Florida Rock common stock and acquisition related transaction costs. Incurrence of this new debt will significantly increase the combined company s leverage. While management believes Holdco s cash flows will be more than adequate to service this debt, there may be circumstances in which required payments of principal and/or interest on this new debt could adversely affect Holdco s cash flows and operating results, and therefore the market price of Holdco stock.

Florida Rock and Vulcan may not be able to obtain the regulatory approvals required to consummate the mergers unless they agree to material restrictions or conditions.

Completion of the mergers is conditioned upon the receipt of all required governmental consents and authorizations, including under the HSR Act. Vulcan and Florida Rock intend to pursue all of these consents and authorizations as required by and in accordance with the terms of the merger agreement. Complying with requests from governmental agencies, including requests for additional information and documents, could delay consummation of the mergers. In connection with granting these consents and authorizations, governmental authorities may require divestitures of Vulcan or Florida Rock assets or seek to impose conditions on Holdco s operations after completion of the mergers. Such divestitures or conditions may jeopardize or delay completion of the mergers or may reduce the anticipated benefits of the mergers. Please see The Mergers Regulatory Matters, The Merger Agreement Conditions to Completion of the Mergers and The Merger Agreement Additional Agreements.

The merger agreement contains provisions that could affect the decisions of a third party considering making an alternative acquisition proposal to the Florida Rock merger.

Under the terms of the merger agreement, Florida Rock will be required to pay to Vulcan a termination fee of $135 million if the merger agreement is terminated under certain circumstances. In addition, the merger agreement limits the ability of Florida Rock to initiate, solicit, encourage or facilitate certain acquisition or merger proposals from a third party. These provisions could affect the decision by a third party to make a competing acquisition

proposal, including the structure, pricing and terms proposed by a third party seeking to acquire or merge with Florida Rock. Please see The Merger Agreement Termination Fees and The Merger Agreement No Solicitation of Alternative Transactions.

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Former Florida Rock shareholders who become shareholders of Holdco will be governed by the restated certificate of incorporation and restated by-laws of Holdco.

Florida Rock shareholders who receive Holdco common stock in the Florida Rock merger will become Holdco shareholders and their rights as shareholders will be governed by the restated certificate of incorporation and restated by-laws of Holdco and New Jersey corporate law. As a result, there will be material differences between the current rights of Florida Rock shareholders and the rights they can expect to have as Holdco shareholders. Please see Comparison of Shareholder Rights.

A purported shareholder class action complaint has been filed against Florida Rock and the members of its board of directors challenging the mergers and an unfavorable judgment or ruling in this lawsuit could prevent or delay the consummation of the mergers and result in substantial costs.

Florida Rock and the members of its board of directors were named in a purported shareholder class action complaint filed in Florida state court (the Duval County Circuit Court) on March 6, 2007, captioned Dillinger v. Florida Rock, et al., Case No. 16-20007-CA-001906. The complaint seeks to enjoin the mergers, and alleges, among other things, that the directors have breached their fiduciary duties owed to Florida Rock shareholders by attempting to sell Florida Rock to Vulcan for an inadequate price.

Florida Rock is obliged under certain circumstances to indemnify and hold harmless each director and officer from and against any and all claims and liabilities to which such director or officer shall have become subject by reason of being a director or officer, to the full extent permitted under Florida law. An adverse outcome in this lawsuit could prevent or delay the consummation of the mergers and result in substantial costs to Florida Rock and/or Vulcan. It is also possible that other similar lawsuits may be filed in the future. Florida Rock cannot reasonably estimate any possible loss from current or future litigation at this time.

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INFORMATION REGARDING FORWARD-LOOKING STATEMENTS

This proxy statement/prospectus contains forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. These statements may be made directly in this proxy statement/prospectus or they may be made a part of this proxy statement/prospectus by appearing in other documents filed with the SEC by Florida Rock and Holdco and incorporated by reference in this proxy statement/prospectus. These statements may include statements regarding the period following completion of the mergers.

Words such as anticipate, estimate, expect, project, intend, plan, believe, target, objective, goal, terms of similar substance used in connection with any discussion of future operating or financial performance of Vulcan, Florida Rock, Holdco or the mergers identify forward-looking statements. All forward-looking statements are management s present expectations or forecasts of future events and are subject to a number of factors and uncertainties that could cause actual results to differ materially from those described in the forward-looking statements. In addition to the factors relating to the mergers discussed under the caption Risk Factors beginning on page 14 above, the following risks related to the businesses of Vulcan, Florida Rock and Holdco, among others, could cause actual results to differ materially from those described in the forward-looking statements:

- the possibility that the companies may be unable to obtain shareholder or regulatory approvals required for the mergers;
- the possibility that problems may arise in successfully integrating the businesses of the two companies;
- the possibility that the mergers may involve unexpected costs;
- the possibility that the combined company may be unable to achieve cost-cutting synergies;
- the possibility that the businesses may suffer as a result of uncertainty surrounding the mergers;
- the possibility that the industry may be subject to future regulatory or legislative actions;
- the outcome of pending legal proceedings;
- changes in interest rates;
- the timing and amount of federal, state and local funding for infrastructure;
- changes in the level of spending for residential and private nonresidential construction;
- the highly competitive nature of the construction materials industry;
- pricing;
- weather and other natural phenomena;
- energy costs;
- costs of hydrocarbon-based raw materials;

increasing healthcare costs;

the timing and amount of any future payments to be received under two earn-outs contained in the agreement for the divestiture of Vulcan s chemicals business; and

other risks and uncertainties.

We caution you not to place undue reliance on the forward-looking statements, which speak only as of the date of this proxy statement/prospectus in the case of forward-looking statements contained in this proxy statement/prospectus, or the dates of the documents incorporated by reference in this proxy statement/prospectus in the case of forward-looking statements made in those incorporated documents. Except as may be required by law, none of Vulcan, Florida Rock or Holdco has any obligation to update or alter these forward-looking statements, whether as a result of new information, future events or otherwise.

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For additional information about factors that could cause actual results to differ materially from those described in the forward-looking statements, please see the annual reports on Form 10-K and the quarterly reports on Form 10-Q that Florida Rock has filed with the SEC as described under Where You Can Find More Information on page 95 and the annual report on Form 10-K of Vulcan attached hereto as Annex G.

We expressly qualify in their entirety all forward-looking statements attributable to Vulcan, Florida Rock or Holdco or any person acting on our behalf by the cautionary statements contained or referred to in this section.

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THE SPECIAL MEETING

Proxy Statement/Prospectus

This proxy statement/prospectus is being furnished to you in connection with the solicitation of proxies by Florida Rock s board of directors in connection with the special meeting of shareholders.

This proxy statement/prospectus is first being furnished to Florida Rock shareholders on or about [, 2007].

Date, Time and Place of the Special Meeting

The special meeting will be held at 9:00 a.m., local time, on [, , 2007], at [ ], Jacksonville, Florida [ ].

Purpose of the Special Meeting

At the special meeting, Florida Rock s shareholders will be asked to consider and vote upon a proposal to approve the merger agreement, a proposal to adjourn the special meeting, if necessary or appropriate, to solicit additional proxies if there are insufficient votes at the time of the meeting to approve the merger agreement, and to transact such other business as may properly come before the special meeting or any adjournment or postponement of such meeting.

Record Date for the Special Meeting

The board of directors of Florida Rock has fixed the close of business on [, 2007] as the record date for determination of shareholders entitled to notice of and to vote at the special meeting of shareholders.

On the record date, there were [ ] shares of Florida Rock common stock outstanding and entitled to vote at the special meeting, held by approximately [ ] holders of record. Shares that are held in Florida Rock s treasury are not entitled to vote at the special meeting.

Votes Required

A majority of the outstanding shares of Florida Rock common stock must be represented, either in person or by proxy, to constitute a quorum at the special meeting. The affirmative vote of holders of a majority of the shares of Florida Rock common stock outstanding on the record date is required to approve the merger agreement. The affirmative vote of a majority of the votes cast at the special meeting is required to approve the proposal to adjourn the special meeting, if necessary or appropriate, to solicit additional proxies if there are insufficient votes at the time of the meeting to approve the merger agreement. At the special meeting, each holder of Florida Rock common stock is entitled to one vote for each share of Florida Rock common stock held as of the Florida Rock record date on all matters properly submitted to the Florida Rock shareholders.

As of the record date, Florida Rock directors and executive officers and their affiliates (other than Edward L. Baker, John D. Baker II and Baker Holdings, L.P.), owned and were entitled to vote approximately [ ] shares of Florida Rock common stock, representing approximately [%] of the outstanding shares of Florida Rock common stock.

Pursuant to a support agreement, the Baker Shareholders have agreed to vote shares of Florida Rock common stock representing approximately 9.9% of the outstanding shares of Florida Rock common stock in favor of approving the

merger agreement. Further information concerning the support agreement can be found under The Mergers The Support Agreement on page 65.

Proxies

All shares of Florida Rock common stock represented by properly executed proxies or voting instructions (including those given through electronic voting through the Internet or by telephone) received before or at the Florida Rock special meeting prior to the closing of the polls will, unless revoked, be voted in accordance with the

instructions indicated on those proxies or voting instructions. If no instructions are indicated on a properly executed proxy card, the shares will be voted FOR approval of the merger agreement and FOR the proposal to adjourn the special meeting, if necessary or appropriate, to solicit additional proxies. If you return a properly executed proxy card or voting instruction card and have indicated that you have abstained from voting, your Florida Rock common stock represented by the proxy will be considered present at the applicable special meeting for purposes of determining a quorum, but will have the same effect as a vote against approving the merger agreement. We urge you to mark each applicable box on the proxy card or voting instruction card to indicate how to vote your shares.

If your shares are held in an account at a broker, bank or other nominee, or through the Florida Rock Employee Stock Purchase Plan, the Florida Rock Industries, Inc. Profit Sharing and Deferred Earnings Plan or The Arundel Corporation Profit Sharing and Savings Plan, which we refer to collectively as the Florida Rock Plans, you must instruct the broker, bank or plan administrator on how to vote your shares. If an executed proxy card returned by a broker, bank or plan administrator holding shares indicates that the broker, bank or plan administrator does not have discretionary authority to vote on a particular matter, the shares will be considered present at the meeting for purposes of determining the presence of a quorum, but will have the same effect as a vote against approving the merger agreement. This is called a broker non-vote. Your broker, bank or plan administrator will vote your shares over which it does not have discretionary authority only if you provide instructions on how to vote by following the instructions provided to you by your broker, bank or plan administrator. If you hold shares through any Florida Rock Plan, your shares in the plan may be voted even if you do not instruct the trustee how to vote, as explained in your voting instructions.

Because the approval of the merger agreement requires the affirmative vote of a majority of the outstanding shares of Florida Rock common stock, abstentions, failures to vote and broker non-votes will have the same effect as votes against approving the merger agreement. Abstentions, failures to vote and broker non-votes will have no effect with respect to the proposal to adjourn the special meeting, if necessary or appropriate, to solicit additional proxies.

Florida Rock does not expect that any matter other than the proposal to approve the merger agreement and the proposal to adjourn the special meeting, if necessary or appropriate, to solicit additional proxies will be presented at the special meeting. If, however, other matters are properly presented, the persons named as proxies will vote in accordance with their judgment with respect to those matters, unless you withhold authority to do so on the proxy card or voting instruction card.

You may revoke your proxy at any time before it is voted at the special meeting. If you are a holder of record you may do so by:

- Filing a written notice of revocation with the Secretary, Florida Rock Industries, Inc., 155 E. 21st Street, Jacksonville, Florida 32206.

- Submitting a new proxy before the special meeting. If you submit your proxy or voting instruction electronically through the Internet or by telephone, you can change your vote by submitting a proxy or voting instruction at a later date, in which case your later-submitted proxy or voting instruction will be recorded and your earlier proxy or voting instruction will be revoked.

- Attending the special meeting and voting in person. Attendance at the special meeting will not in and of itself constitute revocation of a proxy.

For shares held beneficially by you, you may change your vote only by submitting new voting instructions to your broker or nominee. If the special meeting is postponed or adjourned, it will not affect the ability of shareholders of record as of the record date to exercise their voting rights or to revoke any previously granted proxy using the methods

described above.

Voting Electronically or by Telephone

Shareholders of record and many shareholders who hold their shares through a broker, bank or other nominee will have the option to submit their proxies or voting instructions electronically through the Internet or by telephone. Please note that there are separate arrangements for using the Internet and telephone depending on whether your

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shares are registered in Florida Rock s stock records in your name or in the name of a broker, bank or other holder of record. If you hold your shares through a broker, bank or other holder of record, you should check your proxy card or voting instruction card forwarded by your broker, bank or other holder of record to see which options are available.

Shareholders of record of Florida Rock common stock at the close of business on [, 2007], the Florida Rock record date, may submit their proxies:

- through the Internet by visiting a website established for that purpose at [ ] and following the instructions; or
- by telephone by calling the toll-free number [( )- - (- -)] in the United States, Puerto Rico or Canada on a touch-tone phone and following the recorded instructions (shareholders calling from another country may call [( ) -)].

In order to vote via the telephone or the Internet, please have your proxy card in front of you. The phone number and Internet website address are also contained on your proxy card. Upon entering either the phone number or the Internet website address, you will be instructed on how to proceed.

Delivery of Documents to Shareholders Sharing an Address

The SEC has adopted rules that permit companies and intermediaries (*e.g.,* brokers) to satisfy the delivery requirements for proxy statements and annual reports with respect to two or more shareholders sharing the same address by delivering a single proxy statement/prospectus and annual report addressed to those shareholders. This process, which is commonly referred to as householding, potentially means extra convenience for shareholders and cost savings for companies.

A single proxy statement/prospectus will be delivered to multiple shareholders sharing an address unless contrary instructions have been received from the affected shareholders. Once you have received notice from your broker that it will be householding communications to your address, householding will continue until you are notified otherwise or until you revoke your consent. If, at any time, you no longer wish to participate in householding and would prefer to receive a separate proxy statement/prospectus, please notify your broker, direct your written request to Florida Rock Industries, Inc., Investor Relations, 155 East 21st Street, Jacksonville, Florida 32206 or contact investor relations at (904) 355-1781. Shareholders who currently receive multiple copies of the proxy statement/prospectus at their address and would like to request householding of their communications should contact their broker.

Solicitation of Proxies

Florida Rock will bear the expenses incurred in connection with the printing and mailing of this proxy statement/prospectus. To assist in the solicitation of proxies, Florida Rock has retained [ ] for a fee not to exceed [$] plus reimbursement of expenses to assist in the solicitation of proxies. Florida Rock and its proxy solicitors will also request banks, brokers and other intermediaries holding shares of Florida Rock common stock beneficially owned by others to send this proxy statement/prospectus to, and obtain proxies from, the beneficial owners and will, if requested, reimburse the record holders for their reasonable out-of-pocket expenses in so doing. Solicitation of proxies by mail may be supplemented by telephone and other electronic means, advertisements and personal solicitation by the directors, officers or employees of Florida Rock. No additional compensation will be paid to our directors, officers or employees for solicitation.

Voting and Elections by Participants in the Florida Rock Plans

Participants in the Florida Rock Industries, Inc. Profit Sharing and Deferred Earnings Plan and The Arundel Corporation Profit Sharing and Savings Plan, which we collectively refer to as the Florida Rock Plans, will be able to direct how they want Florida Rock shares allocated to their accounts as of the record date to be voted and whether they want to elect cash consideration or share consideration to be allocated to their accounts in exchange for each Florida Rock share in their accounts as of the closing date. All voting instructions submitted by Florida Rock Plan participants are confidential and will not be disclosed to Florida Rock management.

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After the voting instructions with respect to the Florida Rock Plans are tabulated, the results will be given to the plan trustee. Your instructions on how to vote on the approval of the merger agreement and to elect the merger consideration will be subject, in the case of all Florida Rock Plans, to the plan trustee s fiduciary duties under ERISA. If you are a participant in the Florida Rock Plans, please follow the instructions that you receive for voting and elections with respect to the shares allocated to your account.

As of the Florida Rock record date, the Florida Rock Plans held approximately [%] of the then outstanding shares of Florida Rock common stock.

Participants in the Florida Rock Plans will be able to direct their shares to be voted at the special meeting in one of three ways: vote for approval of the merger agreement, vote against approval of the merger agreement or abstain from voting on approval of the merger agreement. Please note that the plan trustee will take the following steps with respect to shares in a Florida Rock Plan account, subject to its fiduciary duties under ERISA:

- If you fail to properly provide any instructions as to how you want the shares allocated to your plan account to be voted, your plan shares will be voted ratably FOR and AGAINST the approval of the merger agreement, in the same proportion as for those plan shares for which specific directions have been received.

- If you return a properly signed voting instruction form but do not specifically indicate how you want your shares to be voted on the approval of the merger agreement, your plan shares will be voted FOR the approval of the merger agreement.

- If you indicate you wish to abstain, your shares will not be voted, which will have the same effect as a vote AGAINST the approval of the merger agreement.

You will be separately provided with an opportunity to elect whether, if the Florida Rock merger is completed, you wish to request either $67.00 in cash, without interest, or 0.63 of a share of Holdco common stock as consideration for each Florida Rock share allocated to your account, subject to the proration procedures described in this proxy statement/prospectus and applicable to all Florida Rock shareholders.

You will be provided with separate instructions on how to make such an election. The procedure outlined in the instructions will be the only opportunity you will have to choose the form of consideration to be requested in exchange for your plan shares. Accordingly, please note that, if participants in a Florida Rock Plan do not properly provide instructions as to the type of consideration they request for their plan shares, cash and stock will be elected for their plan shares ratably in the same proportion as for those plan shares for which properly completed elections were received.

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THE MERGERS

This section of the proxy statement/prospectus describes material aspects of the proposed mergers, including the merger agreement. This summary may not contain all of the information that is important to you. You should carefully read this entire proxy statement/prospectus, including the full text of the merger agreement, which is attached as Annex A, and the other documents we refer you to for a more complete understanding of the mergers. In addition, important business and financial information about Vulcan is included in the Annexes hereto and important business and financial information about Florida Rock is incorporated into this proxy statement/prospectus by reference. See Where You Can Find More Information.

Effect of the Florida Rock Merger; What Florida Rock Shareholders Will Receive in the Florida Rock Merger

Upon completion of the Vulcan merger, Fresno Merger Sub, a wholly owned subsidiary of Holdco newly organized to effect the Florida Rock merger, will merge with and into Florida Rock. Florida Rock will be the surviving corporation in the Florida Rock merger and will become a wholly owned subsidiary of Holdco.

In the Florida Rock merger, each outstanding share of Florida Rock common stock (other than shares owned by Florida Rock, Fresno Merger Sub, Vulcan or any wholly owned subsidiary of Vulcan or Florida Rock) will be converted into the right to receive, at the holder s election, $67.00 in cash per share, without interest, or 0.63 of a share of Holdco common stock per share, subject to proration. Florida Rock shareholder elections will be subject to proration to ensure that 30% of Florida Rock shares will be exchanged for Holdco shares and 70% of Florida Rock shares will be exchanged for cash. The exchange ratio and the per share amount of cash to be paid are fixed and will not be adjusted to reflect stock price changes prior to the date of the Florida Rock merger. Each share of Florida Rock common stock owned by Florida Rock or Fresno Merger Sub will be cancelled without consideration. Each share of Florida Rock common stock owned by Vulcan or any direct or indirect wholly owned subsidiary of Florida Rock or Vulcan (other than Fresno Merger Sub) will be converted into the right to receive 0.63 of a share of Holdco common stock. The conversion of these shares is not subject to proration, and these shares will not be taken into consideration when determining the proration calculations.

In the Florida Rock merger, all outstanding company-issued Florida Rock stock options will vest and become exercisable at least 10 business days prior to the election deadline. Option holders who exercise their options and receive shares of Florida Rock common stock prior to the fourth business day prior to the election deadline may make elections with respect to such shares. Each Florida Rock stock option that remains outstanding immediately prior to the effective time of the Florida Rock merger will be exchanged for the right to receive cash in an amount equal to the number of shares of Florida Rock common stock subject to such option multiplied by the excess, if any, of $67.00 over the exercise price for such stock option. See Treatment of Stock Options and Other Equity-Based Awards on page 54.

The rights pertaining to Holdco common stock will be different from the rights pertaining to Florida Rock common stock, because the restated certificate of incorporation and restated by-laws of Holdco in effect immediately after the mergers are completed will be different from the restated articles of incorporation and restated bylaws of Florida Rock and because Holdco is a New Jersey and not a Florida corporation. A further description of the rights pertaining to Holdco common stock and Holdco s restated certificate of incorporation and restated by-laws which will be in effect immediately after the mergers are completed is further described under Description of Holdco Capital Stock Common Stock on page 78 and Comparison of Shareholders Rights on page 79.

Effect of the Vulcan Merger; What Vulcan Shareholders Will Receive in the Vulcan Merger

Virginia Merger Sub, a wholly owned subsidiary of Holdco newly organized to effect the Vulcan merger, will merge with and into Vulcan. Vulcan will be the surviving corporation in the Vulcan merger and will become a wholly owned subsidiary of Holdco.

In the Vulcan merger, each outstanding share of Vulcan common stock (other than shares owned by Vulcan) will be converted into one share of Holdco common stock. The exchange ratio is fixed and will not be adjusted to reflect stock price changes prior to the date of the Vulcan merger. Each share of Vulcan common stock owned by

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Vulcan will be cancelled without consideration. Each share of Vulcan common stock owned by Florida Rock or any direct or indirect wholly owned subsidiary of Florida Rock or Vulcan will be converted into the right to receive one share of Holdco common stock.

All outstanding Vulcan stock options and stock appreciation rights under employee benefit plans will be converted into options to purchase an equivalent number of shares of Holdco common stock, subject to the same terms and conditions. All restricted stock units, deferred stock units, or phantom units of Vulcan will be converted into a number of restricted stock units, deferred stock units or phantom units in respect of shares of Holdco common stock, equal to the number of shares underlying the applicable restricted stock units, deferred stock units or phantom units immediately prior to the effective time of the Vulcan merger.

The rights pertaining to Holdco common stock will be the same in all material respects to the rights pertaining to Vulcan common stock, because the restated certificate of incorporation and restated by-laws of Holdco in effect immediately after the completion of the mergers will be substantially similar to the current restated certificate of incorporation and restated by-laws of Vulcan. A further description of the rights pertaining to Holdco common stock and Holdco s restated certificate of incorporation and restated by-laws is further described under Description of Holdco Capital Stock Common Stock on page 78 and Comparison of Shareholder Rights on page 79.

Background of the Mergers

For a number of years, the Florida Rock board of directors and senior management have periodically reviewed Florida Rock s strategic position in the heavy building materials industry and the impact of industry changes and developments on Florida Rock. To enhance Florida Rock s strategic position, the Florida Rock board of directors and senior management have pursued a number of strategic initiatives in recent years, including the Lafarge Florida acquisition, the expansion of the Newberry cement plant, acquisitions of additional reserves on the Ohio and Tennessee rivers and other strategic acquisitions. The Florida Rock board of directors and senior management have explored various potential alternatives, including acquisitions and possible business combinations, to improve Florida Rock s strategic position and to increase shareholder value.

From time to time over the past several years, representatives of Florida Rock and Vulcan have informally discussed a number of potential transactions between the two companies, including the possibility of a business combination. These discussions were general in nature and did not advance to detailed consideration of any specific transaction.

In late October 2006, at a meeting of Vulcan s board of directors, the Vulcan board authorized Donald M. James, Vulcan s chairman and chief executive officer, to explore a number of potential transactions, including a transaction with Florida Rock. Goldman Sachs & Co. provided pro-forma analyses to Vulcan s management in late October 2006 regarding a number of potential transactions, including a transaction with Florida Rock.

In early December 2006, Mr. James called John D. Baker II, Florida Rock s president and chief executive officer and a member of Florida Rock s board of directors, to express an interest in discussing with Florida Rock a potential transaction whereby Vulcan would acquire Florida Rock. During this and subsequent telephonic discussions and meetings in December 2006 among Mr. James, Mr. John Baker and, in some instances, Edward L. (Ted) Baker, Mr. John Baker s brother and Florida Rock s chairman, the parties discussed Vulcan s interest in a potential transaction with Florida Rock and a number of possible transaction structures. These discussions included an exchange of views on the forms of consideration payable in the proposed transaction. The parties also discussed the possibility that Vulcan might need to simultaneously acquire Patriot Transportation Holding, Inc., which we refer to in this proxy statement/prospectus as Patriot, as a means for Vulcan to acquire reserves owned by Patriot and leased to Florida Rock. Messrs. John Baker and Ted Baker and Baker Holdings, L.P., beneficially own, in the aggregate, approximately 44.8% of the outstanding shares of Patriot common stock. In addition, Messrs. John Baker and Ted Baker, Thompson

S. Baker II, Mr. Ted Baker s son and a director and vice president of Florida Rock, and Luke E. Fichthorn III, a director of Florida Rock, are on the board of directors of Patriot.

Also in early December 2006, Mr. John Baker called Mr. James to indicate that Florida Rock might consider pursuing a transaction in which Vulcan would simultaneously acquire Florida Rock and Patriot for aggregate consideration to shareholders of Florida Rock and Patriot having a value equivalent to approximately $71.00 times

the number of outstanding shares of Florida Rock common stock. Mr. James responded that Vulcan would need to perform due diligence in order to determine whether that valuation was supportable, including a detailed review of Florida Rock s real estate portfolio and aggregates reserves.

In a subsequent telephone conversation with Mr. John Baker, Mr. James indicated that, subject to satisfactory completion of its due diligence, Vulcan might consider acquiring Florida Rock on a stand-alone basis for equivalent value in the low $60 range per share of Florida Rock common stock. Mr. John Baker indicated to Mr. James that a valuation in the low $60 range per share would not likely be acceptable to the Florida Rock board of directors.

On December 8, 2006, at a regularly scheduled meeting of the Vulcan board of directors, Mr. James provided an update on the discussions with Messrs. John and Ted Baker. The Vulcan board of directors authorized Mr. James to continue to engage in discussions with respect to a potential transaction.

On December 12, 2006, Florida Rock and Vulcan entered into a non-disclosure agreement to facilitate the exchange of due diligence materials.

On December 14, 2006, Mr. James met with Messrs. John and Ted Baker in Jacksonville to continue the discussion of a potential transaction. The discussion focused on Florida Rock s real estate portfolio and aggregates reserves.

At the time of and subsequent to these discussions, Vulcan continued its legal due diligence of Florida Rock and Patriot and worked to determine an appropriate valuation for the potential transaction, including an appropriate valuation for an acquisition of both Florida Rock and Patriot and an acquisition of Florida Rock on a stand-alone basis.

On January 8, 2007, Mr. John Baker, Mr. Thompson Baker and John Milton, Florida Rock s executive vice president and chief financial officer, met with Mr. James, Daniel F. Sansone, Vulcan s senior vice president and chief financial officer, G. M. (Mac) Badgett III, Vulcan s senior vice president, Construction Materials Group, Robert A.Wason IV, Vulcan s senior vice president, corporate development and William F. Denson III, Vulcan s senior vice president and general counsel in Jacksonville, Florida to discuss the potential transaction. The Florida Rock representatives reviewed the terms of the Florida Rock/Patriot leases with the Vulcan representatives and explained that they generally permit Florida Rock to mine the leased reserves for the life of such reserves. Based upon this understanding, the Vulcan representatives indicated that pursuing the simultaneous acquisition of Patriot was not necessary and that Vulcan was no longer interested in considering the acquisition of Patriot. The parties also reviewed the status of Florida Rock s Lake Belt litigation and Florida Rock s plans for mitigating the impact of any adverse rulings in that litigation. At the meeting, Mr. John Baker indicated that Florida Rock might be willing to consider an offer valuing Florida Rock common stock at $67.00 per share (excluding Patriot). Mr. James did not make a counterproposal, but expressed to Mr. John Baker his preliminary view that a valuation of $66.00 per share of Florida Rock common stock (excluding Patriot) would be consistent with previous pricing discussions regarding an acquisition of both Florida Rock and Patriot.

On January 11, 2007, Mr. John Baker called members of the Florida Rock board of directors to inform them of the discussions that had occurred with Vulcan with respect to a potential transaction.

On January 18, 2007, Mr. John Baker, Mr. Ted Baker, Mr. Milton and representatives of Weil, Gotshal & Manges, legal counsel to Florida Rock, and Lazard Frères & Co., financial advisor to Florida Rock, met in New York City with Mr. James, Mr. Sansone, Mr. Denson and Mr. Wason and representatives of Wachtell, Lipton, Rosen & Katz, legal counsel to Vulcan, and Goldman Sachs & Co., financial advisor to Vulcan, to discuss the potential transaction. Among other things, the parties discussed the due diligence process, the structure of the potential transaction, the form of consideration to be paid by Vulcan (which, based on prior discussions, would include the ability of Florida Rock

shareholders to choose between cash and stock) and Vulcan s desire that certain members of the Baker family execute a support agreement and shareholders agreement in connection with the transaction. The parties also reviewed preliminary appraisals of certain parcels of Florida Rock s real estate portfolio.

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On January 19, 2007, Messrs. John Baker, Thompson Baker and Milton met with Messrs. James, Denson, Badgett and Wason in Jacksonville, Florida to further discuss the appraisals of Florida Rock s real estate holdings and Florida Rock s aggregates reserves.

In late January 2007, Vulcan and Florida Rock continued exchanging due diligence materials. The exchange of due diligence materials continued until the execution of the merger agreement.

On January 25, 2007, the Florida Rock board of directors held a special meeting with representatives of Weil, Gotshal & Manges and Lazard in attendance to discuss the potential transaction. At this meeting, Mr. John Baker and Mr. Milton provided the Florida Rock board of directors with an overview of Florida Rock s discussions with Vulcan relating to the potential transaction. In addition, representatives of Weil, Gotshal & Manges advised the Florida Rock board of directors of its fiduciary duties in connection with such a transaction and summarized the general terms proposed by Vulcan with respect to the transaction. Also at the meeting, representatives of Lazard gave a financial presentation regarding Florida Rock and the heavy building materials sector generally, as well as a preliminary valuation analysis of Florida Rock. The Florida Rock board of directors also discussed with Florida Rock s management and representatives of Lazard five-year financial projections, which we refer to in this proxy statement-prospectus as the Florida Rock financial projections, which were being prepared by Florida Rock s management at Vulcan s request solely for purposes of the evaluation of the potential transaction. Vulcan provided to Florida Rock s management Vulcan s macroeconomic outlook for the United States economy as well as Vulcan s estimates of market demand for aggregates and growth by aggregates end use market for each state in which Florida Rock operates. In developing the Florida Rock financial projections, Florida Rock management utilized the foregoing data provided by Vulcan and made certain adjustments to Vulcan s outlook for near-term periods. The material Florida Rock financial projections can be found under Certain Florida Rock Financial Projections beginning on page 39.

The Florida Rock board of directors then discussed with Florida Rock s senior management and representatives of Weil, Gotshal & Manges and Lazard, potential strategic alternatives available to Florida Rock, including the benefits, opportunities, risks and uncertainties associated with Florida Rock remaining an independent company, as well as the merits of a possible business combination transaction. Among other things, the Florida Rock board of directors discussed whether it was an opportune time to enter into the potential transaction in light of the current downturn in the housing market in the Southeast generally and Florida in particular. During the course of this discussion, the Florida Rock board of directors considered the factors that they believed would affect an acquiror s determination of the purchase price that it might be willing to pay for Florida Rock, and concluded that there were other factors, such as the net present value of Florida Rock s mining reserves and the pricing cycle of Florida Rock s products, that would be important to such a determination. Based upon this conclusion, as well as the large premium and high-multiple pricing that Vulcan was offering and the continued uncertainty over when the housing market might improve, the Florida Rock board of directors concluded that it was unlikely that a transaction as favorable as the one being discussed with Vulcan could be achieved in the foreseeable future. Therefore, the independent members of the Florida Rock board of directors directed that Florida Rock management should continue to engage in discussions with Vulcan management with respect to the potential transaction.

On January 30, 2007, Mr. John Baker, Mr. Milton and representatives of Weil, Gotshal & Manges and Lazard met with Messrs. Sansone, Wason, Badgett, Denson, Ejaz A. Khan, Vulcan s vice president, controller and chief information officer and representatives of Goldman Sachs in Birmingham, Alabama to discuss the five-year financial projections prepared by Florida Rock management, which had previously been provided to Vulcan.

On February 6, 2007, Mr. John Baker, Mr. Ted Baker and Mr. Milton met with Messrs. James, Sansone and Wason in Birmingham, Alabama to discuss the terms of the potential transaction, including the consideration payable to Florida Rock shareholders. At the meeting, Mr. James provided to Mr. John Baker, Mr. Ted Baker and Mr. Milton a summary

of terms of the potential transaction, which contemplated, among other things, Vulcan paying merger consideration per share of Florida Rock common stock of, at the election of Florida Rock shareholders, either $67.00 or a fraction of a share of Holdco common stock, which exchange ratio would be calculated based on the closing price of Vulcan s common stock immediately preceding the announcement of the transaction. The summary of terms provided that the election by Florida Rock shareholders of either cash or stock consideration would be subject to the requirement that 70% of the aggregate consideration be paid in cash and 30% in Holdco common stock. The summary of terms also contemplated a support agreement and shareholders agreement to be entered into with certain members of the Baker family that would require them to vote

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approximately 9.9% of the outstanding shares of Florida Rock common stock in support of the transaction and provided for certain voting and transfer restrictions on shares held by certain members of the Baker family after the closing of the transaction that would not be applicable to Florida Rock s public shareholders. Additionally, the summary of terms provided by Vulcan contemplated that Mr. John Baker would serve on the board of directors of Holdco and Mr. Thompson Baker would serve as president of the new Florida Rock division of Holdco following the closing of the transaction. The parties discussed certain of the proposed terms, and the representatives of Florida Rock indicated that they believed the exchange ratio should be calculated based on the then-current trading price of Vulcan common stock, so that Florida Rock shareholders would receive the benefit of any subsequent increase in the trading price of Vulcan common stock over then-current levels. Mr. James indicated that he believed that the Vulcan board of directors would be agreeable to this request, and that the stock portion of the merger consideration would be based on a 0.63 exchange ratio, which was equal to $67.00 divided by the then-current trading price of Vulcan common stock.

On February 7, 2007, the board of directors of Florida Rock held a regularly scheduled meeting with representatives of Weil, Gotshal & Manges, McGuireWoods, legal counsel to Florida Rock, and Lazard participating to discuss, among other things, the terms of the potential transaction proposed by Vulcan. The Florida Rock board of directors received updates from the senior management of Florida Rock and representatives of Weil, Gotshal & Manges and Lazard concerning the status of negotiations and the open issues related to the potential transaction. Among other things, the Florida Rock board of directors discussed Vulcan s stated preference that Florida Rock sell a certain property owned by a subsidiary of Florida Rock consisting of approximately 6,300 acres located in Suwanee and Columbia counties, Florida prior to the closing of the transaction (for a discussion of the sale of this property, please see Interests of Certain Persons in the Florida Rock Merger). Following this discussion, the independent members of the Florida Rock board of directors determined that Florida Rock should continue to engage in discussions with Vulcan with respect to the potential transaction. The independent members of the Florida Rock board of directors also directed that Florida Rock senior management conclude negotiations with respect to the material provisions of the merger agreement before requirements imposed by Vulcan on the Baker family were negotiated, including the support agreement and shareholders agreement, and that separate counsel should be retained by the Baker family with respect to those agreements.

On February 9, 2007, the board of directors of Vulcan held a regularly scheduled meeting. At the meeting, a comprehensive review of the potential transaction with Florida Rock was presented by Vulcan management and representatives of Goldman, Sachs.

Also on February 9, 2007, Wachtell Lipton Rosen & Katz provided Weil, Gotshal & Manges with a draft merger agreement. At various times through the execution of the merger agreement, Vulcan s senior management as well as its legal counsel and financial advisors negotiated the draft merger agreement and related documents and agreements with Florida Rock s senior management and its legal counsel and financial advisors. These negotiations included discussions regarding, and the exchange of drafts of and comments on, these documents.

On February 12, 2007, representatives of Vulcan, Florida Rock, Lazard and Goldman Sachs held a teleconference to discuss Vulcan s five-year financial projections, which had previously been provided to Florida Rock.

On February 12, 2007 and February 13, 2007, Wachtell Lipton Rosen & Katz provided to Weil, Gotshal & Manges and the Baker family s legal counsel draft copies of the support agreement and shareholders agreement, respectively. At various times, following the conclusion of the negotiation of the material provisions of the merger agreement, through the execution of these agreements, the parties negotiated these draft agreements. These negotiations included discussions regarding, and the exchange of drafts of and comments on, these documents.

On February 18, 2007, the Vulcan board of directors held a special meeting with representatives of Goldman, Sachs and Wachtell, Lipton, Rosen & Katz in attendance, to discuss the terms of the potential transaction. Mr. James

updated the Vulcan board of directors on the negotiations with Florida Rock, and on Vulcan s business and accounting due diligence with respect to Florida Rock. Following presentations from Goldman, Sachs and Wachtell, Lipton, Rosen & Katz, and a full discussion, the Vulcan board of directors unanimously determined that the merger agreement and the Vulcan merger were advisable and in the best interests of Vulcan and its shareholders and approved the merger agreement. This determination was confirmed at a brief telephonic meeting of the Vulcan board of directors on February 19, 2007.

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On February 19, 2007, the board of directors of Florida Rock held a special meeting with representatives of Weil, Gotshal & Manges, McGuireWoods, Lazard and KPMG, Florida Rock s auditor, in attendance to discuss the terms of the potential transaction. Mr. John Baker updated the Florida Rock board of directors on the negotiations with Vulcan. Representatives of Weil, Gotshal & Manges advised the Florida Rock board of directors of its fiduciary duties in connection with the potential transaction and then discussed the terms of the proposed merger agreement and the terms of the proposed support agreement and shareholders agreement to be entered into by the Baker Shareholders. Representatives of Weil, Gotshal & Manges then summarized the legal due diligence review that had been conducted with respect to Vulcan and representatives of KPMG summarized the accounting due diligence review that had been conducted with respect to Vulcan. Representatives of Lazard made a financial presentation regarding the proposed transaction. Lazard then delivered to the Florida Rock board of directors its opinion, subsequently confirmed in writing, that subject to the various assumptions and limitations set forth in its opinion, as of February 19, 2007, the consideration to be paid to Florida Rock shareholders (other than Vulcan and any of its direct or indirect wholly-owned subsidiaries), pursuant to the merger agreement, was fair, from a financial point of view, to those shareholders.

During the course of these discussions and presentations, the Florida Rock board of directors engaged in a full discussion of the advantages of the transaction, a number of countervailing factors and risks, the terms of the transaction, the terms of the voting and transfer restrictions that would be applicable to, and could negatively impact the value of, the Holdco common stock that certain members of the Baker family would receive in the transaction and the interests of Florida Rock s directors and executive officers in the transaction. Following such discussions, the Florida Rock board of directors unanimously determined that the merger agreement and the Florida Rock merger were advisable and in the best interests of Florida Rock and its shareholders, adopted the merger agreement and recommended that Florida Rock shareholders approve the merger agreement (with Mr. Ted Baker, Mr. John Baker and Mr. Thompson Baker abstaining due to matters discussed in Interests of Directors and Executive Officers in the Mergers beginning on page 42).

In the afternoon of February 19, 2007, Vulcan and Florida Rock executed and delivered the merger agreement and issued a joint press release announcing the transaction. Vulcan and the Baker Shareholders also executed and delivered the support agreement and shareholders agreement.

Florida Rock s Reasons for the Florida Rock Merger; Recommendation of the Florida Rock Merger by the Florida Rock Board of Directors

At its meeting on February 19, 2007, as well as the other meetings at which it considered the transaction, the Florida Rock board of directors consulted with Florida Rock management as well as its financial and legal advisors and, at its February 19, 2007 meeting, unanimously determined (with Edward L. Baker, John D. Baker II and Thompson S. Baker II abstaining) to adopt the merger agreement and recommended that Florida Rock shareholders vote to approve the merger agreement. In reaching its conclusion to adopt the merger agreement and to recommend that the shareholders of Florida Rock approve the merger agreement, the Florida Rock board of directors considered the following factors as generally supporting its decision to enter into the merger agreement and related agreements:

- the fact that Florida Rock shareholders will receive total blended cash and stock consideration of $68.03 per share, based on the closing price of Vulcan s common stock on February 16, 2007, the last full trading day which preceded the announcement of the transaction, representing a premium of approximately 45% over the closing price per share of Florida Rock common stock on February 16, 2007;

- the analysis, presentation and oral opinion of Lazard delivered on February 19, 2007, and subsequently confirmed in writing as of that day, to the effect that, as of the date of such opinion, and based upon and subject to the various considerations, assumptions and limitations set forth in the opinion, the merger consideration to be

provided to Florida Rock shareholders pursuant to the merger agreement is fair from a financial point of view to the holders of Florida Rock common stock (the written opinion of Lazard is attached as Annex D to this proxy statement/prospectus and discussed in detail under Opinion of Florida Rock s Financial Advisor beginning on page 32), taking into account the contingent nature of Lazard s compensation;

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the Florida Rock board of directors belief that the Florida Rock merger represented the highest and best value reasonably available to Florida Rock s shareholders for their Florida Rock shares;

the opportunity for Florida Rock shareholders to elect cash or stock consideration, which will enable many shareholders to receive immediate cash value while those shareholders who wish to continue to participate in the combined company will have the chance to do so, subject to the proration provisions of the merger agreement, and will provide Florida Rock shareholders with a measure of value assurance in the event of a decline in the price of Vulcan common stock;

because the exchange ratio is fixed, Florida Rock shareholders who receive Holdco common stock will benefit from any increase in the trading price of Vulcan common stock between the announcement of the transaction and the closing of the Florida Rock merger;

the expectation that the exchange of Florida Rock common stock for Holdco common stock, pursuant to the mergers, generally would be nontaxable to Florida Rock shareholders to the extent of the Holdco common stock they receive;

the Florida Rock board of directors analysis and understanding of Florida Rock s strategic alternatives as an independent company in the context of both uncertainty in the commercial and home building markets in the southeast generally and Florida in particular and the increasingly competitive and rapidly consolidating heavy building materials industry, including the business, financial and execution risks associated with remaining independent;

the Florida Rock board of directors analysis of the business, operations, financial performance, earnings and prospects of Florida Rock on an independent basis, and the Florida Rock board of directors belief, based on its analysis and understanding, that the combined company would be better able to succeed in light of the risks and potential rewards associated with Florida Rock continuing to operate as an independent entity and other alternatives reasonably available to Florida Rock, including growth through the acquisition of or merger with other companies or assets;

historical and current information concerning Vulcan s business, financial performance and condition, operations, management, competitive position and prospects, before and after giving effect to the Florida Rock merger and the Florida Rock merger s potential effect on shareholder value;

the board of directors and management s assessment that the Florida Rock merger and Vulcan s operating strategy were consistent with Florida Rock s long-term operating strategy to seek to profitably grow its business by expanding its geographic scope and product offerings to serve customer needs;

given the current environment in the heavy building materials industry, the advantages that the Florida Rock board of directors believed the combined company, with an expanded geographic reach and greater emphasis on the aggregates business, would have, including the Florida Rock board of directors belief that access to Vulcan s size and scope would place Florida Rock in a better position to take advantage of growth opportunities, meet competitive pressures and serve customers more efficiently;

the fact that customers served by the combined company would benefit from greater resources and opportunities; and

the terms and conditions of the merger agreement, including:

the cash and stock election provisions described above;

the limited number and nature of the conditions to Vulcan s obligation to close the Florida Rock merger;

the ability which Florida Rock retains to provide confidential due diligence information to, and engage in discussions with, a third party that makes an unsolicited bona fide written proposal to engage in a business combination transaction, provided that the Florida Rock board of directors determines in good faith, after consultation with its outside legal counsel, that failure to take such action would be inconsistent with the Florida Rock board of directors fiduciary duties under applicable law and concludes in good faith, after consultation with its outside legal counsel and financial advisors, that the proposal is more favorable to

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Florida Rock shareholders, from a financial point of view, than the transactions contemplated by the merger agreement (please see the section entitled The Merger Agreement No Solicitation of Alternative Transactions beginning on page 58 of this proxy statement-prospectus);

the conclusion of the Florida Rock board of directors that the $135 million termination fee, and the circumstances when such fee may be payable, were reasonable in light of the benefits of the Florida Rock merger and commercial practice; and

the fact that the Florida Rock merger is subject to the approval of the merger agreement by Florida Rock shareholders.

The Florida Rock board of directors also considered a number of potentially countervailing factors and risks. These countervailing factors and risks included the following:

the fact that Florida Rock will no longer exist as an independent company and, except to the extent its shareholders elect and receive shares of Holdco common stock in the Florida Rock merger, its shareholders will not participate in Florida Rock s growth or benefit from any future increase in the value of Florida Rock or from any synergies that may be created by the Florida Rock merger;

the fact that under the terms of the merger agreement, Florida Rock is restricted in its ability to solicit other acquisition proposals;

the fact that under the terms of the merger agreement, Florida Rock is restricted in its ability to operate its business during the period between the signing of the merger agreement and the completion of the Florida Rock merger;

the $135 million termination fee payable to Vulcan upon the occurrence of certain events, and the potential effect of such termination fee on the decision by a third party to make a competing acquisition proposal that may be more advantageous to Florida Rock shareholders;

the fact that under the terms of the merger agreement, Florida Rock is required to hold a meeting of Florida Rock shareholders to approve the merger agreement, including under circumstances where an alternative transaction has been proposed that may be more advantageous to Florida Rock shareholders;

the risk that the Florida Rock merger might not be consummated in a timely manner or at all;

the negative impact of any customer confusion or delay in purchase commitments, the potential loss of one or more large customers as a result of any such customer s unwillingness to do business with the combined company;

the possible loss of key management or other personnel;

the fact that Florida Rock officers and employees will have expended extensive efforts attempting to complete the Florida Rock merger and will experience significant distractions from their work during the pendency of the Florida Rock merger and Florida Rock will have incurred substantial transaction costs in connection with the Florida Rock merger even if the Florida Rock merger is not consummated;

the risk to Florida Rock s business, sales, operations and financial results in the event that the Florida Rock merger is not consummated;

the potential conflicts of interest of Florida Rock directors and officers in connection with the Florida Rock merger which include, but are not limited to: the treatment of stock options held by directors and executive officers of Florida Rock in the Florida Rock merger; the vesting and accelerated payment of certain retirement benefits and the potential payment of certain severance benefits to executive officers; the continued employment after the mergers of Thompson S. Baker II as President of the Florida Rock division of Holdco; John D. Baker II s service as a director of Holdco after the mergers; the purchase by Edward L. Baker and John D. Baker II from Florida Rock of a 6,300 acre property immediately prior to the mergers; the support agreement between Vulcan and the Baker Shareholders; the shareholders agreement among Vulcan, Holdco and the Baker Shareholders; and the indemnification of former Florida

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Rock officers and directors by Holdco (please see Interests of Directors and Executive Officers in the Mergers beginning on page 42);

the challenges and costs of combining the operations of two large companies and the substantial expenses to be incurred in connection with the Florida Rock merger, including the risks that delays or difficulties in completing the integration could adversely affect the combined company s operating results and preclude the achievement of some benefits anticipated from the Florida Rock merger;

the fact that gains arising from the cash portion of the merger consideration would be taxable to Florida Rock shareholders for United States federal income tax purposes;

because the exchange ratio is fixed, Florida Rock shareholders who receive Holdco common stock will be adversely affected by any decrease in the trading price of Vulcan common stock between the announcement of the transaction and the closing of the Florida Rock merger; and

various other applicable risks associated with the combined company and the Florida Rock merger, including those described in the section of this proxy statement/prospectus entitled Risk Factors beginning on page 14.

This discussion of the information and factors considered by the Florida Rock board of directors in making its decision is not intended to be exhaustive but includes all material factors considered by the Florida Rock board of directors. In view of the wide variety of factors and risks considered in connection with its evaluation of the Florida Rock merger and the complexity of these matters, the Florida Rock board of directors did not find it useful, and did not attempt to, quantify, rank or otherwise assign relative weights to these factors and risks. In considering the factors and risks described above, individual members of the Florida Rock board of directors may have given different weight to different factors. The Florida Rock board of directors conducted an overall analysis of the factors described above, including discussions with, and questioning of, Florida Rock s management and Florida Rock s legal and financial advisors, and considered the factors overall to be favorable to, and to support, its determination.

The Florida Rock board of directors unanimously adopted the merger agreement (with Edward L. Baker, John D. Baker II and Thompson S. Baker II abstaining). The Florida Rock board unanimously recommends (with Edward L. Baker, John D. Baker II and Thompson S. Baker II abstaining) that Florida Rock shareholders vote FOR approval of the merger agreement.

Opinion of Florida Rock s Financial Advisor

At the request of Messrs. John and Ted Baker, Weil, Gotshal & Manges, LLP, legal counsel to Florida Rock, contacted several financial advisory firms on a confidential basis to determine each firm s availability to accept an engagement, as well as the fees such firms would charge for their advisory services. Based on the results of these initial contacts and subsequent discussions between Lazard and Florida Rock s management, Lazard was retained by Florida Rock to act as its financial advisor in connection with the mergers and to give a financial opinion to the Florida Rock board of directors in connection with the mergers. Florida Rock selected Lazard based on Lazard s qualifications, expertise and reputation. In connection with Lazard s engagement, Florida Rock requested that Lazard evaluate the fairness, from a financial point of view, to the holders of Florida Rock common stock (other than Vulcan and its direct and indirect wholly-owned subsidiaries) of the merger consideration to be paid to such holders in the Florida Rock merger. On February 19, 2007, at a meeting of the Florida Rock board of directors held to evaluate the mergers, Lazard rendered to the Florida Rock board of directors an oral opinion, which opinion was subsequently confirmed by delivery of a written opinion dated February 19, 2007, the date of the merger agreement, to the effect that, as of that date and based on and subject to the considerations, assumptions and limitations described in its opinion, the merger consideration to be paid to the holders of Florida Rock common stock (other than Vulcan and its

direct and indirect wholly-owned subsidiaries) in the Florida Rock merger was fair, from a financial point of view, to such holders.

The full text of Lazard s written opinion, dated February 19, 2007, to the Florida Rock board of directors, which sets forth the procedures followed, assumptions made, matters considered and limitations on the review undertaken, is attached as Annex D to this proxy statement/prospectus. Holders of shares of Florida Rock common stock are urged to, and should, read this opinion carefully and in its entirety. The

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summary of Lazard s opinion in this document is qualified in its entirety by reference to the full text of the opinion attached as Annex D to this proxy statement/prospectus.

In connection with its opinion, Lazard:

- reviewed the financial terms and conditions of the merger agreement;
- analyzed certain publicly available historical business and financial information relating to Florida Rock and Vulcan;
- reviewed various internal financial forecasts and other data provided to Lazard by management of Florida Rock relating to the business of Florida Rock, various internal financial forecasts and other data provided to Lazard by management of Vulcan relating to the business of Vulcan and the anticipated synergies from the mergers provided to Lazard by the managements of Florida Rock and Vulcan;
- held discussions with members of the senior management of Florida Rock with respect to the business and prospects of Florida Rock;
- held discussions with members of the senior management of Vulcan with respect to the business and prospects of Vulcan;
- reviewed public information with respect to certain other companies in lines of businesses Lazard believed to be generally comparable to the businesses of Florida Rock and Vulcan;
- reviewed the financial terms of certain business combinations involving companies in lines of businesses Lazard believed to be generally comparable to the businesses of Florida Rock and Vulcan;
- reviewed the historical stock prices and trading volumes of Florida Rock common stock and Vulcan common stock; and
- conducted such other financial studies, analyses and investigations as Lazard deemed appropriate.

In performing this review, Lazard relied upon the accuracy and completeness of the foregoing information and did not assume any responsibility for any independent verification of such information or any independent valuation or appraisal of any of the assets or liabilities of Florida Rock or Vulcan, or concerning the solvency or fair value of Florida Rock or Vulcan. With respect to financial forecasts of Florida Rock and Vulcan, Lazard assumed that they had been reasonably prepared on bases reflecting the best currently available estimates and judgments of management of Florida Rock and Vulcan, respectively, as to the future financial performance and results of operations of Florida Rock and Vulcan, respectively. Lazard assumed no responsibility for and expressed no view as to such forecasts or the assumptions on which they were based.

Further, Lazard s opinion was necessarily based on economic, monetary, market and other conditions as in effect on, and the information made available to Lazard as of, the date of its opinion. Lazard assumed no responsibility for advising any person of any change in any matter affecting its opinion or for updating or revising its opinion based on circumstances or events occurring after the date thereof. Lazard did not express any opinion as to any tax or other consequences that might result from the mergers, nor did its opinion address any legal, tax, regulatory or accounting matters, as to which Lazard understood that Florida Rock obtained such advice as Florida Rock deemed necessary from qualified professionals. Lazard did not express any opinion as to the price at which shares of Florida Rock common stock or Vulcan common stock may trade at any time subsequent to the announcement of the mergers.

In connection with the preparation of its opinion, Lazard was not authorized by Florida Rock or the Florida Rock board of directors to solicit, nor did it solicit, third-party indications of interest for the acquisition of all or any part of Florida Rock.

In rendering its opinion, Lazard assumed that the mergers will be consummated on the terms described in the merger agreement and without any waiver, amendment or modification of any material terms or conditions of the merger agreement and the receipt of the necessary regulatory approvals for the mergers in the time frame contemplated by the merger agreement.

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Lazard s engagement and its opinion were for the benefit of the Florida Rock board of directors in connection with its consideration of the mergers. Lazard s opinion did not address the merits of the underlying decision by Florida Rock to engage in the mergers or the relative merits of the mergers as compared to other business strategies or transactions that might be available to Florida Rock. Lazard expressed no opinion or recommendation as to how the holders of Florida Rock common stock should vote at any shareholders meeting to be held in connection with the mergers.

In preparing its opinion to the Florida Rock board of directors, Lazard performed a variety of financial and comparative analyses, including those described below. The summary of Lazard s analyses described below is not a complete description of the analyses underlying Lazard s opinion. The preparation of a fairness opinion is a complex analytical process involving various determinations as to the most appropriate and relevant methods of financial analyses and the application of those methods to the particular circumstances and, therefore, is not readily susceptible to summary description. In arriving at its opinion, Lazard made qualitative judgments as to the significance and relevance of each analysis and factor that it considered. Accordingly, Lazard believes that its analyses must be considered as a whole and that selecting portions of its analyses and factors, or focusing on information presented below in tabular format, without considering all analyses and factors or the narrative description of the analyses, could create a misleading or incomplete view of the processes underlying its analyses and opinion.

In its analyses, Lazard considered industry performance, regulatory, general business, economic, market and financial conditions and other matters, many of which are beyond the control of Florida Rock and Vulcan. No company, transaction or business used in Lazard s analyses as a comparison is identical to Florida Rock or Vulcan or the proposed mergers, and an evaluation of the results of those analyses is not entirely mathematical. Rather, the analyses involve complex considerations and judgments concerning financial and operating characteristics and other factors that could affect the acquisition, public trading or other values of the companies, business segments or transactions being analyzed.

The estimates contained in Lazard s analyses and the ranges of valuations resulting from any particular analysis are not necessarily indicative of actual values or predictive of future results or values, which may be significantly more or less favorable than those suggested by the analyses. In addition, analyses relating to the value of businesses or securities do not purport to be appraisals or to reflect the prices at which businesses or securities actually may be sold. Accordingly, Lazard s analyses and estimates are inherently subject to substantial uncertainty.

Lazard s opinion and financial analyses were only one of many factors considered by the Florida Rock board of directors in its evaluation of the proposed mergers and should not be viewed as determinative of the views of the Florida Rock board of directors or management with respect to the mergers or the merger consideration to be received in the Florida Rock merger by holders of Florida Rock common stock.

The following is a summary of the material financial analyses underlying Lazard s written opinion dated February 19, 2007 delivered to the Florida Rock board of directors in connection with the mergers. The measures chosen for analysis were selected by Lazard as customary and relevant to an acquisition utilizing cash and stock. The financial analyses summarized below include information presented in tabular format. In order to fully understand Lazard s financial analyses, the tables must be read together with the text of each summary. The tables alone do not constitute a complete description of the financial analyses. Considering the data in the tables below without considering the full narrative description of the financial analyses, including the methodologies and assumptions underlying the analyses, could create a misleading or incomplete view of Lazard s financial analyses.

Florida Rock Comparable Public Companies Analysis

Lazard reviewed and analyzed selected public companies that it viewed as reasonably comparable to Florida Rock s business. In performing this analysis, Lazard reviewed and analyzed certain financial information, valuation multiples and market trading data relating to the selected comparable companies and compared such information to the corresponding information for Florida Rock s business. This analysis was designed to assess how the market values shares of reasonably comparable publicly traded companies and provide a range of implied equity values per share of Florida Rock common stock.

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Lazard compared Florida Rock s business to three aggregates companies, five diversified companies and three cement companies.

The aggregates companies were:

Martin Marietta Materials, Inc.;

Vulcan; and

Hanson PLC.

The diversified companies were:

CRH PLC;

Eagle Materials Inc.;

Rinker Group, Ltd.;

Texas Industries, Inc.; and

U.S. Concrete Inc.

The cement companies were:

Cemex S.A.B. de C.V.;

Lafarge S.A.; and

Holcim Ltd.

For each of these companies, Lazard calculated enterprise value as a multiple of projected 2007 EBITDA, as reflected in the Florida Rock financial projections, using equity analyst research reports as of February 15, 2007. In this proxy statement/prospectus, EBITDA means net earnings (loss) before interest expense (income), income tax expense (benefit) and depreciation, amortization and depletion expense and is before the cumulative effect of a change in accounting principle, if applicable. The following table summarizes the results of this review:

	Aggregates		**Diversified**		**Cement**	
	Range	**Median**	**Range**	**Median**	**Range**	**Median**
Multiple of Enterprise Value to Projected 2007 EBITDA	9.4x - 11.3x	10.8x	6.7x -10.4x	8.8x	7.6x - 8.0x	7.6x

Lazard calculated implied per share equity values for Florida Rock common stock by applying estimated 2007 EBITDA multiples to the projected 2007 EBITDA of the business units of Florida Rock reflected in the Florida Rock financial projections, as set forth in the table below:

	Aggregates Unit Range	Concrete Unit Range	Cement Unit Range
Projected 2007 EBITDA Multiples	10.3x - 11.3x	6.7x - 8.8x	7.1x - 8.1x

For the Florida Rock corporate unit, Lazard applied a multiple of 8.9x. Based on this analysis, Lazard calculated an implied equity value range per share of Florida Rock common stock of $48.25 to $56.50.

Precedent Merger Transactions Analysis

Lazard also performed a precedent merger transaction analysis, which was designed to provide a valuation of Florida Rock based on publicly available financial terms of selected transactions in the heavy building materials industry. In selecting the transactions it used in this analysis, Lazard reviewed merger transactions since 1997

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involving companies in the heavy building materials industry. The precedent transactions selected by Lazard were (listed by date publicly announced followed by the acquiror and the target company):

Date Publicly Announced	Acquiror	Target
Recent Transactions:		
October 2006	Cemex S.A.B. de C.V.	Rinker Group, Ltd.*
June 2006	Cementos Portland Valderrivas SA	Corporacion Uniland S.A.
May 2006	Lafarge S.A.	Lafarge N.A. (47% public minority)
July 2005	Spohn Cement GmbH	HeidelbergCement AG (78% minority)
October 2005	Camargo Correa S.A.	Loma Negra S.A.
January 2005	Holcim Ltd.	Aggregate Industries Ltd.
September 2004	Cemex S.A.B. de C.V.	RMC Group Plc
Other Transactions:		
January 2001	Lafarge S.A.	Blue Circle Industries Plc
June 2000	CRS	Florida Crushed Stone Co.
November 1999	Hanson Plc	Pioneer Cement Ltd.
October 1999	Anglo American plc group	Tarmac Ltd.
November 1998	Vulcan	Calmat Co.
October 1997	Lafarge S.A.	Redland Stone

* Used latest offer bid.

For each selected comparable transaction, Lazard calculated the multiple of total transaction value to EBITDA of the acquired business for the latest 12-month period preceding the acquisition announcement. Lazard then calculated implied per share equity values for Florida Rock common stock by applying EBITDA multiples ranging from 9.2x to 10.2x to Florida Rock s latest 12-month EBITDA. Based on this analysis, Lazard calculated an implied equity value range per share of Florida Rock common stock of $54.75 to $60.50.

Florida Rock Discounted Cash Flow Analysis

Using the Florida Rock financial projections, Lazard performed a discounted cash flow analysis for each of Florida Rock s Aggregates, Southern Concrete, Northern Concrete, Cement and Corporate units, which was designed to provide insight into the value of those units as a function of their future unlevered free cash flows. Present value refers to the current value of future cash flows and is obtained by discounting those future cash flows or amounts by a discount rate, as described below. Other financial terms used below are projected unlevered free cash flows and terminal value. Projected unlevered free cash flows refer to a calculation of the future cash flows of an asset without including in such calculation any debt servicing costs. Terminal value refers to the estimated capitalized value of all future cash flows from an asset at a particular point in time.

Lazard s discounted cash flow analysis was based on the present value of projected unlevered free cash flow of each unit for 2007 to 2011 and the present value of the terminal value of each unit in 2011.

This analysis assumed a range of terminal year exit multiples of estimated EBITDA and discount rates based on estimates relating to each unit s weighted average cost of capital as illustrated in the table below. Florida Rock s weighted average cost of capital is a measure of the average expected return on all of Florida Rock s securities or loans

based on the proportions of those securities or loans in Florida Rock s capital structure.

In performing this analysis, Lazard calculated the value of the Aggregates unit both without the projected unlevered free cash flow from new projects in that unit as well as the projected unlevered free cash flow from the new projects.

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Unit	Discount Rate Ranges	EBITDA Exit Multiples
Aggregates (without new projects)	10.0% - 12.0%	8.0x - 9.0x
New Projects in Aggregates	10.0% - 12.0%	8.0x - 9.0x
Southern Concrete	10.0% - 12.0%	6.0x - 7.0x
Northern Concrete	10.0% - 12.0%	6.0x - 7.0x
Cement	8.0% - 10%	6.0x - 7.0x
Corporate	10.0% - 12.0%	7.0x

Based on these calculations, Lazard calculated an implied enterprise value range for each unit. Lazard combined the ranges of implied enterprise values to calculate an implied equity value range per share of Florida Rock common stock of $58.00 to $69.50 assuming no new Aggregates projects and of $61.50 to $74.00, assuming the new Aggregates projects are completed.

Vulcan Comparable Public Companies Analysis

Lazard performed a comparable companies analysis with respect to Vulcan similar to that performed with respect to Florida Rock. Lazard reviewed and analyzed selected public companies that it viewed as reasonably comparable to Vulcan s business. In performing this analysis, Lazard reviewed and analyzed certain financial information, valuation multiples and market trading data relating to the selected comparable companies and compared such information to the corresponding information for Vulcan s business. This analysis was designed to assess how the market values shares of reasonably comparable publicly traded companies and provide a range of implied equity values per share of Vulcan common stock.

In performing this analysis, Lazard used the same companies and calculated the same ranges of EBITDA multiples as described under Florida Rock Comparable Companies Analysis.

Lazard calculated implied per share equity values for Vulcan common stock by applying estimated 2007 EBITDA multiples to the estimated 2007 EBITDA of the business units of Vulcan as set forth in the table below:

	Aggregates Unit Range	Asphalt Unit Range	Ready-Mix Unit Range
Projected 2007 EBITDA Multiples	10.3x - 11.3x	6.7x - 8.8x	7.1x - 8.1x

For the corporate unit, Lazard applied a multiple range of 10.3x to 11.3x. Based on this analysis, Lazard calculated an implied equity value range per share of Vulcan common stock of $100.50 to $112.50.

Vulcan Discounted Cash Flow Analysis

Using forecasts provided by Vulcan management, Lazard performed a discounted cash flow analysis for each of Vulcan s Aggregates, Asphalt, Ready-Mix, Other and Corporate units, which is designed to provide insight into the value of those units as a function of their future unlevered free cash flows.

Lazard s discounted cash flow analysis was based on the present value of projected unlevered free cash flow of each unit for 2007 to 2011 and the present value of the terminal value of each unit in 2011.

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This analysis assumed a range of terminal year exit multiples of estimated EBITDA and discount rates based on estimates relating to each unit s weighted average cost of capital as illustrated in the table below. Vulcan s weighted average cost of capital is a measure of the average expected return on all of Vulcan s securities or loans based on the proportions of those securities or loans in Vulcan s capital structure.

Unit	Discount Rate Ranges	EBITDA Exit Multiples
Aggregates	10.0% - 12.0%	8.0x - 9.0x
Asphalt	10.0% - 12.0%	6.0x - 7.0x
Ready-Mix	8.0% - 10.0%	6.0x - 7.0x
Other	10.0% - 12.0%	6.0x - 7.0x
Corporate	10.0% - 12.0%	7.0x
Other Cash Flow Items	10.0% - 12.0%	NA

Based on these calculations, Lazard calculated an implied enterprise value range for each unit. Lazard combined the ranges of implied enterprise values to calculate an implied equity value range per share of Vulcan common stock of $115.25 to $139.50.

Pro Forma Merger Analysis

Lazard analyzed the potential pro forma effect of the mergers on Vulcan s projected earnings per share for years 2007 through 2011 using the Florida Rock financial projections and Vulcan financial projections, and assuming a January 1, 2007 closing of the mergers. Lazard calculated the accretion or dilution to Vulcan s estimated earnings per share under four separate scenarios:

(1) assuming no synergies from the mergers and without taking into account any new Aggregates projects of Florida Rock;

(2) assuming synergies as projected by Vulcan management and without taking into account any new Aggregates projects of Florida Rock;

(3) assuming no synergies from the mergers but taking into account the new Aggregates projects; and

(4) assuming synergies and taking into account the new Aggregates projects.

Lazard noted that under scenarios (1) and (3) the mergers are expected to be dilutive to Vulcan earnings per share in 2007 and accretive in years 2008 through 2011, and under scenarios (2) and (4) the mergers are expected to be accretive to Vulcan earnings per share in 2007 through 2011.

Lazard acted as financial advisor to Florida Rock in connection with the mergers and will receive a fee from Florida Rock for its services pursuant to an engagement letter dated as of January 25, 2007. The fee payable to Lazard in connection with the mergers was determined by arms-length negotiation between Florida Rock s management and representatives of Lazard. Pursuant to this letter agreement, Florida Rock agreed to pay to Lazard $250,000 upon execution of the letter and a fee of 0.3% of the merger consideration payable to Florida Rock shareholders upon consummation of the mergers, which total fee is estimated to be approximately $14.4 million based upon the closing price on the NYSE of Vulcan common stock on April 5, 2007 of $118.46.

Florida Rock also has agreed to reimburse Lazard for its out-of-pocket expenses, including reasonable fees and expenses of legal counsel and any other advisor retained by Lazard, and to indemnify Lazard and its members, employees, agents, affiliates and controlling persons, if any, against liabilities, including liabilities under the federal securities laws, arising out of its engagement.

In addition, in the ordinary course of their respective businesses, affiliates of Lazard and LFCM Holdings LLC (an entity owned indirectly in large part by managing directors of Lazard) may actively trade securities of Florida Rock or Vulcan for their own accounts and for the accounts of their customers and, accordingly, may at any time hold a long or short position in such securities. Neither Lazard nor any of its affiliates has provided any services to Florida Rock or Vulcan during the last two years.

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Certain Florida Rock Financial Projections

Florida Rock s management, as a matter of course, does not publicly disclose forecasts or projections as to future performance, revenues or earnings and is especially wary of making projections for extended earnings periods due to the unpredictability of the underlying assumptions and estimates. However, in the context of the proposed transaction, Vulcan requested that Florida Rock s management prepare certain projections as to Florida Rock s future performance, which we refer to in this proxy statement/prospectus as the Florida Rock financial projections.

The Florida Rock financial projections were prepared in January 2007, based solely on information available at that time, by Florida Rock s management. Vulcan provided to Florida Rock s management Vulcan s macroeconomic outlook for the United States economy as well as Vulcan s estimates of market demand for aggregates and growth by aggregates end use market for each state in which Florida Rock operates. In developing the Florida Rock financial projections, Florida Rock management utilized the foregoing data provided by Vulcan and made certain adjustments to Vulcan s outlook for near-term periods. The Florida Rock financial projections were provided by Florida Rock s management to Florida Rock s board of directors, Lazard and Vulcan solely in the context of their respective evaluations of the potential transactions, and were not prepared with a view toward public disclosure or compliance with published guidelines of the SEC or the American Institute of Certified Public Accountants regarding projections, forward-looking information or U.S. generally accepted accounting principles, which we refer to in this proxy statement/prospectus as GAAP. We have included the material Florida Rock financial projections in this proxy statement/prospectus because they were provided to Lazard and Vulcan in the context of their respective evaluations of the potential transactions.

Neither Florida Rock s independent auditors nor any other independent accountants have compiled, examined or performed any procedures with respect to the prospective financial information contained in the Florida Rock financial projections, nor have they expressed any opinion or given any form of assurance on this information or its achievability. Neither Florida Rock nor Florida Rock s independent auditors assumes any responsibility if future results differ from the Florida Rock financial projections.

Furthermore, the Florida Rock financial projections:

- necessarily consist of numerous assumptions with respect to, among other things, industry performance, general business, economic, market and financial conditions, all of which are difficult or impossible to predict and many of which are beyond Florida Rock s control and may not prove to have been, or may no longer be, accurate;

- do not necessarily reflect revised prospects for Florida Rock s business, changes in general business or economic conditions, or any other transaction or event that has occurred or that may occur and that was not anticipated at the time the Florida Rock financial projections were prepared;

- are not necessarily indicative of current values or future performance, which may be materially more favorable or less favorable than as set forth below; and

- involve risks and uncertainties and should not be regarded as a representation or guarantee that they will be achieved.

The Florida Rock financial projections are forward-looking statements. For information on factors which may cause Florida Rock s future financial results to materially vary, see Information Regarding Forward-Looking Statements on page 18. The Florida Rock financial projections have been prepared using accounting principles consistent with our

annual and interim financial statements as well as any changes to those principles known to be effective in future periods. The Florida Rock financial projections do not reflect the effect of any proposed or other changes in U.S. GAAP that may be made in the future. Any such changes could have a material impact to the information shown below.

Florida Rock has neither updated or revised nor intends to update or otherwise revise the Florida Rock financial projections to reflect circumstances existing since their preparation or to reflect the occurrence of unanticipated events even in the event that any or all of the underlying assumptions are shown to be in error.

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Furthermore, Florida Rock does not intend to update or review the Florida Rock financial projections to reflect changes in general economic or industry conditions.

Florida Rock Consolidated Financial Projections[a]

	Projected Calendar Year Ending December 31				
	2007E	2008E	2009E	2010E	2011E
	($ in millions except per share data)				
Revenue	$ 1,369.6	$ 1,531.6	$ 1,645.9	$ 1,765.4	$ 1,920.0
EBITDA[b]	$ 378.9	$ 450.0	$ 537.6	$ 612.6	$ 706.4
Operating Profit	$ 297.9	$ 359.6	$ 440.3	$ 517.7	$ 615.2
Net Interest Income	$ 3.8	$ 7.7	$ 20.2	$ 39.1	$ 61.7
Tax Expense	$ 108.1	$ 130.9	$ 161.0	$ 193.6	$ 234.2
Net Income	$ 193.6	$ 236.4	$ 299.5	$ 363.1	$ 442.6
Earnings Per Share[c]	$ 2.85	$ 3.48	$ 4.41	$ 5.34	$ 6.51
Capital Expenditures	$ 272.6	$ 175.7	$ 65.5	$ 63.9	$ 61.6
Depreciation, Amortization and Depletion Expense	$ 80.9	$ 90.4	$ 97.3	$ 94.9	$ 91.3
Increase in Net Working Capital[d]	$ 3.0	$ 3.0	$ 3.0	$ 3.0	$ 3.0

(a) Excludes any new projects in Florida Rock s Aggregates unit.

(b) EBITDA means net earnings (loss) before interest expense (income), income tax expense (benefit) and depreciation, amortization and depletion expense and is before the cumulative effect of a change in accounting principle, if applicable. EBITDA is not a financial measurement prepared in accordance with U.S. GAAP. See Non-GAAP Financial Measures for Florida Rock s reasons for including EBITDA data in this proxy statement/prospectus and for a reconciliation of EBITDA to net income, as net income is a financial measurement prepared in accordance with U.S. GAAP.

(c) Based on 68.0 million fully diluted shares outstanding.

(d) Net working capital means working capital less cash. Net working capital is not a financial measurement prepared in accordance with U.S. GAAP. See Non-GAAP Financial Measures for Florida Rock s reasons for including net working capital data in this proxy statement/prospectus and for a reconciliation of increases (decreases) in net working capital to increases (decreases) in working capital, as working capital is a financial measurement prepared in accordance with U.S. GAAP.

Non-GAAP Financial Measures

EBITDA. The Florida Rock financial projections include a projection of Florida Rock s EBITDA. EBITDA is not a financial measurement prepared in accordance with U.S. GAAP. Accordingly, EBITDA should not be considered as a substitute for net earnings (loss) or other income or cash flow data prepared in accordance with U.S. GAAP. Florida Rock believes that these projections of EBITDA may be useful to Florida Rock shareholders because they were provided to Lazard and Vulcan in the context of their respective evaluations of the potential transactions. In addition, Florida Rock believes that EBITDA may provide additional information with respect to Florida Rock s performance or ability to meet its future debt service, capital expenditures and working capital requirements. Because EBITDA

excludes some, but not all, items that affect net earnings and may vary among companies, the EBITDA presented by Florida Rock may not be comparable to similarly titled measures of other companies. A reconciliation of the differences between EBITDA and net income, a financial measurement prepared in accordance with U.S. GAAP, is set forth below.

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EBITDA Reconciliation

	Projected Calendar Year Ending December 31				
	2007E	2008E	2009E	2010E	2011E
	($ in millions)				
Net Income	$ 193.6	$ 236.4	$ 299.5	$ 363.1	$ 442.6
Plus: Net Interest (Income) Expense	($ 3.8)	($ 7.7)	($ 20.2)	($ 39.1)	($ 61.7)
Plus: Tax Expense	$ 108.1	$ 130.9	$ 161.0	$ 193.6	$ 234.2
Plus: Depreciation, Amortization and Depletion Expense	$ 80.9	$ 90.4	$ 97.3	$ 94.9	$ 91.3
EBITDA	$ 378.9	$ 450.0	$ 537.6	$ 612.6	$ 706.4

Net Working Capital. The Florida Rock financial projections include a projection of increases (decreases) in Florida Rock s net working capital. Net working capital is not a financial measurement prepared in accordance with U.S. GAAP. Accordingly, net working capital should not be considered as a substitute for working capital prepared in accordance with U.S. GAAP. Florida Rock believes that these projections of increases (decreases) in net working capital may be useful to Florida Rock shareholders because they were provided to Lazard and Vulcan in the context of their respective evaluations of the potential transactions. In addition, Florida Rock believes that projections of increases (decreases) in Florida Rock s net working capital may provide additional information with respect to how funds are generated or used by Florida Rock from the components of working capital other than cash. Because net working capital excludes some, but not all, items that affect working capital and may vary among companies, the increases (decreases) in net working capital presented by Florida Rock may not be comparable to similarly titled measures of other companies. A reconciliation of the differences between of increases (decreases) in net working capital and of increases (decreases) in working capital, a financial measurement prepared in accordance with U.S. GAAP, is set forth below.

Increases (Decreases) in Net Working Capital Reconciliation

	Projected Calendar Year Ending December 31				
	2007E	2008E	2009E	2010E	2011E
	($ in millions)				
Increase (Decrease) in Working Capital	($ 17.8)	$ 151.0	$ 331.3	$ 394.1	$ 472.4
Less: Increase (Decrease) in Cash	$ (20.8)	$ 148.0	$ 328.3	$ 391.1	$ 469.4
Increase (Decrease) in Net Working Capital	$ 3.0	$ 3.0	$ 3.0	$ 3.0	$ 3.0

Vulcan s Reasons for the Mergers

Vulcan is pursuing the mergers in order to:

- enhance its coast-to coast geographic footprint and further diversify its regional exposure;

enhance its position in fast-growing, highly attractive Florida markets; and

build on its successful aggregates-focused business mix in top growth states.

The Florida Rock merger also will add approximately 2.5 billion tons of reserves in markets where reserves are increasingly scarce, increasing Vulcan s total reserves by more than 20% to approximately 13.9 billion tons.

In the course of determining to approve the merger agreement, the Vulcan board of directors considered a number of factors and risks in its deliberations, ultimately concluding that the potentially favorable factors outweighed the potentially negative factors and risks. The Vulcan board of directors viewed the following factors as generally supporting its decision to approve the business combination with Florida Rock:

the likelihood that the mergers will be completed on a timely basis;

the mergers give Vulcan a significant presence in Florida and enhance its footprint in its regional markets;

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historical and current information concerning Florida Rock s and Vulcan s respective businesses, financial performance and condition, operations, management, competitive positions and prospects, before and after giving effect to the mergers and the mergers potential effect on shareholder value; and

the terms and conditions of the merger agreement, including:

that not more than 30% of the outstanding shares of Florida Rock common stock can be converted into shares of Holdco common stock in the Florida Rock merger;

restrictions on Florida Rock s ability to solicit other acquisition proposals; and

Florida Rock s agreement to pay Vulcan a $135 million termination fee in connection with certain terminations of the merger agreement.

Vulcan s board of directors also considered a number of potentially countervailing factors and risks, including the following:

the dilution associated with the shares that Holdco will issue under the Florida Rock merger;

the risk that the mergers might not be consummated in a timely manner or that the closing of the mergers will not occur despite the parties efforts;

the negative impact of any customer confusion or delay in purchase commitments or the potential loss of one or more large customers as a result of any such customer s unwillingness to do business with the combined company;

possible loss of key management or other personnel;

the effort and distraction required of Vulcan personnel, and the substantial expenses to be absorbed by Vulcan, in connection with attempting to complete the mergers;

the challenges and costs of combining the operations of two independent companies, including the risks that delays or difficulties in completing the integration could adversely affect the combined company s operating results and preclude the achievement of some anticipated benefits;

the risk that anticipated synergies and cost savings will not be fully realized;

conditions in the Florida housing market; and

various other applicable risks associated with the combined company and the transaction, including those described in the section of this proxy statement/prospectus entitled Risk Factors.

In view of the wide variety of factors and risks considered in connection with its evaluation of the business combination with Florida Rock and the complexity of these matters, the Vulcan board of directors did not find it useful, and did not attempt, to quantify, rank or otherwise assign relative weights to these factors and risks. In considering the factors and risks described above, individual members of the Vulcan board of directors may have given different weight to different factors. The Vulcan board of directors conducted an overall analysis of the factors described above, including discussions with, and questioning of, Vulcan s management and Vulcan s legal and financial

advisors, and considered the factors overall to be favorable to, and to support, its determination.

Interests of Certain Persons in the Florida Rock Merger

Interests of Florida Rock Directors and Executive Officers. In considering the recommendation of the board of directors of Florida Rock to vote for the proposal to approve the merger agreement, shareholders of Florida Rock should be aware that members of the Florida Rock board of directors and members of Florida Rock s executive management have relationships, agreements or arrangements that provide them with interests in the Florida Rock merger that may be in addition to or differ from those of Florida Rock s shareholders. The Florida Rock board of directors was aware of these relationships, agreements and arrangements during its deliberations on the merits of the Florida Rock merger and in making its decision to recommend to the Florida Rock shareholders that they vote to approve the merger agreement.

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Florida Rock Director and Executive Officer Stock Options. The following table sets forth information regarding outstanding stock options that have been issued to Florida Rock s directors and executive officers.

	Shares Underlying Options				Unrealized Value(1)		
	Exercisable		Unexercisable				
Name and Title	Number of Shares	Weighted Average Exercise Price	Number of Shares	Weighted Average Exercise Price	Currently Exercisable Options	Currently Unexercisable Options(2)	Total
Edward L. Baker *Chairman*	460,030	$ 8.50	57,750	$ 36.61	$ 26,911,470	$ 1,754,978	$ 28,666,448
John D. Baker II *President, CEO and Director*	460,030	$ 8.50	57,750	$ 36.61	$ 26,911,470	$ 1,754,978	$ 28,666,448
Thompson S. Baker II *Vice President and Director*	81,550	$ 19.95	47,000	$ 37.07	$ 3,837,016	$ 1,406,176	$ 5,243,192
Alvin R. Carpenter *Director*	11,828	$ 47.71	0		$ 228,168	$ 0	$ 228,168
Robert P. Crozer *Director*	10,328	$ 49.96	0		$ 187,358	$ 0	$ 187,358
John A. Delaney *Director*	10,328	$ 49.96	0		$ 187,358	$ 0	$ 187,358
J. Dix Druce, Jr. *Director*	11,828	$ 47.71	0		$ 228,168	$ 0	$ 228,168
Luke E. Fichthorn III *Director*	11,828	$ 47.71	0		$ 228,168	$ 0	$ 228,168
William P. Foley II *Director*	8,328	$ 46.79	0		$ 168,333	$ 0	$ 168,333
George J. Hossenlopp *President, Southern Concrete Group*	44,500	$ 23.44	38,500	$ 36.61	$ 1,938,335	$ 1,169,985	$ 3,108,320
Francis X. Knott *Director*	10,828	$ 47.34	0		$ 212,838	$ 0	$ 212,838
John D. Milton, Jr. *Executive Vice President, Treasurer, CFO and Director*	246,250	$ 13.95	48,125	$ 36.61	$ 13,063,300	$ 1,462,482	$ 14,525,782

William H. Walton, III *Director*	11,828	$ 47.71	0	$ 228,178	$ 0	$ 228,178

(1) Calculated based on the assumption that the director or officer will receive $67.00 per share minus the exercise price upon consummation of the Florida Rock merger (without giving effect to any tax withholding).

(2) All currently unexercisable options will become fully vested and exercisable prior to, and as a result of, the merger.

Effective 10 days prior to the Election Date, all outstanding options to purchase shares of Florida Rock common stock that are unexercisable will become vested and fully exercisable. Therefore, the options shown above under the unexercisable column will become immediately exercisable. Options not exercised prior to the effective time of the Florida Rock merger shall be converted into the right to receive an amount, per optioned share, equal to $67.00, without interest, minus the applicable exercise price for the optioned share.

For additional information about the effect of the Florida Rock merger on stock options held by Florida Rock directors and executives, see Treatment of Stock Options and Other Equity-Based Awards on page 54.

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Management Security Plan. Many of Florida Rock s executive officers, including Edward L. Baker, John D. Baker II, and Thompson S. Baker II, participate in Florida Rock s Management Security Plan which provides for annual payments to participants (or their beneficiaries) for a period of years following their retirement or death. In connection with the Merger, Florida Rock will amend its plan to provide that (i) the benefits of MSP Plan participants shall vest in full upon the closing of the Merger, and (ii) on January 1, 2008, Florida Rock will make a lump sum payment to such MSP Plan participants in an amount equal to the present value of such vested benefits (determined using reasonable actuarial assumptions and discount factors and subject to reduction to the extent such payments would be nondeductible under Section 280G of the Internal Revenue Code). In addition, Florida Rock will modify its supplemental executive retirement arrangement with John D. Milton, Jr. to provide for a lump sum payment to Mr. Milton of the benefit on January 1, 2008, and to calculate the benefit based on both full and partial calendar years. The benefit paid to Mr. Milton will be equal to $50,000, multiplied by the number of full and partial years contained in the period from January 1, 2004 to the closing date, plus an interest accrual of 6.5% per year. Each of the modifications described above was approved by the Compensation Committee of Florida Rock s board of directors.

Profit Sharing and Deferred Earnings Plan. Florida Rock s executive officers, including Edward L. Baker, John D. Baker II, Thompson S. Baker II, John D. Milton, Jr. and George Hossenlopp, participate in the Florida Rock Industries, Inc. Profit Sharing and Deferred Earnings Plan. Vulcan has agreed to contribute 10% of Florida Rock s pre-tax profits for the period from October 1, 2006 through the completion of the merger (or September 30, 2007, if earlier), minus the amount of any matching employer contributions under the plan, to the profit sharing plan.

Annual Management Incentive Compensation Plan and Good To Great Incentive Bonus Program. Florida Rock s executive officers, including Edward L. Baker, John D. Baker II, Thompson S. Baker II, John D. Milton, Jr. and George Hossenlopp, participate in Florida Rock s Annual Management Incentive Compensation Plan (the MIC Plan) and Good To Great Incentive Bonus Program (the G2G Plan). If the mergers are completed prior to September 30, 2007, Vulcan has agreed to pay bonuses under the MIC Plan and G2G Plan pro-rated to reflect the portion of the bonus period occurring prior to the completion of the mergers.

Severance Benefits to Executive Officers. Under the terms of the Merger Agreement, certain executive officers, including John D. Milton, Jr., will be eligible to receive severance benefits in an amount equal to two times the executive s base salary (subject to reduction to the extent that any payment would be nondeductible under Section 280G of the Internal Revenue Code) if, during the two years after the closing date of the mergers, Holdco terminates the executive other than for cause or the executive resigns for good reason. Executive officers who participate in the Management Security Plan are not eligible to receive severance benefits. Cause is generally defined as (i) conviction for commission of a felony, (ii) willful misconduct or gross negligence or material violation of policy resulting in material harm to Holdco, (iii) the repeated and continued failure by the executive to carry out, in all material respects, Holdco s reasonable and lawful directions, or (iv) fraud, embezzlement, theft or material dishonesty. Good reason is generally defined as (i) a material reduction in compensation or benefits, (ii) a requirement that the executive relocate, or (iii) any material diminution in the executive s duties, responsibilities, reporting obligations, title or authority. The Compensation Committee of Florida Rock s board of directors has approved these severance arrangements.

Indemnification and Insurance. The merger agreement provides that, upon completion of the mergers, Holdco will, to the fullest extent permitted by law, indemnify and hold harmless, and provide advancement of expenses to, all past and present officers, directors and employees of Florida Rock and its subsidiaries. Florida Rock has entered into indemnification agreements with each of its directors and officers that require Florida Rock to indemnify and advance expenses to such indemnitees to the fullest extent permitted by Florida law.

In addition, as provided by the merger agreement, Florida Rock has purchased a six year run-off directors and officers liability insurance policy with respect to claims arising from facts or events that occurred on or before the completion of the mergers.

Interests of the Baker Shareholders. On February 19, 2007, in connection with the execution of the merger agreement, Baker Holdings, L.P., Edward L. Baker Living Trust, Edward L. Baker, John D. Baker II Living Trust and Anne D. Baker Living Trust, which we refer to in this proxy statement/prospectus, collectively, as the Baker Shareholders, entered into a support agreement with Vulcan. The Baker Shareholders (except for the Anne D. Baker

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Living Trust) are controlled, directly or indirectly, by Edward L. Baker, Florida Rock s Chairman, and John D. Baker II, Florida Rock s President and CEO.

Pursuant to the support agreement, the Baker Shareholders agreed (1) to vote shares of Florida Rock common stock representing approximately 9.9% of the outstanding shares of Florida Rock (which we refer to in this proxy statement/prospectus as the specified shares) in favor of the approval of the merger agreement at the Florida Rock shareholders meeting and against any other transaction that could reasonably be expected to prevent, impede, interfere with, delay, postpone or adversely affect the mergers and (2) to irrevocably elect to receive Holdco common stock in exchange for Florida Rock common shares representing approximately 30% of the Florida Rock common stock beneficially owned by Edward L. Baker, John D. Baker, II and Baker Holdings, L.P. in the Florida Rock merger, subject to proration like all Florida Rock shareholders.

The Baker Shareholders have also agreed not to transfer or otherwise dispose of the specified shares until the termination of the support agreement. The support agreement terminates upon the earlier to occur of the termination of the merger agreement or the effective date of the mergers.

As of the Florida Rock record date, the Baker Shareholders beneficially owned approximately [%] of the outstanding shares of Florida Rock common stock. Further information about the support agreement can be found under The Support Agreement on page 65.

Shareholders Agreement. On February 19, 2007, in connection with the execution of the merger agreement, the Baker Shareholders entered into a shareholders agreement with Vulcan and Holdco. Pursuant to the shareholders agreement, each Baker Shareholder agreed not to transfer any shares of Holdco common stock owned by such Baker Shareholder during a restrictive period, other than to certain permitted transferees. Generally, the restrictive period for each Baker Shareholder is three years, beginning on the effective date of the mergers; however, (i) solely with respect to John D. Baker, II, Florida Rock s President and CEO, this restrictive period will extend for as long as he serves on the board of directors of Holdco, (ii) solely with respect to Edward L. Baker, Florida Rock s Chairman, this restrictive period will terminate early upon his death and (iii) with respect to each Baker Shareholder, this restrictive period will terminate upon a change of control of Holdco, as defined in the stock option plan of Holdco.

Subject to limited exceptions, each Baker Shareholder also agreed, for a period of five years following the expiration of the restrictive period applicable to it (provided that the five-year period will terminate earlier at any time the Baker Shareholders and their affiliates own less than one percent of the outstanding shares of Holdco), to transfer any shares of Holdco common stock owned by such Baker Shareholder only if the transfer complies with applicable securities laws and (i) is to a permitted transferee, or (ii) such transfer complies with the right of first refusal procedures described below.

The shareholders agreement provides Holdco a right of first refusal which, during the period described in the paragraph above, requires each Baker Shareholder to give advance notice to Holdco of its desire to sell any shares of Holdco common stock. Following receipt of such notice, Holdco will have three business days to notify such Baker Shareholder stating whether Holdco will elect to purchase any shares. In the event Holdco does not elect to purchase all of the offered shares, the shares not purchased by Holdco may be sold by such Baker Shareholder in a broker transaction on the open market, subject to the same volume limitations as would be applicable to sales by an affiliate under Rule 144 of the Securities Act.

Each Baker Shareholder also agreed, until the expiration of the restrictive period applicable to it, to (i) vote its shares of Holdco common stock consistent with the recommendations of the Holdco board of directors, and (ii) not tender its shares of Holdco common stock in any tender offer opposed by the Holdco board of directors.

The shareholders agreement will automatically terminate if the merger agreement is terminated.

Sale of Property. Subject to the approval of the independent directors of Florida Rock, the merger agreement permits, but does not require, Florida Rock to sell to Edward L. Baker and John D. Baker II (or their designee) certain property owned by a subsidiary of Florida Rock consisting of approximately 6,300 acres located in Suwannee and Columbia counties, Florida. This property contains a hunting lodge which Florida Rock currently uses for business entertainment purposes. The sale would take place immediately prior to the effective time of the Florida Rock merger. The purchase price for this property will be the average of two independent appraisals

prepared by appraisers chosen by the independent directors of Florida Rock (and approved by Vulcan) and may be paid either in cash or Florida Rock common stock.

Patriot Transportation Holding, Inc. Four of Florida Rock s directors (Edward L. Baker, John D. Baker II, Thompson S. Baker II and Luke E. Fichthorn III) also are directors of Patriot Transportation Holding, Inc. (Patriot). Mr. Edward L. Baker serves as Chairman of both Florida Rock and Patriot. The four directors beneficially own approximately 45.9% of the common stock of Patriot. Florida Rock and a subsidiary of Patriot have established a joint venture to develop approximately 4,300 acres of land near Brooksville, Florida. The Florida Rock merger will trigger a provision in the joint venture agreement which will give Patriot the right to exercise a put/call option by giving written notice to Florida Rock within 120 days after the closing of the Florida Rock merger, specifying a purchase/sale price. Upon receipt of the notice, Florida Rock may (i) elect to purchase the joint venture interest of Patriot s subsidiary at the buy/sell price, (ii) elect to sell Florida Rock s joint venture interest to Patriot s subsidiary at the specified price, or (iii) make no election, in which case Florida Rock shall be deemed to have elected to purchase the joint venture interest of Patriot s subsidiary at the specified price. Patriot s subsidiary also leases a number of mining properties to Florida Rock under leases that will be unaffected by the mergers.

Holdco Director and Management Positions. On the day following day following the completion of the mergers, the board of directors of Holdco will be expanded to include John D. Baker II, a director and the President and CEO of Florida Rock. Mr. Baker will be compensated in accordance with Holdco s compensation arrangements with its non-employee directors. Thompson S. Baker II, a director of Florida Rock and currently Vice President of Florida Rock, is expected to become the President of the Florida Rock division of Holdco. The terms of Mr. Thompson Baker s employment have not yet been established. For further information, see Board of Directors and Management After the Mergers below.

Board of Directors and Management after the Mergers

Immediately following the mergers, the board of directors of Holdco will consist of the Vulcan directors as of the time of the mergers. On the day following the completion of the mergers, the board of directors of Holdco will be expanded to include John D. Baker II, Florida Rock s current President and Chief Executive Officer and a director of Florida Rock. At that time, Holdco s board of directors will be divided into three classes, with one class elected at each annual meeting to serve a three-year term.

Following the mergers, officers of Holdco will consist of the Vulcan officers as of the time of the Vulcan merger, except Thompson S. Baker II, a director and Vice President of Florida Rock, is expected to become president of Holdco s new Florida Rock division.

Additional information about Holdco s directors and officers may be found in Vulcan s proxy statement for its 2007 annual meeting of shareholders attached as Annex H hereto.

Material United States Federal Income Tax Consequences

The following is a discussion of certain of the material United States federal income tax consequences of the mergers to U.S. holders (as defined below) of Florida Rock common stock. The discussion is the opinion of Weil, Gotshal & Manges LLP.

This discussion is based on the Code, applicable Treasury regulations, administrative interpretations and court decisions as in effect as of the date of this proxy statement/prospectus, all of which may change, possibly with retroactive effect. This discussion assumes that the mergers will be completed in accordance with the terms of the merger agreement. No ruling has been or will be sought from the Internal Revenue Service (IRS) as to the

United States federal income tax consequences of the mergers, and the following summary is not binding on the IRS or the courts. As a result, the IRS could adopt a contrary position, and such a contrary position could be sustained by a court.

For purposes of this discussion, a U.S. holder is a beneficial owner of a share of Florida Rock common stock that is:

a citizen or individual resident of the United States;

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a corporation, or other entity taxable as a corporation, created or organized in or under the laws of the United States or any political subdivision thereof;

an estate the income of which is subject to United States federal income tax regardless of its source; or

a trust if, in general, the trust is subject to the supervision of a court within the United States, and one or more U.S. persons have the authority to control all significant decisions of the trust.

This discussion only addresses U.S. holders who hold shares of Florida Rock common stock as capital assets within the meaning of Section 1221 the Code.

This discussion does not purport to be a complete analysis of all potential tax effects of the mergers, and, in particular, does not address United States federal income tax considerations applicable to shareholders subject to special treatment under United States federal income tax law (including, for example, non-U.S. holders, brokers or dealers in securities, financial institutions, mutual funds, insurance companies, tax-exempt entities, holders who hold Florida Rock common stock as part of a hedge, appreciated financial position, straddle, conversion transaction or other risk reduction strategy, holders who acquired Florida Rock common stock pursuant to the exercise of an employee stock option or right or otherwise as compensation, holders which are partnerships or other pass-through entities or investors in partnerships or other pass-through entities and U.S. holders liable for the alternative minimum tax). In addition, this discussion does not address the tax consequences of transactions effectuated prior to or after the mergers (whether or not such transactions occur in connection with the mergers), including, without limitation, any exercise of an option or the acquisition or disposition of shares of Florida Rock common stock other than pursuant to the mergers. Also, this discussion does not address United States federal income tax considerations applicable to holders of options or warrants to purchase Florida Rock common stock, or holders of debt instruments convertible into Florida Rock common stock. No information is provided herein with respect to the tax consequences of the mergers under applicable state, local or non-United States laws, or under any proposed Treasury regulations that have not taken effect as of the date of this proxy statement/prospectus.

HOLDERS OF FLORIDA ROCK COMMON STOCK ARE URGED TO CONSULT WITH THEIR TAX ADVISORS REGARDING THE TAX CONSEQUENCES OF THE MERGERS TO THEM, INCLUDING THE EFFECTS OF UNITED STATES FEDERAL, STATE AND LOCAL, FOREIGN AND OTHER TAX LAWS.

The obligations of Florida Rock to consummate the Florida Rock merger are conditioned on the receipt of an opinion of its tax counsel, Weil, Gotshal & Manges LLP, dated the effective date of the mergers (WGM Tax Opinion), to the effect that the exchange of Florida Rock common stock and Vulcan common stock for Holdco common stock pursuant to the mergers, taken together, will be treated for United States federal income tax purposes as an exchange described in Section 351 of the Code. The obligations of Vulcan to consummate the Vulcan merger are conditioned on the receipt of an opinion of its tax counsel, Wachtell, Lipton, Rosen & Katz, dated the effective date of the mergers (WLRK Tax Opinion and together with the WGM Tax Opinion, the Tax Opinions), to the effect that (i) the exchange of Florida Rock common stock and Vulcan common stock for Holdco common stock pursuant to the mergers, taken together, will be treated for United States federal income tax purposes as an exchange described in Section 351 of the Code and (ii) the Vulcan merger will qualify as a reorganization within the meaning of Section 368(a) of the Code.

Each of the Tax Opinions will be subject to customary qualifications and assumptions, including that the mergers will be completed according to the terms of the merger agreement. In rendering the Tax Opinions, each tax counsel may require and rely upon representations and assumptions, including those contained in the certificate of officers of Florida Rock, Vulcan and Holdco. If any of those representations, covenants or assumptions is inaccurate, the tax

consequences of the mergers could differ from those described in the Tax Opinions. The Tax Opinions do not bind the IRS nor preclude the IRS from adopting a contrary position. Accordingly, there can be no assurance that the IRS will not challenge such conclusions or that a court will not sustain such a challenge. The remainder of this discussion assumes that the mergers, taken together, will be treated as an exchange described in Section 351 of the Code.

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In the event that either Florida Rock or Vulcan waives this condition and there are any material adverse changes in the United States federal income tax consequences to the Florida Rock shareholders, we will inform you of this decision and ask you to vote on the mergers taking this into consideration.

United States Federal Income Tax Consequences to Florida Rock Shareholders

At the time that a U.S. holder makes an election to receive Holdco common stock, such holder will not know if, and to what extent, the proration procedures will alter the mix of the consideration to be received. As a result, the tax consequences to each U.S. holder will not be ascertainable with certainty until such holder knows the precise amount of Holdco common stock that will be received in the mergers.

Exchange of Florida Rock Common Stock Solely For Cash. A U.S. holder who exchanges Florida Rock common stock solely for cash will recognize capital gain or loss, for United States federal income tax purposes, equal to the difference between the amount of cash received and such holder s tax basis in the shares of Florida Rock common stock surrendered therefor. Such gain or loss will be long term capital gain or loss if, as of the effective time of the Florida Rock merger, the holding period for such Florida Rock common stock is more than one year.

Exchange of Florida Rock Common Stock Solely for Holdco Common Stock. A U.S. holder who exchanges Florida Rock common stock solely for Holdco common stock will not recognize any gain or loss, for United States federal income tax purposes, upon the exchange. Such holder will have a tax basis in the Holdco common stock received equal to the tax basis of the Florida Rock common stock surrendered therefor, provided either that the Florida Rock common stock exchanged does not have a tax basis that exceeds its fair market value or, if it does, that a certain election to reduce the tax basis of the Holdco common stock received to its fair market value is not made. The holding period for the Holdco common stock received will include the holding period for the Florida Rock common stock surrendered therefor.

Exchange of Florida Rock Common Stock for a combination of Holdco Common Stock and Cash. A U.S. holder who exchanges Florida Rock common stock for a combination of Holdco common stock and cash will recognize gain, but not loss, on the exchange. Subject to the discussion below regarding Section 304 of the Code, gain recognized will equal the lesser of the amount of cash received and the gain realized. The gain realized will be the excess of (i) the sum of the fair market value of Holdco common stock received and the amount of cash received over (ii) the holder s tax basis in the Florida Rock common stock surrendered. For this purpose, a holder must calculate gain or loss separately for each identifiable block of shares of Florida Rock common stock that is surrendered in the exchange, and the holder may not offset a loss recognized on one block of the shares against gain recognized on another block of the shares. Subject to the discussion below regarding Section 304 of the Code, any gain recognized by such U.S. holder will generally be treated as capital gain. Any gain that is treated as capital gain will be long term capital gain if the holding period for shares of the Florida Rock common stock that are surrendered in the exchange is more than one year as of the effective time of the Florida Rock merger.

The aggregate tax basis of the Holdco common stock received by a U.S. holder will be equal to the aggregate tax basis of the shares of Florida Rock common stock surrendered in the exchange, decreased by the amount of cash received and increased by the amount of gain recognized, provided either that the Florida Rock common stock exchanged does not have a tax basis that exceeds its fair market value or, if it does, that a certain election to reduce the tax basis of the Holdco common stock received to its fair market value is not made. The holding period of the Holdco common stock received will include the holding period of the shares of Florida Rock common stock surrendered in exchange therefor.

Application of Section 304 of the Code. The results described above may be altered if, contrary to expectations, Section 304 of the Code applies to the Florida Rock merger. Section 304 of the Code will apply to the Florida Rock merger if the Florida Rock shareholders, in the aggregate, own stock of Holdco possessing 50% or more of the total combined voting power or 50% or more of the total combined value of all classes of stock of Holdco, taking into account certain constructive ownership rules under the Code and, in the case of a Florida Rock shareholder who also owns Vulcan common stock, taking into account any Holdco common stock received by such Florida Rock shareholder in the Vulcan merger. In the unlikely event that Section 304 of the Code were to apply to the Florida Rock merger, the amount and character of income recognized by Florida Rock shareholders could be

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different. U.S. holders of Florida Rock common stock should consult their own tax advisors as to the amount and character of any income in the event that Section 304 of the Code applies to the Florida Rock merger.

Cash Instead of Fractional Shares. Holdco and Florida Rock intend to take the position that the receipt of cash instead of a fractional share of Holdco common stock is treated as if the U.S. holder received the fractional share in the Florida Rock merger and then received the cash in redemption of the fractional share. Accordingly, the U.S. holder will generally recognize gain or loss equal to the difference between the amount of the cash received instead of the fractional share and the holder s tax basis allocable to such fractional share.

Information on the Mergers to Be Filed with Florida Rock Shareholders Returns. U.S. holders who receive Holdco common stock, and following the effective time of the mergers own Holdco common stock representing at least 5% of the total combined voting power or value of the total outstanding Holdco common stock, are required to attach to their tax returns for the year in which the mergers are consummated, and maintain a permanent record of, a complete statement that contains the information listed in Treasury Regulation Section 1.351-3T. Such statement must include their aggregate fair market value and tax basis in their Florida Rock common stock surrendered in the exchange.

Information Reporting and Backup Withholding. Payments of cash pursuant to the Florida Rock merger will be subject to information reporting and backup withholding unless (i) they are received by a corporation or other exempt recipient or (ii) the recipient provides a correct taxpayer identification number and certifies that no loss of exemption from backup withholding has occurred.

A U.S. holder who provides an incorrect taxpayer identification number may be subject to penalties imposed by the IRS. The amount of any backup withholding from a payment to a U.S. holder will be allowed as a credit against the U.S. holder s United States federal income tax liability and may entitle such U.S. holder to a refund, provided that the required information is timely furnished to the IRS.

Tax matters are very complicated, and the tax consequences of the mergers to you will depend upon the facts of your particular situation. Accordingly, we strongly urge you to consult with a tax advisor to determine the particular federal, state, local, or foreign income or other tax consequences to you of the mergers.

Accounting Treatment

The mergers will be accounted for using the purchase method of accounting pursuant to Statement of Financial Accounting Standards (SFAS) No. 141, Business Combinations (FAS 141). Vulcan will be treated as the acquiring corporation for accounting and financial reporting purposes; accordingly, the historical financial statements of Vulcan will become the historical financial statements of Holdco. Under FAS 141, the purchase price paid by Vulcan, together with the direct costs of the mergers incurred by Vulcan, will be allocated to Florida Rock s tangible and intangible assets and liabilities based on their estimated fair values, with any excess being treated as goodwill. The assets, liabilities and results of operations of Florida Rock will be consolidated into the assets, liabilities and results of operations of Vulcan as of the closing date of the mergers.

Regulatory Approvals

U.S. Antitrust Clearance. Under the Hart-Scott-Rodino Antitrust Improvements Act of 1976, as amended (HSR Act), and the rules promulgated thereunder, the mergers may not be consummated until notification forms have been filed with the Federal Trade Commission (FTC) and the Antitrust Division of the United States Department of Justice (DOJ) and specified waiting period requirements have been satisfied. Vulcan and Florida Rock filed notification and report forms under the HSR Act with the FTC and the DOJ on March 12, 2007. On April 11, 2007, the DOJ issued a request for additional information and documentary material (referred to as a Second Request) which extends the

waiting period until thirty days after the parties have substantially complied with this request. Both before and after the expiration of the waiting period, the FTC, the DOJ or a state attorney general retain the authority to take action under the antitrust laws, including seeking to enjoin the completion of the mergers, to rescind the mergers or to conditionally approve the mergers upon the divestiture of particular assets of Vulcan or Florida Rock. Private parties also may seek to take legal action under the antitrust laws under certain circumstances.

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While we believe that we will receive the requisite regulatory approvals for the mergers, there can be no assurances regarding the timing of the approvals, our ability to obtain the approvals on satisfactory terms or the absence of litigation challenging such approvals. There can likewise be no assurance that regulatory authorities will not attempt to challenge the mergers on antitrust grounds or for other reasons, or, if such a challenge is made, as to the result thereof. Our obligation to complete the mergers is conditioned upon the receipt of certain antitrust consents, approvals and actions of governmental authorities and the filing of certain antitrust and other notices with such authorities. See The Merger Agreement Conditions to Completion of the Mergers beginning on page 56.

Florida Rock Shareholders Making Cash and Share Elections

Florida Rock shareholders will be receiving under separate cover a form of election for making cash and share elections. Any Florida Rock shareholder who became a Florida Rock shareholder after the record date, or who did not otherwise receive a form of election, should contact [ ] or their broker, bank or other nominee to obtain a form of election. Florida Rock shareholders who vote against approving the merger agreement are still entitled to make elections with respect to their shares. The form of election allows holders of Florida Rock common stock to make cash or share elections for some or all of their Florida Rock shares. Florida Rock shares as to which the holder has not made a valid election prior to the election deadline will be treated as though no election had been made.

The U.S. federal income tax consequences of the Florida Rock merger to each Florida Rock shareholder will vary depending on whether the Florida Rock shareholder receives cash or shares of Holdco, or a combination of cash and shares, in exchange for his or her Florida Rock shares. However, at the time that a Florida Rock shareholder is required to make a cash or share election, the Florida Rock shareholder will not know if, and to what extent, the proration procedures will change the mix of consideration that he or she will receive in the Florida Rock merger. As a result, at the time that a Florida Rock shareholder is required to make a cash or share election, the Florida Rock shareholder will not know the tax consequences to him or her with certainty. For more information regarding the tax consequences of the Florida Rock merger to the Florida Rock shareholders, please see Material United States Federal Income Tax Consequences beginning on page 46.

Exchange Agent. [ ] will serve as the exchange agent for purposes of effecting the election and proration procedures.

Election Deadline. The election deadline will be 5:00 p.m., EDT, on (i) [, 2007], the date of the special meeting, or (ii) two business days prior to the date of the completion of the Florida Rock merger if the completion of the Florida Rock merger is more than four business days following the special meeting. Vulcan and Florida Rock will publicly announce the anticipated election deadline at least five days prior to the anticipated completion date.

Shareholders who hold their shares in street name or through the Florida Rock Employee Stock Purchase Plan or the Florida Rock Industries, Inc. Profit Sharing and Deferred Earnings Plan or The Arundel Corporation Profit Sharing and Savings Plan, which we refer to in this proxy statement/prospectus, collectively, as the Florida Rock Plans, may be subject to a deadline earlier than the general deadline of the date of the special meeting. Therefore, you should carefully read any materials you receive from your broker or the relevant plan trustee or administrator.

Form of Election. The applicable form of election must be properly completed and signed and accompanied by:

- certificates representing all of the Florida Rock shares covered by the form of election, duly endorsed in blank or otherwise in a form acceptable for transfer on Florida Rock s books (or appropriate evidence as to the loss, theft or destruction, appropriate evidence as to the ownership of that certificate by the claimant, and appropriate and customary indemnification, as described in the form of election); or

a properly completed and signed notice of guaranteed delivery, as described in the instructions accompanying the form of election, from a firm which is a member of a registered national securities exchange or a commercial bank or trust company having an office or correspondent in the United States, provided that the

actual stock certificates are in fact delivered to the exchange agent by the time set forth in the notice of guaranteed delivery; or

if the Florida Rock shares are held in book-entry form, the documents specified in the instructions accompanying the form of election.

In order to make a cash or share election, the properly completed and signed form of election, together with one of the items described above, must be actually received by the exchange agent at or prior to the election deadline in accordance with the instructions in the instructions accompanying the form of election.

If Florida Rock shares are held in street name or in the Florida Rock Plans and the holder wishes to make an election, the holder should contact his or her bank, broker or other nominee, or the plan administrator or trustee, and follow the instructions provided.

Inability to Sell Shares as to which an Election is Made. Shareholders who have made elections will be unable to sell their Florida Rock shares after making the election, unless the election is properly revoked before the election deadline or the merger agreement is terminated.

Election Revocation and Changes. Generally, an election may be revoked or changed with respect to all or a portion of the Florida Rock shares covered by the election by the holder who submitted the applicable form of election, but only by written notice received by the exchange agent prior to the election deadline. If an election is revoked, or the merger agreement is terminated, and any stock certificates have been transmitted to the exchange agent, the exchange agent will promptly return those certificates to the shareholder who submitted those certificates. Florida Rock shareholders will not be entitled to revoke or change their elections following the election deadline. As a result, Florida Rock shareholders who have made elections will be unable to revoke their elections or sell their Florida Rock shares during the interval between the election deadline and the date of completion of the mergers.

Florida Rock shares, as to which the holder has not made a valid election prior to the election deadline, including as a result of revocation, will be deemed non-electing shares. If it is determined that any purported cash election or share election was not properly made, the purported election will be deemed to be of no force or effect and the holder making the purported election will be deemed not to have made an election for these purposes, unless a proper election is subsequently made on a timely basis.

Non-Electing Holders. Florida Rock shareholders who make no election to receive cash consideration or share consideration in the Florida Rock merger, whose elections are not received by the exchange agent by the election deadline, or whose forms of election are improperly completed or are not signed will be deemed not to have made an election. Florida Rock shareholders not making an election in respect of their Florida Rock shares may receive cash consideration, share consideration, or cash consideration for some of their Florida Rock shares and share consideration for some of their Florida Rock shares, depending on elections that have been made by other Florida Rock shareholders. See Proration Procedures below.

Pursuant to the support agreement, the Baker Shareholders agreed to irrevocably elect to receive Holdco common stock in exchange for Florida Rock common shares representing approximately 30% of the Florida Rock common stock beneficially owned by Edward L. Baker, John D. Baker II and Baker Holdings, L.P. in the Florida Rock merger, subject to proration like all Florida Rock shareholders. As of the Florida Rock record date, the Baker Shareholders owned approximately [ ] shares of Florida Rock common stock or approximately [%] of the outstanding shares of Florida Rock common stock.

Proration Procedures. Florida Rock shareholders should be aware that cash elections or share elections they make may be subject to the proration procedures provided in the merger agreement. Regardless of the cash or share elections made by Florida Rock shareholders, these procedures are designed to ensure that:

30% of the Florida Rock shares outstanding immediately prior to the effective time of the Florida Rock merger will be converted into the right to receive 0.63 of a share of Holdco common stock per share; and

70% of the Florida Rock shares outstanding immediately prior to the effective time of the Florida Rock merger will be converted into the right to receive cash consideration of $67.00 per share, without interest.

Florida Rock shareholders will receive cash in lieu of fractional shares, if any.

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In addition, any share of Florida Rock common stock owned by Florida Rock or Fresno Merger Sub (which will be cancelled in the Florida Rock merger) or owned by Vulcan or any direct or indirect subsidiary of Florida Rock or Vulcan (other than Fresno Merger Sub), which will be exchanged for Holdco common stock in the mergers, will not be subject to these proration calculations. Set forth below is a description of the proration procedures, and the effects on Florida Rock s shareholders, including those who fail to properly make a cash or share election, under certain alternative scenarios.

Scenario 1: More than 70% of Florida Rock Shares Elect to Receive Cash Consideration:

Florida Rock Shares Subject to Cash Elections. Each Florida Rock shareholder who properly elected to receive cash consideration will receive cash consideration for only a pro rata portion of the Florida Rock shares for which he or she properly made a cash election. The Florida Rock shareholder will receive share consideration in the form of shares of Holdco (and cash in lieu of any fractional shares) for his or her remaining Florida Rock shares.

The precise number of Florida Rock shares for which a Florida Rock shareholder will receive cash consideration will be determined by multiplying the number of Florida Rock shares for which the shareholder properly made a cash election by a fraction with a numerator equal to 70% of the number of Florida Rock shares outstanding immediately prior to the completion of the Florida Rock merger and a denominator equal to the total number of Florida Rock shares for which cash elections are properly made by all Florida Rock shareholders.

EXAMPLE. Assume that 1,000,000 Florida Rock shares are outstanding at the time of the Florida Rock merger and Florida Rock shareholders make cash elections with respect to 800,000 Florida Rock shares and share elections with respect to 200,000 Florida Rock shares. If you own 100 Florida Rock shares and have made an effective cash election for all of those shares, you would receive cash consideration for 87.50 of your Florida Rock shares [100 ×((70% × 1,000,000)/800,000)] and share consideration (including cash in lieu of any fractional shares) for your remaining 12.50 Florida Rock shares.

Florida Rock Shares Subject to Share Elections. Each Florida Rock shareholder who properly elected to receive share consideration will receive share consideration in the form of shares of Holdco for all of the Florida Rock shares for which he or she made a share election (including cash in lieu of any fractional shares).

Florida Rock Shares Subject to No Election. Each Florida Rock shareholder who failed to properly make an election will receive share consideration in the form of shares of Holdco for all of the Florida Rock shares for which he or she made no election (including cash in lieu of any fractional shares).

Scenario 2: More than 30% of Florida Rock Shares Elect to Receive Share Consideration:

Florida Rock Shares Subject to Cash Elections. Each Florida Rock shareholder who properly elected to receive cash consideration will receive cash consideration for all of the Florida Rock shares for which he or she made a cash election.

Florida Rock Shares Subject to Share Elections. Each Florida Rock shareholder who properly elected to receive share consideration will receive share consideration in the form of shares of Holdco for only a pro rata portion of the Florida Rock shares for which he or she properly made a share election (including cash in lieu of any fractional shares). The shareholder will receive cash consideration for his or her remaining Florida Rock shares.

The precise number of Florida Rock shares for which a Florida Rock shareholder will receive share consideration will be determined by multiplying the number of Florida Rock shares for which the shareholder properly made a share

election by a fraction with a numerator equal to 30% of the number of Florida Rock shares outstanding immediately prior to the effective time of the Florida Rock merger and a denominator equal to the total number of Florida Rock shares for which share elections are properly made by all Florida Rock shareholders.

EXAMPLE. Assume that 1,000,000 Florida Rock shares are outstanding at the time of the Florida Rock merger and Florida Rock shareholders make share elections with respect to 800,000 Florida Rock shares and cash elections with respect to 200,000 Florida Rock shares. If you own 100 Florida Rock shares and have made an effective share election for all of those shares, you would receive share consideration for 37.50 of your Florida Rock shares [100 × ((30% × 1,000,000)/800,000)] (including cash in lieu of any fractional shares) and cash consideration for your remaining 62.50 Florida Rock shares.

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Florida Rock Shares Subject to No Election. Each Florida Rock shareholder who failed to properly make an election for his or her shares will receive cash consideration for all of the Florida Rock shares for which he or she made no election.

Scenario 3: Less than 70% of Florida Rock Shares Elect to Receive Cash Consideration and Less than 30% of Florida Rock Shares Elect to Receive Share Consideration:

Florida Rock Shares Subject to Cash Elections. Each Florida Rock shareholder who properly elected to receive cash consideration will receive cash consideration for all of the Florida Rock shares for which he or she made a cash election.

Florida Rock Shares Subject to Share Elections. Each Florida Rock shareholder who properly elected to receive share consideration will receive share consideration in the form of shares of Holdco for all of the Florida Rock shares for which he or she made a share election (including cash in lieu of any fractional shares).

Florida Rock Shares Subject to No Election. Each Florida Rock shareholder who failed to make an election will receive cash consideration for a portion of the Florida Rock shares for which he or she made no election and share consideration in the form of shares of Holdco for a portion of the Florida Rock shares for which he or she made no election.

The precise number of Florida Rock shares for which a Florida Rock shareholder will receive share consideration, including cash in lieu of fractional shares, will be determined by multiplying the number of Florida Rock shares for which the shareholder made no election by a fraction with a numerator equal to 30% of the number of Florida Rock shares outstanding immediately prior to the effective time of the Florida Rock merger less the number of Florida Rock shares for which Florida Rock shareholders, collectively, properly made share elections and a denominator equal to the total number of Florida Rock shares for which no elections were properly made by Florida Rock shareholders.

The precise number of Florida Rock shares for which a Florida Rock shareholder will receive cash consideration will be determined by multiplying the number of Florida Rock shares for which the shareholder made no election by a fraction with a numerator equal to 70% of the number of Florida Rock shares outstanding immediately prior to the effective time of the Florida Rock merger less the number of Florida Rock shares for which Florida Rock shareholders, collectively, properly made cash elections and a denominator equal to the total number of Florida Rock shares for which no elections were properly made by Florida Rock shareholders.

EXAMPLE. Assume that 1,000,000 Florida Rock shares are outstanding at the time of the Florida Rock merger and Florida Rock shareholders make cash elections with respect to 200,000 Florida Rock shares and share elections with respect to 200,000 Florida Rock shares. If you own 100 Florida Rock shares and have not made an effective cash election or share election for any of those shares, you would receive cash consideration for 83.33 of your Florida Rock shares [100 × (700,000-200,000)/600,000] and share consideration (including cash in lieu of any fractional shares) for 16.67 of your Florida Rock shares [100 × ((300,000-200,000)/600,000)].

None of Holdco, Vulcan or Florida Rock is making any recommendation as to whether Florida Rock shareholders should elect to receive cash consideration or share consideration in the Florida Rock merger. You must make your own decision with respect to such election. No guarantee can be made that you will receive the amount of cash consideration or share consideration you elect. As a result of the proration procedures and other limitations described in this proxy statement/prospectus and in the merger agreement, you may receive share consideration or cash consideration in amounts that are different from the amounts you elect to receive. Because the value of the share consideration and cash consideration may differ, you may receive consideration

having an aggregate value less than that you elected to receive. Florida Rock shareholders should obtain current market quotations for Vulcan common stock and Florida Rock common stock in deciding what elections to make.

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Exchange of Florida Rock Shares

As provided for in the merger agreement, Vulcan has appointed [ ] as exchange agent (the Exchange Agent) for the purpose of:

receiving election forms;

determining in accordance with the merger agreement the merger consideration to be received by each holder of shares of Florida Rock common stock; and

exchanging the applicable merger consideration for certificates formerly representating shares of Florida Rock common stock or for Florida Rock shares represented by book-entry.

Promptly after the closing date of the mergers, the Exchange Agent will send to each record holder of Florida Rock common stock at the effective time of the Florida Rock merger who has not submitted an effective form of election a letter of transmittal and instructions for exchanging shares of Florida Rock common stock for the applicable merger consideration.

No Exchange of Vulcan Shares

Certificates representing shares of Vulcan common stock immediately prior to the Vulcan merger will from and after the Vulcan merger represent the same number of shares of Holdco common stock and the Exchange Agent will exchange by book-entry transfer all uncertificated shares of Vulcan common stock for the same number of shares of Holdco common stock. No new certificates representing shares of Holdco common stock will be issued in exchange for existing certificates representing shares of Vulcan common stock.

Treatment of Stock Options and Other Equity-Based Awards

Florida Rock Stock Options: Effective at least 10 business days prior to the election date, Florida Rock will cause each option or other right to acquire Florida Rock common stock under any Florida Rock stock plan to become fully vested and exercisable. Florida Rock option holders who exercise their options and receive Florida Rock shares prior to the fourth business day prior to the election deadline may make elections with respect to such shares.

Upon the completion of the Florida Rock merger, each option to purchase shares of Florida Rock common stock will be converted into the right to receive, with respect to each share underlying such option, an amount in cash equal to the excess, if any, of (A) $67.00, without interest, over (B) the exercise price payable in respect of the share underlying such option, less any applicable withholding taxes.

Vulcan Stock Options and Other Equity-Based Awards: All Vulcan stock options, stock appreciation rights, restricted stock units and other equity-based awards outstanding immediately before the Vulcan merger will remain unchanged, except that the shares underlying such awards will be shares of Holdco common stock rather than Vulcan common stock.

Effect on Stock Plans. Shares available for issuance under the Florida Rock and Vulcan stock plans may still be used for grants of options and other awards under those plans with respect to shares of Holdco common stock following the merger, provided, that:

the number of shares available for grants under the Florida Rock and Vulcan stock plans is appropriately adjusted to reflect the mergers;

the stock plans and awards issued thereunder expire at the same time they would have expired absent the occurrence of the mergers; and

options and other awards granted under a Florida Rock stock plan after the mergers are not granted to individuals who were employed, immediately before the mergers, by Vulcan or any of its subsidiaries and options and other awards granted under a Vulcan stock plan after the mergers are not granted to individuals who were employed, immediately before the mergers, by Florida Rock or any of its subsidiaries.

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Restrictions on Sales of Shares by Affiliates of Vulcan and Florida Rock

The shares of Holdco common stock to be issued in connection with the mergers will be registered under the Securities Act, and will be freely transferable under the Securities Act, except for shares of Holdco common stock issued to any person who is deemed to be an affiliate of Vulcan or Florida Rock at the time of the applicable special meeting. Persons who may be deemed to be affiliates include individuals or entities that control, are controlled by, or are under the common control of either Vulcan or Florida Rock and may include our executive officers and directors, as well as our significant shareholders. Affiliates may not sell their shares of Holdco common stock acquired in connection with the mergers except pursuant to:

an effective registration statement under the Securities Act covering the resale of those shares;

an exemption under paragraph (d) of Rule 145 under the Securities Act; or

any other applicable exemption under the Securities Act.

The merger agreement requires Florida Rock to use its reasonable best efforts to obtain from each person who is an affiliate of Florida Rock as soon as reasonably practicable and, in any event, prior to the special meeting, a written agreement to the effect that such person will not transfer any Holdco common stock issued to him or her in the Florida Rock merger except in compliance with the Securities Act.

This proxy statement/prospectus does not cover resales of Holdco common stock by affiliates of Vulcan, Florida Rock or Holdco.

Stock Exchange Listing of Holdco Common Stock; Delisting of Florida Rock Common Stock after the Florida Rock Merger

It is a condition to the Florida Rock merger that the shares of Holdco common stock to be issued in the mergers and Holdco common stock to be reserved for issuance in connection with the mergers shall have been authorized for listing on the New York Stock Exchange, upon official notice of issuance. If the Florida Rock merger is completed, Florida Rock common stock will cease to be listed on the New York Stock Exchange and will be deregistered under the Exchange Act.

No Appraisal Rights

Under the FBCA, Florida Rock shareholders are not entitled to appraisal rights in connection with the Florida Rock merger.

The Merger Agreement

The following summary describes the material provisions of the merger agreement and is qualified in its entirety by reference to the complete text of the merger agreement, a copy of which is attached as Annex A to, and is incorporated by reference in, this proxy statement/prospectus. The provisions of the merger agreement are extensive and not easily summarized. Accordingly, this summary may not contain all of the information about the merger agreement that is important to you. We encourage you to read the merger agreement carefully in its entirety for a more complete understanding of the merger agreement.

The merger agreement and this summary of its terms have been included with this proxy statement/prospectus to provide you with information regarding the terms of the merger agreement and are not intended to modify or supplement any factual disclosures about Vulcan or Florida Rock in our public reports filed with the SEC. In particular, the merger agreement and related summary are not intended to be, and should not be relied upon as, disclosures regarding any facts and circumstances relating to Vulcan or Florida Rock. The representations and warranties contained in the merger agreement have been negotiated with the principal purpose of establishing the circumstances in which a party may have the right not to close the mergers if the representations and warranties of the other party prove to be untrue due to a change in circumstance or otherwise, and allocate risk between the parties, rather than establishing matters as facts. The representations and warranties may also be subject to a contractual standard of materiality different from those generally applicable to shareholders.

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Completion of the Mergers

Pursuant to the merger agreement, Virginia Merger Sub (a wholly owned subsidiary of Holdco) will merge with and into Vulcan and Fresno Merger Sub (a wholly owned subsidiary of Holdco) will merge with and into Florida Rock, with each of Vulcan and Florida Rock surviving as wholly owned subsidiaries of Holdco. In the mergers, each outstanding share of Vulcan common stock (other than shares owned by Vulcan) will be automatically converted into one share of Holdco common stock, and each outstanding share of Florida Rock common stock (other than shares owned by Florida Rock, Fresno Merger Sub, Vulcan or any direct or indirect wholly owned subsidiary of Vulcan or Florida Rock) will be converted into the right to receive, at the election of the holder, either $67.00 in cash, without interest, or 0.63 of a share of Holdco common stock, in either case subject to proration if the holders of more than 70% of Florida Rock common stock elect the cash consideration or more than 30% elect the stock consideration. See Florida Rock Shareholders Making Cash and Share Elections Proration Procedures beginning on page 51 for more information on how the proration procedures will work. Each share of Vulcan common stock owned by Vulcan will be cancelled without consideration. Each share of Florida Rock common stock owned by Florida Rock or Fresno Merger Sub will be cancelled without consideration. Each share of Florida Rock common stock owned by Vulcan or any direct or indirect wholly owned subsidiary of Florida Rock or Vulcan (other than Fresno Merger Sub) will be converted into the right to receive 0.63 of a share of Holdco common stock. The conversion of these shares is not subject to proration, and these shares will not be taken into consideration when determining the proration calculations. In addition, the merger agreement provides that in the event that Florida Rock s representations in the merger agreement with respect to the number of shares of Florida Rock common stock outstanding and the number of shares of Florida Rock common stock underlying outstanding Florida Rock stock options collectively understate the amount of such shares of Florida Rock common stock and shares underlying Florida Rock stock options by 10,000 or more, the merger consideration and the exchange ratio shall be appropriately adjusted to provide to the holders of Florida Rock common stock and Vulcan common stock the same economic effect as contemplated by the merger agreement prior to such action.

For information on the treatment of Vulcan stock options, Vulcan stock appreciation rights, Vulcan restricted stock units and Florida Rock stock options, see Treatment of Stock Options and Other Equity-Based Awards beginning on page 54.

The Florida Rock merger will be completed when Florida Rock files articles of merger with the Secretary of State of the State of Florida and the Vulcan merger will be completed when Vulcan files a certificate of merger with the Secretary of State of the State of New Jersey. The Vulcan merger will be effective one minute before the Florida Rock merger. Florida Rock and Vulcan expect to file the articles of merger and the certificate of merger as soon as practicable after the satisfaction or waiver of the closing conditions in the merger agreement, which are described below.

Conditions to Completion of the Mergers

Conditions to Florida Rock s and Vulcan s Obligations. Florida Rock and Vulcan may not complete the mergers unless each of the following conditions is satisfied or waived:

- the merger agreement has been approved by the affirmative vote of the holders of a majority of the outstanding shares of Florida Rock common stock;

- the shares of Holdco common stock to be issued in the mergers and reserved for issuance in connection with the mergers have been authorized for listing on the New York Stock Exchange (the NYSE);

the waiting period applicable to the mergers under the HSR Act has been terminated or has expired and no governmental authority has required any action in connection with the transaction, except as would not, individually or in the aggregate, be reasonably expected to result in a material adverse effect on Vulcan, Florida Rock or Holdco, and all other regulatory approvals necessary for the completion of the mergers have been obtained and are in full force and effect;

the registration statement covering the Holdco shares has been declared effective by the SEC and is not subject to any stop order or proceedings seeking a stop order; and

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no restraining order or injunction prohibiting completion of the mergers is in effect and completion of the mergers is not illegal under any applicable law, rule, regulation or order.

Florida Rock s and Vulcan s obligations to complete the mergers are also subject to the satisfaction or waiver of each of the following additional conditions:

truth and correctness of the representations and warranties of the other party, generally subject to any exceptions that have not had, and would not reasonably be expected to have, a material adverse effect on the other party after the mergers;

the other party s performance in all material respects of all obligations that are required by the merger agreement to be performed on or prior to the closing date;

each of Vulcan s and Florida Rock s receipt of an opinion from its counsel to the effect that the exchange of Florida Rock common stock and Vulcan common stock for Holdco common stock pursuant to the mergers, taken together, will be treated for federal income tax purposes as a transaction described in Section 351 of the Code and, in the letter received by Vulcan, the additional opinion that the Vulcan merger will qualify as a reorganization within the meaning of Section 368(a) of the Code; and

as to Vulcan s obligation to complete the Vulcan merger only, absence of action with respect to the mergers taken by any court or government entity or any law, injunction, order or decree enacted, promulgated or issued with respect to the mergers by any court or other governmental entity in effect, other than the application of the waiting period provisions of the HSR Act and the waiting period or similar provisions of applicable antitrust laws, rules or regulations, that would reasonably be expected to result in a judgment that would have any of the following effects: (i) challenging or seeking to make illegal, to delay, or otherwise to restrain or prohibit the mergers, (ii) seeking to restrain or prohibit Vulcan s or Holdco s ownership or operation (or that of its respective subsidiaries or affiliates) of all or any material portion of the business or assets of Florida Rock and its subsidiaries, taken as a whole, or of Vulcan and its subsidiaries, taken as a whole, or (iii) seeking to compel Vulcan or Holdco or any of their respective subsidiaries to sell, hold separate, or otherwise dispose of any of its or Florida Rock s business or assets or materially restricting the conduct of its or Florida Rock s business if doing so would, individually or in the aggregate, reasonably be expected to result in a material adverse effect on Florida Rock.

For purposes of the merger agreement, the term material adverse effect means, with respect to either of Florida Rock and Vulcan, a material adverse effect on the financial condition, businesses or results of operations of such party and its subsidiaries taken as a whole. However, any change or event caused by or resulting from the following will not be deemed to have a material adverse effect:

changes in prevailing economic or market conditions or the securities, credit or financial markets in the United States or elsewhere, except to the extent those changes have a materially disproportionate effect on Florida Rock or Vulcan (as applicable) and their respective subsidiaries relative to other similarly situated participants in the industries in which Florida Rock and Vulcan operate;

changes or events affecting the industries in which Florida Rock and Vulcan operate generally, except to the extent those changes have a materially disproportionate effect on Florida Rock or Vulcan (as applicable) and their respective subsidiaries relative to other similarly situated participants in the industries in which Florida Rock and Vulcan operate;

changes in generally accepted accounting principles applicable to either of Florida Rock and Vulcan or their respective subsidiaries;

changes in laws, rules or regulations of general applicability or interpretations by any governmental entity;

the announcement of the merger agreement;

the impact of changes in the housing or commercial building markets in the State of Florida, whether occurring prior to or after the date of the merger agreement;

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any weather-related or other force majeure event, except to the extent those events have a materially disproportionate effect on Florida Rock or Vulcan (as applicable) and their respective subsidiaries relative to other similarly situated participants in the industries in which Florida Rock and Vulcan operate; or

any developments, including adverse judgments, in the litigation matter pending in the federal district court for the Southern District of Florida in which the court has ruled that certain permits issued for the Lake Belt region of Florida, including the permit for Florida Rock s Miami, Florida quarry, were invalidly issued.

Notwithstanding the foregoing, solely with respect to the parties agreement to use reasonable best efforts to consummate the mergers (see Additional Agreements below) and the absence of legal restraint as a condition to Vulcan s obligation to complete the mergers (see Conditions to Florida Rock s and Vulcan s Obligations above), material adverse effect with respect to Florida Rock means a disposition or commitment to dispose of Vulcan or Florida Rock assets or businesses that, individually or in the aggregate, generated EBITDA (as defined in the merger agreement), equal to or greater than $18.5 million in 2006. If Vulcan swaps an asset or business of Florida Rock or Vulcan for an asset or business of a third-party, or agrees to effect such a swap, then in determining whether there has been a material adverse effect on Florida Rock s aggregates business, to the extent that the EBITDA of the Vulcan or Florida Rock property so disposed of exceeds the EBITDA of the third party property received in return, the difference between the EBITDA of such properties shall be added to the total of disposed EBITDA, and to the extent that the EBITDA of the Vulcan or Florida Rock property so disposed of is less than the EBITDA of the third party property received in return, the difference between the EBITDA of such properties shall be subtracted from the total of disposed EBITDA. If Vulcan sells or otherwise disposes of a Vulcan asset or business pursuant to its covenant to use reasonable best efforts to consummate the mergers (other than swaps, which shall be treated as above), then the EBITDA for the corresponding asset or business of Florida Rock that is closest to the Vulcan asset or business so sold or disposed of shall be considered for purposes of determining whether there has been a material adverse effect on Florida Rock s aggregates business.

Reasonable Best Efforts to Obtain Required Shareholder Vote. Florida Rock has agreed to take all lawful action to call, give notice of, convene and hold a meeting of its shareholders as promptly as practicable following the date the registration statement covering the Holdco shares has been declared effective for the purpose of obtaining the required shareholder vote to approve the merger agreement. In addition, Florida Rock has agreed that it will use its reasonable best efforts to obtain from its shareholders the required shareholder vote in favor of approval of the merger agreement. Nothing in the merger agreement is intended to relieve Florida Rock of its obligation to submit the merger agreement to its shareholders for a vote on its approval.

No Solicitation of Alternative Transactions. The merger agreement contains detailed provisions prohibiting Florida Rock from seeking an alternative transaction to the mergers. Under these no solicitation provisions, Florida Rock has agreed that neither it nor any of its subsidiaries may:

initiate, solicit, encourage or knowingly facilitate any inquires or the making of an acquisition proposal (as described below);

have any discussions with, or provide any confidential information or data to, any person relating to an acquisition proposal, or engage in any negotiations concerning an acquisition proposal, or knowingly facilitate any effort or attempt to make or implement an acquisition proposal; or

approve or recommend, or propose to approve or recommend, or execute or enter into, any letter of intent, agreement in principle, merger agreement, asset purchase or share exchange agreement, option agreement or other similar agreement related to any acquisition proposal or propose or agree to do any of the foregoing.

The merger agreement permits, prior to the required Florida Rock shareholder vote having been obtained, Florida Rock and its agents and representatives to make written inquiry to any person that has made a written acquisition proposal after the date of the merger agreement for the purpose of obtaining a written clarification of the terms and conditions of such proposal, and not in order to engage in any negotiation concerning such proposal, provided that Florida Rock promptly provides Vulcan a copy of such written inquiry and the response thereto.

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For purposes of the merger agreement, the term acquisition proposal means any proposal or offer with respect to, or a transaction to effect, other than a proposal or offer made by Vulcan or an affiliate thereof:

- a merger, reorganization, share exchange, consolidation, business combination, recapitalization, liquidation, dissolution or similar transaction involving Florida Rock or any of its significant subsidiaries, other than acquisitions permitted by the terms of the merger agreement;

- any purchase or sale of 20% or more of the consolidated assets of Florida Rock and its subsidiaries (including stock of its subsidiaries), taken as a whole; or

- any purchase or sale of, or tender or exchange offer for, the voting securities of Florida Rock that, if completed, would result in any person beneficially owning securities representing 20% or more of its total voting power or of the total voting power of the surviving parent entity in the transaction, or any of its significant subsidiaries.

The merger agreement permits Florida Rock or its board of directors to comply with Rule 14d-9 and Rule 14e-2 under the Exchange Act, with regard to any acquisition proposal that Florida Rock may receive.

Notwithstanding the restrictions described above, if Florida Rock receives an unsolicited bona fide written acquisition proposal prior to its shareholder meeting to vote on the merger agreement, it may engage in discussions with or provide nonpublic information to the person making that acquisition proposal if and only to the extent that:

- the Florida Rock shareholders meeting has not occurred;

- Florida Rock has complied in all material respects with the restrictions on the solicitation of acquisition proposals described above;

- the board of directors of Florida Rock, after consultation with outside legal counsel, determines in good faith that failure to take such action would be inconsistent with the board s fiduciary duties under applicable law;

- the board of directors of Florida Rock, after consultation with outside legal counsel and financial advisors, concludes in good faith that there is a reasonable likelihood that the acquisition proposal constitutes or is reasonably likely to result in a superior proposal (as described below); and

- prior to providing confidential information, Florida Rock enters into a confidentiality agreement with the person making the inquiry or proposal having terms that are no less favorable to the party providing the information than those in the specified confidentiality agreement between Vulcan and Florida Rock.

In addition, if Florida Rock receives an unsolicited bona fide written acquisition proposal prior to its shareholder meeting to vote on the merger agreement, it may withdraw or change its recommendation in favor of approving the merger agreement if and only to the extent that:

- the Florida Rock shareholders meeting has not occurred;

- Florida Rock has complied in all material respects with the restrictions on the solicitation of acquisition proposals described above;

- the board of directors of Florida Rock, after consultation with outside counsel, determines in good faith that the failure to take such action would be inconsistent with the board s fiduciary duties under applicable law;

the board of directors of Florida Rock, after consultation with its outside legal counsel and financial advisors, concludes in good faith that the acquisition proposal constitutes or is reasonably likely to result in a superior proposal (as described below);

Florida Rock provides Vulcan at least four business days advance notice of its intention to change its recommendation, specifies the material terms and conditions of the superior proposal, provides the identity of the party making the proposal and furnishes Vulcan with material documents (such four business days advance notice to be given again if there is any significant revision to the superior proposal); and

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prior to withdrawing or making a change in recommendation, Florida Rock negotiates with Vulcan in good faith to make adjustments to the merger agreement such that the acquisition proposal would no longer constitute a superior proposal.

For purposes of the merger agreement, superior proposal means a bona fide written acquisition proposal made to Florida Rock for a merger or other business combination to acquire 100% of the assets or voting power of Florida Rock that the board of directors of Florida Rock concludes in good faith, after consultation with its financial and legal advisors, taking into account all legal, financial, regulatory, timing and other aspects of the proposal and the person making the proposal (including any break up fees, expense reimbursement and conditions to closing):

is more favorable to the shareholders of Florida Rock from a financial point of view than the mergers; and

is fully financed or reasonably capable of being fully financed, reasonably likely to receive all required governmental approvals on a timely basis and otherwise reasonably capable of being completed on the terms proposed.

Florida Rock has agreed in the merger agreement that it will:

notify Vulcan as promptly as practicable of any acquisition proposal or any request for nonpublic information relating to Florida Rock by any third party considering making, or that has made, an acquisition proposal, of the identity of such third party, the material terms and conditions of any inquiries, proposals or offers, update on the status of the terms of any such proposals, offers, discussions or negotiations on a current basis, and furnish copies of any information provided to such third party;

immediately terminate any activities, discussions or negotiations existing as of the date of the merger agreement with any parties conducted before that date with respect to any acquisition proposal;

not release any third party from, or waive any provisions of, any confidentiality or standstill agreement relating to a possible acquisition proposal; and

use reasonable best efforts to inform its and its subsidiaries respective directors, officers and key employees of the foregoing restrictions in the merger agreement.

Nothing contained in the above-described no solicitation provisions of the merger agreement will permit either of Florida Rock and Vulcan to terminate the merger agreement or affect any of their respective other obligations under the merger agreement. Florida Rock shall not submit to the vote of its shareholders any acquisition proposal other than the Florida Rock merger prior to the termination of the merger agreement.

Termination. Florida Rock and Vulcan may terminate the merger agreement at any time prior to the completion of the mergers, whether before or after Florida Rock shareholders have approved the merger agreement, by mutual written consent.

In addition, either Florida Rock or Vulcan may terminate the merger agreement by written notice to the other party:

if any governmental entity of competent jurisdiction:

that must grant a regulatory approval under applicable laws has denied approval of the mergers and the denial has become final and non-appealable; or

issues an order, decree or ruling or takes any other action permanently restraining, enjoining or otherwise prohibiting either of the mergers, and the order, decree, ruling or other action has become final and non-appealable;

except that this right to terminate will not be available to a party whose failure to comply with the merger agreement has been the cause of, or resulted in, that action;

if both mergers are not completed on or before November 19, 2007, except that this right to terminate will not be available to a party whose failure to comply with any provision of the merger agreement was the cause of, or resulted in, the failure of the mergers to be completed by that date;

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the other party is in breach of its representations, warranties, covenants or agreements set forth in the merger agreement and the breach would prevent satisfaction by the other party of the relevant closing condition and the breach is not cured within 30 days of written notice of the breach or, by its nature, cannot be cured within that time period; or

if the Florida Rock shareholders do not approve the merger agreement at the Florida Rock shareholders meeting.

In addition, Vulcan may terminate the merger agreement by written notice to Florida Rock if:

the board of directors of Florida Rock fails to make or effects a change in its recommendation that the Florida Rock shareholders vote in favor of the approval of the merger agreement or takes any other action inconsistent with that recommendation that is adverse to Vulcan in any material respect;

Florida Rock breaches its obligation to hold its shareholders meeting to vote on approval of the merger agreement or to prepare and mail to Florida Rock shareholders the proxy statement/prospectus; or

Florida Rock materially breaches the no solicitation provisions described above.

Termination Fees. The merger agreement provides that Florida Rock will be required to pay a termination fee to Vulcan of $135 million in each of the following circumstances:

if Vulcan terminates the merger agreement due to (1) the failure of Florida Rock s board of directors to recommend that Florida Rock shareholders vote in favor of approval of the merger agreement, or the withdrawal or change in Florida Rock s board of directors recommendation that Florida Rock shareholders vote in favor of approval of the merger agreement, in each case that is adverse in any material respect to Vulcan or (2) the material breach by Florida Rock of its obligation under the merger agreement to call a meeting of, and use its reasonable best efforts to obtain approval by, Florida Rock shareholders of the merger agreement, including failure to prepare and mail the proxy statement/prospectus to shareholders, then Florida Rock must pay the termination fee on the second business day following termination;

if (1) Vulcan terminates the merger agreement because of the material breach of Florida Rock of the no solicitation restrictions described above, or either of Florida Rock and Vulcan terminates the merger agreement because the approval of the merger agreement by the Florida Rock shareholders was not obtained at the Florida Rock shareholders meeting, (2) a competing acquisition proposal for 50% or more of the assets or voting power of Florida Rock was publicly announced at or before the date of Florida Rock shareholders meeting and (3) within 12 months after this termination of the merger agreement, Florida Rock or any of its subsidiaries enters into a definitive agreement for, or completes, an acquisition proposal for 50% or more of the assets or voting power of Florida Rock, then Florida Rock must pay the termination fee on the second business day following such execution or consummation; and

if (1) either of Florida Rock and Vulcan terminates the merger agreement because both mergers have not been completed by November 19, 2007, or Vulcan terminates the merger agreement because of a breach by Florida Rock that causes a condition to the Florida Rock merger to not be satisfied, (2) a competing acquisition proposal for 50% or more of the assets or voting power of Florida Rock was publicly announced before the merger agreement was terminated and (3) within 12 months after this termination of the merger agreement, Florida Rock or any of its subsidiaries enters into a definitive agreement for, or completes, an acquisition proposal for 50% or more of the assets or voting power of Florida Rock, then Florida Rock must pay the termination fee on the second business day following such execution or consummation.

Certain Termination Expenses. If Florida Rock fails to pay all amounts due to Vulcan on the specified dates, then it must also pay Vulcan s expenses from actions taken to collect the unpaid amounts, including interest on the unpaid amounts and the additional expenses, calculated at the prevailing market rate.

Conduct of Business Pending the Mergers. Under the merger agreement, Florida Rock has agreed that, during the period before completion of the mergers, except as expressly contemplated or permitted by the merger agreement, or to the extent that Vulcan consents in writing (which consent shall not be arbitrarily withheld or arbitrarily delayed), Florida Rock and its subsidiaries will carry on their respective businesses in the usual, regular and ordinary course consistent with past practice, and will use all reasonable efforts to preserve intact their present

business organizations, maintain their rights and authorizations and preserve their relationships with customers, suppliers and others so that their goodwill and ongoing businesses are not impaired in any material respect. Florida Rock has agreed not to, and not to permit its subsidiaries to:

- enter into any new material line of business;
- change its or its subsidiaries operating policies in any respect that is material to Florida Rock, except as required by law or policies of a governmental entity;
- incur or commit to any capital expenditures or any obligations or liabilities in connection with capital expenditures, other than in the ordinary course of business consistent with past practice within specified limits;
- enter into or amend any agreement between Florida Rock or any of its subsidiaries, on one hand, and, on the other hand, any (A) present or former officer or director of Florida Rock or any of its subsidiaries or any or such officer s or director s immediate family members, (B) record or beneficial owner of more than 5% of the Florida Rock common stock or (C) any affiliate of such officer, director or owner since September 30, 2005; or
- enter into, terminate or change any material leases, contracts or agreements except in the ordinary course of business consistent with past practice.

In addition to the above-described agreements regarding the conduct of business generally, Florida Rock has agreed with respect to itself and its subsidiaries to various additional specific restrictions relating to the conduct of its business during the period before completion of the mergers, including with respect to the following (subject to certain exceptions specified in the merger agreement):

- the repurchase, redemption or other acquisition any shares of its capital stock;
- the amendment of the restated articles of incorporation or restated bylaws of Florida Rock;
- the acquisition or disposition of assets;
- the incurrence or the guarantee of indebtedness;
- the taking of actions that would result, or would reasonably be expected to result, in the inability to obtain the required regulatory approvals;
- the adoption of changes in accounting methods, any material tax election or annual tax period, the filing of any material amended tax return, the entering into of any closing agreement with respect to a material amount of taxes, the settlement of any material tax claim or the surrender of any right to claim a refund of a material amount of taxes;
- changes in employee benefit plans and compensation of its directors, executive officers and employees;
- the settling or compromise of any material litigation for amounts in excess of a specified limit;
- the purchase of any policies of directors and officers liability insurance, except to the extent permitted by the merger agreement; and
- the restriction of any party from conducting, after the closing, any line of business in any geographic area.

In addition to the above agreements of Florida Rock, each of Florida Rock and Vulcan has agreed with respect to itself and its subsidiaries to various additional specific restrictions relating to the conduct of its businesses, including the following (in each case subject to exceptions specified in the merger agreement):

- the declaration or payment of dividends and changes in capital stock, except that each of Florida Rock and Vulcan may pay its regular quarterly cash dividend on dates consistent with past practice in an amount per share no greater than the most recent quarterly dividend declared by the applicable company prior to execution of the merger agreement, which was $0.46 per share for Vulcan and $0.15 per share for Florida Rock;

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the combination, splitting or reclassifying of capital stock;

the issuance or sale of capital stock, voting debt or other equity interests;

the acquisition of assets or other entities;

the taking of actions that would reasonably be expected to prevent (1) the exchange of Florida Rock common stock and Vulcan common stock for Holdco common stock pursuant to the mergers, taken together, from qualifying as a transaction described in Section 351 of the Code or (2) the Vulcan merger from qualifying as a reorganization within the meaning of Section 368(a) of the Code; and

the liquidation or recapitalization of either of Florida Rock or Vulcan or its significant subsidiaries.

Governance. As a result of the mergers, shareholders of Vulcan and shareholders of Florida Rock who receive stock will become shareholders of Holdco. The certificate of incorporation and by-laws of Holdco will be amended so that following the mergers they contain provisions substantially identical to the restated certificate of incorporation and restated by-laws of Vulcan. More information about the restated certificate of incorporation and restated by-laws of Holdco that will be in effect immediately after the mergers are completed can be found in the section Comparison of Shareholder Rights beginning on page 79.

Immediately following the mergers, the board of directors of Holdco will consist of the Vulcan directors as of the time of the mergers. On the day following the completion of the mergers, the board of directors of Holdco will be expanded to include John D. Baker II, Florida Rock s current President and Chief Executive Officer and a director of Florida Rock. In the merger agreement, Florida Rock and Vulcan agreed that the officers of Vulcan at the time of the Vulcan merger will be the officers of Holdco at the time of the Vulcan merger.

Additional Agreements. Florida Rock and Vulcan have agreed to cooperate with each other and to use reasonable best efforts to:

take all actions necessary under the merger agreement and applicable laws to consummate the mergers as soon as practicable; and

as promptly as practicable, (1) make the appropriate filings pursuant to the HSR Act and other applicable laws and (2) supply any information or materials required by these laws or applicable regulatory authorities;

except that no party is required to take any action that is not conditional on the consummation of the mergers and Vulcan is not required to take any action that would reasonably be expected to result in a material adverse effect on Florida Rock.

The merger agreement also contains covenants relating to cooperation in the preparation of this proxy statement/prospectus and additional agreements relating to, among other things, consultation regarding transition matters, access to information, notice of specified matters and public announcements.

Benefits Matters. Following the mergers, Florida Rock s employees who are hired by Vulcan will be offered participation and coverage under employee benefit plans (other than defined benefit retirement plans) that are substantially similar, on an aggregate basis, to the plans generally in effect for similarly situated employees of Vulcan. Employees will receive credit for past service with Florida Rock.

Amendment, Extension and Waiver. We may amend the merger agreement by action taken or authorized by Florida Rock s and Vulcan s respective boards of directors, at any time before or after approval of the merger agreement by the shareholders of Florida Rock. After approval of the merger agreement by the shareholders of Florida Rock, no amendment may be made that by law requires further approval by those shareholders, unless we obtain that further approval. All amendments to the merger agreement must be in writing signed by all of the parties thereto.

At any time before the completion of the mergers, Florida Rock and Vulcan may, by written action taken or authorized by their respective boards of directors, to the extent legally allowed:

extend the time for the performance of any of the obligations or other acts provided for in the merger agreement;

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waive any inaccuracies in the representations and warranties contained in the merger agreement or in any document delivered pursuant to the merger agreement; and

waive compliance with any of the agreements or conditions contained in the merger agreement.

Fees and Expenses. Whether or not the mergers are completed, all costs and expenses incurred in connection with the merger agreement and the mergers will be paid by the party incurring the expense, except as otherwise provided in the merger agreement (see Certain Termination Expenses above) and except that:

if the mergers are completed, the surviving corporations will pay any property or transfer taxes imposed on either party in connection with the mergers; and

all expenses and fees incurred in connection with the filing, printing and mailing of this proxy statement/prospectus and the registration statement of which it is a part will be shared equally by Vulcan and Florida Rock.

Representations and Warranties. The merger agreement contains representations and warranties by each of the parties to the merger agreement. These representations and warranties have been made solely for the benefit of the other parties to the merger agreement and:

may be intended not as statements of fact, but rather as a way of allocating the risk to one of the parties if those statements prove to be inaccurate;

have been qualified by disclosures that were made to Vulcan or Florida Rock in connection with the negotiation of the merger agreement, which disclosures are not reflected in the merger agreement;

may apply standards of materiality in a way that is different from what may be viewed as material to you or other investors; and

were made only as of the date of the merger agreement or such other date or dates as may be specified in the merger agreement and are subject to more recent developments.

Accordingly, these representations and warranties may not describe the actual state of affairs as of the date they were made or at any other time.

The representations and warranties made by both Florida Rock and Vulcan relate to, among other things:

corporate organization and similar corporate matters;

capital structure;

authorization of the merger agreement and absence of conflicts;

documents filed with the SEC, financial statements included in those documents and regulatory reports filed with governmental entities;

absence of material undisclosed liabilities;

information supplied in connection with this proxy statement/prospectus and the registration statement of which it is a part;

compliance with applicable laws and reporting requirements;

legal proceedings;

taxes;

subsidiaries;

absence of certain changes or events;

board approval and applicable state takeover laws;

environmental matters; and

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brokers and finders.

Additional representations and warranties made only by Florida Rock relate to, among other things:

material agreements;

employee benefits matters;

the shareholder vote required to approve the merger agreement;

ownership of properties;

intellectual property;

labor and employment matters;

insurance;

customers;

related-party transactions;

plant and equipment; and

opinion of Florida Rock s financial advisor.

Amendment of the Merger Agreement

The merger agreement was amended on April 9, 2007, for the purpose of providing that certificates representing shares of Vulcan common stock immediately prior to the Vulcan merger will from and after the Vulcan merger represent the same number of shares of Holdco common stock. Consequently, no new certificates representing shares of Holdco common stock will be issued in exchange for existing certificates representing shares of Vulcan common stock.

The Support Agreement

This section of the proxy statement/prospectus describes the material terms of the support agreement. The following summary is qualified in its entirety by reference to the complete text of the support agreement, which is incorporated by reference and attached as Annex B to this proxy statement/prospectus. We urge you to read the full text of the support agreement.

On February 19, 2007, in connection with the execution of the merger agreement, Baker Holdings, L.P., Edward L. Baker Living Trust, Edward L. Baker, John D. Baker II Living Trust and Anne D. Baker Living Trust, which we refer to in this proxy statement/prospectus, collectively, as the Baker Shareholders, entered into a support agreement with Vulcan. The Baker Shareholders (except for the Anne D. Baker Living Trust) are controlled, directly or indirectly, by Edward L. Baker, Florida Rock s Chairman, and John D. Baker II, Florida Rock s President and CEO.

Pursuant to the support agreement, the Baker Shareholders agreed (1) to vote shares of Florida Rock common stock representing approximately 9.9% of the outstanding shares of Florida Rock, which we refer to in this proxy statement/prospectus as the specified shares, in favor of approval of the merger agreement at the Florida Rock shareholders meeting and against any other transaction and (2) to irrevocably elect to receive Holdco common stock in exchange for shares of Florida Rock common stock representing approximately 30% of the Florida Rock common stock beneficially owned by Edward L. Baker, John D. Baker II and Baker Holdings, L.P. in the Florida Rock merger, subject to proration like all Florida Rock shareholders.

The Baker Shareholders have also agreed not to transfer or otherwise dispose of the specified shares until the termination of the support agreement. The support agreement terminates upon the earlier to occur of the termination of the merger agreement or the effective date of the mergers.

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The Shareholders Agreement

This section of the proxy statement/prospectus describes the material terms of the shareholders agreement. The following summary is qualified in its entirety by reference to the complete text of the shareholders agreement, which is incorporated by reference and attached as Annex C to this proxy statement/prospectus. We urge you to read the full text of the shareholders agreement.

On February 19, 2007, in connection with the execution of the merger agreement, Baker Holdings, L.P., Edward L. Baker Living Trust, Edward L. Baker, John D. Baker II Living Trust and Anne D. Baker Living Trust, which we refer to in this proxy statement/prospectus, collectively, as the Baker Shareholders, entered into a shareholders agreement with Vulcan and Holdco. The Baker Shareholders (except for the Anne D. Baker Living Trust) are controlled, directly or indirectly, by Edward L. Baker, Florida Rock s Chairman, and John D. Baker II, Florida Rock s President and CEO.

Pursuant to the shareholders agreement, each Baker Shareholder agreed not to transfer any shares of Holdco common stock owned by such Baker Shareholder during a restrictive period, other than to certain permitted transferees (consisting of, with respect to each Baker Shareholder, Baker Investment Holdings, Inc., such Baker Shareholder s spouse or lineal descendents (whether natural or adopted), sibling, parent, heir, executor, administrator, testamentary trustee, legatee or beneficiary, or, in the case of Baker Holdings, L.P., any other Baker Shareholder, Sarah Porter or the spouse or lineal descendent (whether natural or adopted), sibling, parent, heir, executor, administrator, testamentary trustee, legatee or beneficiary of any other Baker Shareholder or Sarah Porter, or any trust, the beneficiaries of which (or any corporation, limited liability company or partnership, the stockholders, members or general or limited partners of which) include only permitted transferees or a foundation or similar entity established by a Baker Shareholder for the purpose of charitable goals, provided that the Baker Shareholder effecting the transfer retains control over the voting and disposition of the Holdco shares and provided that the transferee executes and delivers to Holdco such documentation as is reasonably requested by Holdco to reflect that the transferee is fully bound by the Shareholder Agreement). Generally, the restrictive period for each Baker Shareholder is three years beginning on the effective date of the mergers, however, (i) solely with respect to John D. Baker II, Florida Rock s President and CEO, this restrictive period will be extended for as long as he serves on the board of directors of Holdco, (ii) solely with respect to Edward L. Baker, Florida Rock s Chairman, this restrictive period will terminate early upon his death and (iii) with respect to each Baker Shareholder, this restrictive period will terminate upon a change of control of Holdco, as defined in the stock option plan of Holdco.

Subject to limited exceptions, each Baker Shareholder also agreed, for a period of five years following the expiration of the restrictive period applicable to it (provided that the five year period will terminate earlier at any time the Baker Shareholders and their affiliates own less than one percent of the outstanding shares of Holdco), to transfer any shares of Holdco common stock owned by such Baker Shareholder only if the transfer complies with applicable securities laws and (i) is to a permitted transferee, or (ii) such transfer complies with the right of first refusal procedures described below.

The shareholders agreement provides Holdco a right of first refusal which, during the period described in the paragraph above, requires each Baker Shareholder to give advance notice to Holdco of its desire to sell any shares of Holdco common stock. Following receipt of such notice, Holdco will have three business day to notify such Baker Shareholder stating whether Holdco will elect to purchase any shares. In the event Holdco does not elect to purchase all of the offered shares, the shares not purchased by Holdco may be sold by such Baker Shareholder in a broker transaction on the open market, subject to the same volume limitations as would be applicable to sales by an affiliate under Rule 144 of the Securities Act.

Each Baker Shareholder also agreed, until the expiration of the restrictive period applicable to it, to (i) vote its shares of Holdco common stock consistent with the recommendations of the Holdco board of directors and (ii) not tender its shares of Holdco common stock in any tender offer opposed by the Holdco board of directors.

The shareholders agreement will automatically terminate if the merger agreement is terminated.

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Holdco Restated Certificate of Incorporation and Restated By-laws

Upon completion of the mergers, the restated certificate of incorporation of Holdco will be substantially in the form set forth in Annex E to this proxy statement/prospectus, and the restated by-laws of Holdco will be substantially in the form set forth in Annex F to this proxy statement/prospectus. For a summary of the material provisions of Holdco s restated certificate of incorporation and restated by-laws, see the section entitled Comparison of Shareholder Rights beginning on page 79.

Financing

Vulcan currently anticipates arranging approximately $4.0 billion of new financing in connection with the mergers, consisting of approximately $2.0 billion in a bridge facility and approximately $2.0 billion in short-term and medium-term bank revolving credit facilities. In order to pay the cash portion of the merger consideration to Florida Rock shareholders (including the associated direct transaction costs), Vulcan expects to issue commercial paper and/or borrow under the bank credit facilities for the full amount needed (approximately $3.3 to $3.4 billion). After closing, Vulcan expects to issue approximately $2.0 billion of primarily fixed rate debt at maturities ranging from 3 to 30 years and cancel the $2.0 billion bridge facility. Any additional commercial paper issued or bank borrowing drawn under the bank credit facilities will be used to fund working capital requirements or for general corporate purposes. The foregoing description of Vulcan s financing plans is preliminary and subject to change.

Legal Proceedings Relating to the Mergers

Florida Rock and the members of its board of directors were named in a purported shareholder class action complaint filed in Florida state court (the Duval County Circuit Court) on March 6, 2007, captioned Dillinger v. Florida Rock, et al., Case No. 16-20007-CA-001906. The complaint seeks to enjoin the mergers, and alleges, among other things, that the directors have breached their fiduciary duties owed to Florida Rock shareholders by attempting to sell Florida Rock to Vulcan for an inadequate price.

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COMPARATIVE PER SHARE MARKET PRICE AND DIVIDEND INFORMATION

Shares of Vulcan common stock and Florida Rock common stock are each listed and principally traded on the NYSE. Vulcan common stock is listed for trading under the symbol VMC and Florida Rock common stock is listed for trading under the symbol FRK. The following table sets forth, for the periods indicated, the high and low sales prices per share of Vulcan common stock and Florida Rock common stock, in each case as reported on the consolidated tape of the NYSE, and the cash dividends per share of common stock, as reported, respectively, in Vulcan s and Florida Rock s Annual Report on Form 10-K with respect to the years 2004, 2005 and 2006, and thereafter as reported in published financial sources. Vulcan and Florida Rock have different fiscal year and quarter ends. Accordingly, the comparative per share market price and dividend information below reflects the Vulcan fiscal years ended December 31, 2004, 2005 and 2006, and the Florida Rock fiscal years ended September 30, 2004, 2005 and 2006.

	Vulcan Common Stock			Florida Rock Common Stock		
	Market Price			Market Price		
	High	Low	Dividends	High	Low	Dividends
2004						
First quarter	$ 50.53	$ 45.65	$ 0.26	$ 26.67	$ 21.91	$ 0.11
Second quarter	48.78	41.94	0.26	30.33	24.10	0.11
Third quarter	51.18	44.30	0.26	28.81	23.93	0.11
Fourth quarter	55.53	46.85	0.26	33.53	26.50	0.80
2005						
First quarter	$ 59.67	$ 52.36	$ 0.29	$ 39.90	$ 30.53	$ 0.13
Second quarter	65.99	52.36	0.29	43.80	36.17	0.13
Third quarter	74.55	64.04	0.29	49.21	36.00	0.15
Fourth quarter	76.31	60.72	0.29	64.62	48.16	0.15
2006						
First quarter	$ 89.16	$ 66.98	$ 0.37	$ 67.98	$ 45.30	$ 0.15
Second quarter	93.85	70.44	0.37	60.50	48.65	0.15
Third quarter	80.18	65.85	0.37	66.10	43.61	0.15
Fourth quarter	92.00	76.81	0.37	50.31	35.71	0.15
2007						
First quarter	$ 125.79	$ 87.27	$ 0.46	$ 46.40	$ 37.00	$ 0.15
Second quarter	n/a	n/a	n/a	69.00	42.83	

On February 16, 2007, the last full trading day before the announcement of the proposed transaction, the closing sales price per share of Vulcan common stock on the NYSE was $111.81, and the closing sales price per share of Florida Rock common stock on the NYSE was $46.96. On April 11, 2007, the most recent practicable date prior to the printing of this document, the reported closing sales price per share of Vulcan common stock was $116.14 and the reported closing sales price per share of Florida Rock common stock was $67.52.

The market prices of Vulcan and Florida Rock common stock will fluctuate between the date of this proxy statement/prospectus and the time of the special meeting and the completion of the mergers. No assurance can be given concerning the market prices of Vulcan common stock or Florida Rock common stock before the completion of the mergers or after the completion of the mergers. The exchange ratio is fixed in the merger agreement. One result of this is that the market value of Holdco common stock that Florida Rock shareholders will receive in the Florida Rock

merger may vary significantly from the prices stated above. **You should obtain current market quotations for Vulcan common stock and Florida Rock common stock prior to deciding whether to vote for approval of the merger agreement.**

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HOLDCO UNAUDITED PRO FORMA CONDENSED COMBINED FINANCIAL STATEMENTS

The following unaudited pro forma condensed combined financial statements are based on the historical financial statements of Vulcan and Florida Rock after giving effect to the mergers. The unaudited pro forma condensed combined balance sheet as of December 31, 2006 combines Vulcan s and Florida Rock s historical condensed consolidated balance sheets as of December 31, 2006 and gives effect to the mergers as if the mergers were consummated on that date. Vulcan s fiscal year ends on December 31; Florida Rock s fiscal year ends on September 30. Therefore, the unaudited pro forma condensed combined statement of earnings for the year ended December 31, 2006 combines Vulcan s historical condensed consolidated statement of earnings for the year ended December 31, 2006 with Florida Rock s historical condensed consolidated statement of earnings for the twelve month period ended September 30, 2006, and gives effect to the mergers as if the mergers were consummated as of January 1, 2006.

In the mergers, Vulcan shareholders will receive one share of Holdco common stock for each share of Vulcan common stock that they own. Florida Rock shareholders will have the right to elect to receive either 0.63 of a share of Holdco common stock or $67.00 in cash, without interest, for each share of Florida Rock common stock that they own. The elections are subject to proration so that, in the aggregate, 70% of all outstanding shares of Florida Rock common stock will be exchanged for cash and 30% of all outstanding shares of Florida Rock common stock will be exchanged for shares of Holdco common stock.

Under the terms of the merger agreement, all outstanding Florida Rock stock options, which will have fully vested prior to the effective time of the mergers, shall cease to represent an option to acquire shares of Florida Rock common stock and shall instead represent the right to receive a cash amount equal to the excess, if any, of $67.00 per option to acquire one share of Florida Rock common stock over the exercise price payable in respect of such stock option (the option consideration). For purposes of the pro forma financial statements, we have assumed that all outstanding options to acquire Florida Rock common stock as of December 31, 2006 were fully vested and remained unexercised as of the effective time of the mergers, and therefore were converted into the right to receive the option consideration described above. Such consideration has been included in the calculation of the total preliminary purchase price.

The number of shares of Florida Rock common stock outstanding could change due to the exercise of stock options under Florida Rock s share-based compensation plans, and such changes could materially affect the preliminary total purchase price reflected in the pro forma financial statements. Additionally, changes in the number of Florida Rock outstanding shares will affect the pro forma weighted average number of shares outstanding for purposes of computing pro forma basic and diluted earnings per share amounts. The maximum change to the preliminary total purchase price and to pro forma basic and diluted earnings per share amounts that could occur due to changes in the number of Florida Rock outstanding shares resulting from stock option exercises is described in Note 2 to the unaudited pro forma condensed combined financial statements.

For purposes of these unaudited pro forma condensed combined financial statements, we have assumed that Vulcan s common stock price is $113.97, which represents the average of the closing share prices, adjusted for dividends, for Vulcan s common stock during the four trading days from February 15, 2007 through February 21, 2007, centered on the day the transaction was announced, and that 65.4 million shares of Florida Rock common stock are outstanding as of the indicated dates at which the mergers are assumed to be effective.

We have assumed that 12.4 million shares of Holdco common stock will be issued and $3.3 billion in cash, including deferred financing costs, will be required to fund consideration paid for all outstanding shares of Florida Rock common stock, to settle Florida Rock stock options and to pay Vulcan s direct transaction costs. These assumptions are based upon the assumed price of Vulcan common stock of $113.97, the assumed number of Florida Rock outstanding

shares, the proration provisions set forth above and the exchange ratio of 0.63 of a share of Holdco common stock for one share of Florida Rock common stock.

The mergers will be treated as a purchase business combination pursuant to Statement of Financial Accounting Standards (SFAS) No. 141, Business Combinations (FAS 141). Vulcan will be treated as the acquiring corporation for accounting and financial reporting purposes; accordingly, the historical financial statements of Vulcan will become the historical financial statements of Holdco. Under FAS 141, the purchase price paid by

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Vulcan, together with the direct costs of the mergers incurred by Vulcan, will be allocated to Florida Rock s tangible and intangible assets and liabilities based on their estimated fair values, with any excess recorded as goodwill. The assets, liabilities and results of operations of Florida Rock will be consolidated into the assets, liabilities and results of operations of Vulcan as of the closing date of the mergers. For purposes of these unaudited pro forma condensed combined financial statements, the allocation of the purchase price to Florida Rock s tangible and intangible assets and liabilities are based upon management s preliminary internal valuation estimates. Definitive allocations will be performed and finalized based upon valuations and other studies that will be performed following the closing date of the mergers. Accordingly, the pro forma purchase allocation adjustments are preliminary and have been made solely for the purpose of providing unaudited pro forma condensed combined financial information and are subject to revision based on a final determination of fair value following the closing of the mergers. Final determinations of fair value may differ materially from those presented herein.

We anticipate that the mergers will provide the combined company with cost-saving synergies and other financial benefits. We expect such synergies to be partially offset by merger-related integration costs. The accompanying pro forma condensed combined statement of earnings, while helpful in illustrating the operating results of the combined company under one set of assumptions, does not reflect any cost-saving or other synergies which may be attainable subsequent to the consummation of the mergers or any potential costs to be incurred in integrating the two companies and, accordingly, does not attempt to predict or suggest future results.

The unaudited pro forma condensed combined financial statements included herein are presented for informational purposes only. This information includes certain assumptions and estimates and may not necessarily be indicative of the financial position or results of operations that would have occurred if the mergers had been consummated as of the date or at the beginning of the period presented or which may be attained in the future. The unaudited pro forma condensed combined financial statements should be read in conjunction with the historical financial statements and accompanying notes contained in the annual reports and other information that Vulcan and Florida Rock have each filed with the Securities and Exchange Commission and included as Annex G or incorporated by reference in this proxy statement/prospectus.

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HOLDCO CORPORATION

UNAUDITED PRO FORMA CONDENSED COMBINED BALANCE SHEET
As of December 31, 2006

	Vulcan Historical	Florida Rock Historical	Pro Forma Adjustments (Note 3)	Pro Forma Combined
	(Amounts in thousands)			
Cash and cash equivalents	$ 55,230	$ 69,164	$	$ 124,394
Accounts and notes receivable, net	391,460	134,332	68,000(a)	593,792
Inventories	243,537	52,934	12,054(b)	308,525
Deferred income taxes	25,764	3,416		29,180
Prepaid expenses	15,388	4,955		20,343
Total current assets	731,379	264,801	80,054	1,076,234
Investments and long-term receivables	6,664			6,664
Property, plant and equipment, net	1,869,114	760,982	830,081(c)	3,460,177
Goodwill	620,189	176,752	2,914,660(d)	3,711,601
Other assets	196,879	68,480	378,555(e)	659,108
			15,194(f)	
Total assets	$ 3,424,225	$ 1,271,015	$ 4,218,544	$ 8,913,784
Current maturities of long-term debt	$ 630	$ 3,280	$	$ 3,910
Short-term borrowings	198,900		1,285,429(g)	1,484,329
Trade payables and other accruals	294,157	144,763		438,920
Total current liabilities	493,687	148,043	1,285,429	1,927,159
Long-term debt	322,064	16,364	2,000,000(g)	2,338,428
Deferred income taxes	287,905	93,102	470,159(h)	851,166
Other noncurrent liabilities	319,458	60,760	7,806 (i)	388,024
Total liabilities	1,423,114	318,269	3,763,394	5,504,777
Preferred stock				
Common stock	139,705	6,581	(39,327) (j)	106,959
Capital in excess of par value	191,695	47,385	1,286,279 (j)	1,525,359
Retained earnings	2,972,738	919,238	(2,110,334) (j)	1,781,642
Accumulated other comprehensive loss	(4,953)	(3,198)	3,198 (j)	(4,953)
Treasury stock	(1,298,074)	(17,260)	1,315,334 (j)	
Total shareholders equity	2,001,111	952,746	455,150	3,409,007
Total liabilities and shareholders equity	$ 3,424,225	$ 1,271,015	$ 4,218,544	$ 8,913,784

See Notes to Unaudited Pro Forma Condensed Combined Financial Statements

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HOLDCO CORPORATION

UNAUDITED PRO FORMA CONDENSED COMBINED STATEMENT OF EARNINGS
For the Year Ended December 31, 2006

	Historical			
	Vulcan for the Year Ended December 31, 2006	Florida Rock for the Twelve Months Ended September 30, 2006	Pro Forma Adjustments (Note 3)	Pro Forma Combined
	(Amounts in thousands, except per share data)			
Net sales	$ 3,041,093	$ 1,328,271	$ (15,166) (k)	$ 4,354,198
Delivery revenues	301,382	39,518		340,900
Total revenues	3,342,475	1,367,789	(15,166)	4,695,098
Cost of goods sold	2,109,099	882,341	57,058 (l) (15,166) (k)	3,033,332
Delivery costs	301,382	39,745		341,127
Cost of revenues	2,410,481	922,086	41,892	3,374,459
Gross profit	931,994	445,703	(57,058)	1,320,639
Selling, administrative and general expenses	264,396	129,797		394,193
Gain on sale of property, plant and equipment, net	5,557	3,569	(3,569) (m)	5,557
Other operating income, net	21,904			21,904
Operating earnings	695,059	319,475	(60,627)	953,907
Other income, net	28,541	7,707		36,248
Interest income	6,171	3,161		9,332
Interest expense	26,310	259	182,147 (n)	208,716
Earnings from continuing operations before income taxes	703,461	330,084	(242,774)	790,771
Provision for income taxes	225,963	118,675	(94,440) (o)	250,198
Earnings from continuing operations	$ 477,498	$ 211,409	$ (148,334)	$ 540,573
Earnings per share from continuing operations:				
Basic	$ 4.89	$ 3.22		$ 4.92
Diluted	$ 4.79	$ 3.16		$ 4.82

Weighted-average common shares outstanding basic	97,577	65,621	(53,268)	109,930
Weighted-average common shares outstanding diluted	99,777	66,829	(54,476)	112,130

See Notes to Unaudited Pro Forma Condensed Combined Financial Statements

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HOLDCO CORPORATION

Notes to Unaudited Pro Forma Condensed Combined Financial Statements

1. Basis of Pro Forma Presentation

The unaudited pro forma condensed combined financial statements have been derived from the historical financial statements and accompanying notes contained in the annual reports and other information that Vulcan and Florida Rock have each filed with the Securities and Exchange Commission and included as Annex G or incorporated by reference in this proxy statement/prospectus.

The unaudited pro forma condensed combined balance sheet as of December 31, 2006 combines Vulcan s and Florida Rock s historical condensed consolidated balance sheets as of December 31, 2006 and gives effect to the mergers as if the mergers were consummated on that date.

The unaudited pro forma condensed combined statement of earnings for the year ended December 31, 2006 combines Vulcan s historical condensed consolidated statement of earnings for the year ended December 31, 2006 with Florida Rock s historical condensed consolidated statement of earnings for the twelve month period ended September 30, 2006, and gives effect to the mergers as if the mergers were consummated as of January 1, 2006.

The unaudited pro forma condensed combined financial statements, which are referred to as pro forma financial statements, give effect to the mergers under the purchase method of accounting prescribed by Statement of Financial Accounting Standards (SFAS) No. 141, Business Combinations (FAS 141), with Vulcan treated as the acquirer for accounting and financial reporting purposes. Under the provisions of FAS 141, the pro forma financial statements will reflect Vulcan acquiring 100% of the outstanding shares of Florida Rock common stock. The purchase price paid by Vulcan, together with the direct costs of the mergers incurred by Vulcan, will be allocated to the tangible and intangible assets and liabilities of Florida Rock based on their estimated fair values. The excess of the purchase price over the net tangible and identifiable intangible assets will be recorded as goodwill.

The pro forma financial statements are based upon certain assumptions and estimates, including assumptions and estimates related to the determination of the preliminary total purchase price and the preliminary allocation of the estimated total purchase price. Changes in the number of shares of Florida Rock common stock outstanding due to the exercise of stock options under Florida Rock s share-based compensation plans, as well as refinements to Vulcan s estimated direct transaction costs, could materially affect the final total purchase price. Additionally, changes in the number of Florida Rock outstanding shares will affect the pro forma weighted average number of shares outstanding for purposes of computing pro forma basic and diluted earnings per share amounts. The maximum change to the preliminary total purchase price and to pro forma basic and diluted earnings per share amounts that could occur due to changes in the number of Florida Rock outstanding shares resulting from stock option exercises is described in Note 2 below. The allocation of the purchase price to Florida Rock s tangible and intangible assets and liabilities are based upon management s preliminary internal valuation estimates. Definitive allocations will be performed and finalized based upon valuations and other studies that will be completed following the closing date of the mergers. Accordingly, the pro forma adjustments are preliminary and are subject to revision based on a final determination of fair value following the closing of the mergers. Final determinations of fair value may differ materially from those presented herein.

The pro forma adjustments are preliminary and have been made solely for purposes of developing the pro forma financial statements for illustrative purposes. The pro forma financial statements are not intended to represent or be indicative of the results of operations or financial position of the combined companies that would have resulted had the mergers been completed as of the dates and for the periods presented. The pro forma financial statements do not

reflect any revenue or cost-saving synergies which may be attainable subsequent to the consummation of the mergers or any potential costs to be incurred in integrating the two companies. The impact of the mergers on the combined results of operations and financial position of Vulcan and Florida Rock in periods following the mergers may differ significantly from that reflected in these pro forma financial statements.

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HOLDCO CORPORATION

Notes to Unaudited Pro Forma Condensed Combined Financial Statements (Continued)

2. Preliminary Purchase Price

The preliminary purchase price is based on an assumed Vulcan common stock price of $113.97, which represents the average of the closing share prices, adjusted for dividends, for Vulcan s common stock during the four trading days from February 15, 2007 through February 21, 2007, centered on the day the transaction was announced. Under the terms of the merger agreement, Florida Rock shareholders will have the right to receive either 0.63 of a share of Holdco common stock or $67.00 in cash for each share of Florida Rock common stock that they own, subject to proration to ensure that in the aggregate 70% of Florida Rock outstanding shares will be exchanged for cash and 30% of Florida Rock outstanding shares will be exchanged for stock. The pro forma preliminary purchase price presented below is based on the number of shares of Florida Rock common stock outstanding as of December 31, 2006, the date of the balance sheet under which the mergers are being presented. The total preliminary purchase price is estimated at $4.7 billion based on the assumed price of Vulcan common stock of $113.97, the proration provisions set forth above and the exchange ratio of 0.63 of a share of Holdco common stock for one share of Florida Rock common stock.

Preliminary Purchase Price

		(Amounts in millions, except per share data)
Aggregate purchase price of Florida Rock common stock(1)	$	4,473.3
Cash settlement of Florida Rock stock options(2)		174.8
Vulcan s direct transaction costs(3)		30.0
Total preliminary purchase price	$	4,678.1
(1) Outstanding shares of Florida Rock common stock		65.4
70% of outstanding shares of Florida Rock common stock		45.8
Exchanged for $67.00 in cash per share	$	67.00
Cash consideration paid	$	3,065.4
30% of outstanding shares of Florida Rock common stock		19.6
Exchange ratio		0.63
Holdco shares to be issued		12.4
Average closing price per share of Vulcan common stock, adjusted for dividends, for the four trading days centered around February 19, 2007	$	113.97
Issuance of Holdco common stock	$	1,407.9
Aggregate price paid for Florida Rock common stock	$	4,473.3

(2) Cash settlement per share issuable under stock options	$	67.00
Weighted-average exercise price per share issuable under stock options as of December 31, 2006		22.24
	$	44.76
Number of stock options converted to right to receive option consideration as of December 31, 2006		3.9
Liability assumed for cash settlement of Florida Rock stock options	$	174.8
(3) Represents Vulcan s estimated direct transaction costs related to the mergers, which are comprised of the following:		
Investment banker fees	$	18.2
Legal and accounting fees		8.6
Other		3.2
Total of Vulcan s estimated direct transaction costs	$	30.0

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HOLDCO CORPORATION

Notes to Unaudited Pro Forma Condensed Combined Financial Statements (Continued)

Changes in the number of shares of Florida Rock common stock outstanding due to the exercise of stock options under Florida Rock s share-based compensation plans, as well as refinements to estimated direct transaction costs incurred by Vulcan, will affect the determination of the final total purchase price. If we assumed that all outstanding options to acquire Florida Rock common stock as of December 31, 2006 were exercised prior to the effective time of the mergers, the total preliminary purchase price, including cash and stock consideration, would increase by approximately $92.5 million, the total Holdco shares issued in exchange for Florida Rock outstanding shares would increase by 0.7 million, and the pro forma basic and diluted earnings per share amounts presented would each decrease by approximately $0.03 per share.

3. Pro Forma Adjustments

The total preliminary purchase price has been allocated to Florida Rock s tangible and intangible assets acquired and liabilities assumed based on preliminary internal estimates of fair value. The excess of the purchase price over the net tangible and identifiable intangible assets will be recorded as goodwill. Due to certain legal restrictions, many of the details concerning individual assets and liabilities cannot be disclosed between Vulcan and Florida Rock prior to the completion of the mergers. The final determination of fair value and allocation of the purchase price will be determined after the mergers are consummated and additional analyses and valuation studies are performed to determine the fair values of Florida Rock s tangible and intangible assets acquired and liabilities assumed as of the date the mergers are completed. Changes in the fair value of the net assets of Florida Rock as of the date the mergers are completed will change the amount of the purchase price allocable to goodwill. The actual amounts recorded when the mergers are completed may differ materially from the pro forma adjustments presented herein.

The following table presents a summary of the preliminary purchase price allocation reflected in the unaudited pro forma condensed combined balance sheet:

		(Amounts in millions)
Florida Rock s historical net book value	$	952.7
Elimination of Florida Rock s historical goodwill		(176.8)
Adjustment to accounts receivable		68.0
Adjustment to inventory		12.1
Adjustment to property, plant and equipment		830.1
Adjustment to identifiable intangible assets		378.6
Adjustment to deferred income taxes		(470.2)
Adjustment to noncurrent accrued liabilities		(7.8)
Goodwill		3,091.4
Total preliminary purchase price	$	4,678.1

The following notes refer to the pro forma adjustments included in the unaudited pro forma condensed combined balance sheet and unaudited pro forma condensed combined statement of earnings on pages 71 and 72, respectively.

(a) To record the tax benefit related to the cash settlement of Florida Rock s outstanding stock options immediately prior to the effective time of the mergers. The tax benefit is reflected as a current income tax receivable due to a zero balance in current income tax liabilities.

(b) To record Florida Rock s inventory at estimated fair value.

(c) To record the difference between the preliminary estimated fair value, based on management s internal valuation estimates, and the historical net book value of Florida Rock s property, plant and equipment.

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HOLDCO CORPORATION

Notes to Unaudited Pro Forma Condensed Combined Financial Statements (Continued)

Management s internal valuation estimates are based principally upon estimates of current replacement cost and discounted cash flows related to the underlying assets.

(d) To eliminate Florida Rock s historical goodwill and record the excess of the preliminary purchase price over the estimated fair value of the net tangible and identifiable intangible assets acquired and liabilities assumed.

(e) To record the difference between the preliminary estimated fair value, based on management s internal valuation estimates, and the historical net book value of Florida Rock s intangible assets. The increase of $378.6 million in intangible assets relates primarily to contractual rights in place, which are assumed to have a weighted-average useful life of approximately 27 years. Management s internal valuation estimates are based principally upon estimates of discounted cash flows related to the underlying assets.

(f) To record deferred financing costs incurred in connection with the issuance of short-term and long-term debt totaling approximately $3.3 billion.

(g) To record estimated borrowings, including deferred financing costs, necessary to acquire 70% of the outstanding shares of Florida Rock common stock, cash settle Florida Rock stock options outstanding immediately prior to the effective time of the mergers and finance Vulcan s direct transaction costs. Vulcan currently anticipates arranging approximately $4.0 billion of new financing in connection with the mergers, consisting of approximately $2.0 billion in a bridge facility and approximately $2.0 billion in short-term and medium-term revolving credit facilities. In order to pay the cash portion of the merger consideration to the Florida Rock shareholders and the associated costs of the financing, Vulcan expects to issue commercial paper and/or borrow under the bank credit facilities for the full amount needed (assumed to be approximately $3.3 billion for purposes of these pro forma financial statements). After closing, Vulcan expects to issue approximately $2.0 billion of fixed rate debt at maturities ranging from 5 to 30 years and cancel the $2.0 billion bridge facility. The foregoing description of Vulcan s financing plans is preliminary and subject to change. Based on the timing of the acquisition and the cash balances of the combined companies, the amount and type of financing used may differ.

(h) To record the tax effects of fair value adjustments related to property, plant and equipment and identifiable intangible assets.

(i) To adjust accrued pension and postretirement cost to reflect the unfunded balance of the pension and postretirement plans. The final adjustment to accrued pension and postretirement cost will be based on a remeasurement of pension and postretirement assets and obligations as of the effective date of the mergers.

(j) To adjust shareholders equity amounts as follows:

Common Stock	Capital in Excess of Par Value	Retained Earnings	Accumulated Other Comprehensive Loss	Treasury Stock
(Amounts in thousands)				

Eliminate Florida Rock historical amounts	$ (6,581)	$ (47,385)	$ (919,238)	$ 3,198	$ 17,260
Record issuance of Holdco common stock (12,353,000 shares) in exchange for 30% of outstanding Florida Rock common stock	12,353	1,395,543			
Cancel Vulcan historical treasury stock	(45,099)	(61,879)	(1,191,096)		1,298,074
Total pro forma adjustments to shareholders equity	$ (39,327)	$ 1,286,279	$ (2,110,334)	$ 3,198	$ 1,315,334

(k) To eliminate sales and cost of goods sold between Vulcan and Florida Rock.

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HOLDCO CORPORATION

Notes to Unaudited Pro Forma Condensed Combined Financial Statements (Continued)

(l) To record additional depreciation, depletion and amortization expense of $40.1 million related to the adjustment to record property, plant and equipment at estimated fair value and $19.6 million related to the adjustment to record identifiable intangible assets at fair value. Depreciation, depletion and amortization adjustments were calculated using estimated useful lives ranging from 3 to 13 years for property, plant and equipment and a weighted-average useful life for intangible assets of approximately 27 years. As discussed in notes (c) and (e) above, the amounts of these adjustments are based on management s preliminary estimates of fair values of the related assets, and are subject to revision based on a final determination of fair value following the closing of the mergers. Final determinations of fair value may differ materially from those presented herein. The adjustment also includes eliminating the effects of increases to the LIFO reserve, which results in a decrease to cost of goods sold of $2.6 million.

(m) To eliminate gains on sales of real estate as a result of the adjustment on such property to fair value as of the date of acquisition.

(n) To record interest expense, including amortization of deferred financing costs, associated with the borrowings used to finance the acquisition of 70% of the outstanding shares of Florida Rock common stock, the cash settlement of Florida Rock stock options outstanding immediately prior to the effective time of the mergers and Vulcan s direct transaction costs. The adjustments to interest expense are presented as if the borrowings occurred on January 1, 2006. We intend to finance the acquisition through a combination of variable rate short-term borrowings and fixed rate long-term debt. The long-term interest rates assumed are based upon current U.S. Treasury rates for periods consistent with the terms of the borrowings, adjusted for Vulcan s estimated credit spreads. The short-term interest rates assumed are based upon current LIBOR rates ranging from one to six months. A 1/8% increase (decrease) in the assumed interest rate on the variable rate short-term borrowings would increase (decrease) annual interest expense by approximately $1.6 million.

(o) To record the income tax impact on pro forma adjustments at the estimated statutory income tax rate of the combined company.

4. Unaudited Pro Forma Combined Earnings Per Share

The pro forma basic and diluted earnings per share are based on the historical weighted average number of shares of Vulcan common stock outstanding adjusted for additional common stock issued to Florida Rock shareholders as part of the purchase consideration. Shares of common stock issued to Florida Rock shareholders are assumed to have been issued as of January 1, 2006 and outstanding for the entire period. The following table presents the computation of pro forma basic and diluted weighted-average shares outstanding for the year ended December 31, 2006.

	Weighted-Average Shares (Amounts in thousands)
Vulcan historical weighted-average common shares outstanding basic	97,577
Estimated shares of Holdco common stock issued to Florida Rock shareholders	12,353

Pro forma weighted-average common shares outstanding basic	109,930
Vulcan historical weighted-average common shares outstanding diluted	99,777
Estimated shares of Holdco common stock issued to Florida Rock shareholders	12,353
Pro forma weighted-average common shares outstanding diluted	112,130

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DESCRIPTION OF HOLDCO CAPITAL STOCK

The following summary is a description of the material terms of Holdco s capital stock and is not complete. You should also refer to the form of Holdco s restated certificate of incorporation, which is included as Annex E to this proxy statement/prospectus, and the form of Holdco s restated by-laws, which is included as Annex F to this proxy statement/prospectus, and the applicable provisions of the NJBCA.

Common Stock

As of the effective time of the mergers, Holdco will be authorized to issue up to 480,000,000 shares of common stock. Following the mergers, Holdco expects there to be approximately 108,379,456 shares of common stock of Holdco outstanding.

Holders of Holdco common stock are entitled to receive dividends when, as and if declared by Holdco s board of directors out of funds legally available for payment, subject to the rights of holders of the Holdco preferred stock.

Each holder of Holdco common stock is entitled to one vote per share. Subject to the rights, if any, of the holders of any series of preferred stock if and when issued and subject to applicable law, all voting rights are vested in the holders of shares of Holdco common stock. Holders of shares of Holdco common stock have noncumulative voting rights, which means that the holders of more than 50% of the shares voting for the election of directors can elect 100% of the directors and the holders of the remaining shares will not be able to elect any directors.

In the event of a voluntary or involuntary liquidation, dissolution or winding up of Holdco, the holders of Holdco common stock will be entitled to share equally in any of the assets available for distribution after Holdco has paid in full all of its debts and after the holders of all series of Holdco s outstanding preferred stock have received their liquidation preferences in full.

The issued and outstanding shares of Holdco common stock are fully paid and nonassessable. Holders of shares of Holdco common stock are not entitled to preemptive rights. Shares of Holdco common stock are not convertible into shares of any other class of capital stock. [ ] is the transfer agent, registrar and dividend disbursement agent for the Holdco common stock.

Holdco may from time to time after the consummation of the mergers engage another transfer agent, registrar or dividend disbursement agent for its stock as business circumstances warrant.

Preferred Stock

Under Holdco s restated certificate of incorporation, the Holdco board of directors is authorized, without further shareholder action, to issue up to 5,000,000 shares of preferred stock, in one or more series, and to determine the voting powers and the designations, preferences and relative, participating, optional or other special rights, and qualifications, limitations or restrictions, of each series. As of the date of this proxy statement/prospectus, Holdco has not issued any preferred stock.

Subject to the determination of the Holdco board of directors in any certificate of designations for a series of preferred stock, Holdco preferred stock would generally have preference over Holdco common stock with respect to the payment of dividends and the distribution of assets in the event of a liquidation or dissolution of Holdco.

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COMPARISON OF SHAREHOLDER RIGHTS

The rights of shareholders of a corporation are governed by the laws of the state in which the corporation is incorporated, as well as the certificate (or articles) of incorporation and by-laws of the corporation. Therefore, differences in the rights of holders of Florida Rock common stock and Holdco common stock arise from the states of their respective organization and their respective certificate or articles of incorporation and by-laws. Florida Rock is organized under the laws of the state of Florida, and Holdco is organized under the laws of the state of New Jersey. After the Florida Rock merger is completed, the rights of Florida Rock shareholders who become Holdco shareholders will be governed by Holdco s restated certificate of incorporation and restated by-laws and the NJBCA.

This section of the proxy statement/prospectus summarizes certain material differences between the rights of Florida Rock shareholders and Holdco shareholders immediately following completion of the mergers. In addition, this section summarizes certain material differences between New Jersey and Florida corporate law.

This section does not include a complete description of all differences among the rights of these shareholders, nor does it include a complete description of the specific rights of these shareholders or of New Jersey or Florida corporate law. Furthermore, the identification of some of the differences in the rights of these shareholders as material is not intended to indicate that other differences that may be equally important do not exist.

All Florida Rock shareholders are urged to read carefully the relevant provisions of the NJBCA and the FBCA, as well as the restated articles of incorporation and restated bylaws of Florida Rock and the restated certificate of incorporation and restated by-laws of Holdco, which will be in effect upon completion of the mergers will be substantially in the form attached as Annex E and Annex F to this proxy statement/prospectus. Copies of the restated articles of incorporation and restated bylaws of Florida Rock are available to Florida Rock shareholders upon request. See Where You Can Find More Information on page 95.

Authorized Capital Stock

Holdco. Holdco will have the authority to issue 485,000,000 shares of capital stock consisting of 480,000,000 shares of common stock, par value $1.00 per share, and 5,000,000 shares of preferred stock, no par value, issuable in series. Prior to the issuance of a series of preferred stock, Holdco s board of directors will be permitted to fix the designations, preferences, qualifications, limitations, restrictions and special or relative rights, if any, relating to the shares of the series. Holdco s board of directors has not yet designated any series of preferred stock, but may do so in connection with Holdco s shareholder rights plan, as described below.

Florida Rock. Florida Rock has the authority to issue 160,000,000 shares of capital stock consisting of 150,000,000 shares of common stock, par value $0.10 per share, and 10,000,000 shares of preferred stock, no par value. Prior to the issuance of a series of preferred stock, Florida Rock s board of directors may fix the designations, preferences, qualifications, limitations, restrictions and special or relative rights, if any, relating to the shares of the series. Florida Rock s restated articles of incorporation authorize and create a series of preferred stock consisting of 500,000 shares, par value $.01 per share, designated as the Series A Junior Participating Preferred Stock, which we refer to in this proxy statement/prospectus as the Series A Preferred Stock.

Shareholder Rights Plan

Under the NJBCA, a corporation may create and issue rights entitling the holders of the rights to purchase from the corporation shares of any class or series, subject to any provisions in its certificate of incorporation. The rights will be

evidenced in such manner as the board approves, and which will contain the price and terms of the shares.

Florida Rock has entered into a shareholder rights plan, and Holdco will enter into a shareholder rights agreement prior to closing that contains provisions substantially similar to the rights agreement of Vulcan currently in effect. Following are summaries of these rights agreements.

Holdco. Holdco will have a shareholder rights plan under which each shareholder will have one right for each share of Holdco common stock held. Each right entitles the registered holder to purchase from Holdco one one-hundredth of a share of Holdco s Series A Junior Participating Preference Stock, no par value, at a purchase

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price of $400. The rights are subject to adjustment to prevent dilution of the interests represented by each right. The description and terms of the rights will be set forth in the rights agreement to be dated on or prior to the closing date.

The Holdco rights will be attached to all Holdco common stock and will be represented by the certificates representing Holdco common stock, and no separate certificates representing Holdco rights will be distributed except as follows. The Holdco rights will separate from the Holdco common stock, and be represented by separate rights certificates, upon the earlier of:

10 days following the date of any public announcement that a person or group of affiliated or associated persons (an acquiring person) has acquired, or obtained the right to acquire, beneficial ownership of 15% or more of the outstanding Holdco common stock, or

10 business days following the commencement of, or announcement of an intention to make, a tender offer or exchange offer that would result in a person beneficially owning 15% or more of the outstanding Holdco common stock.

Until the Holdco rights separate from the Holdco common stock to which they will be attached, or an earlier date on which these rights are redeemed, exchanged or expire:

the rights will be evidenced by the common share certificates and will be transferred only with them,

all common share certificates will contain a notation incorporating the terms of the rights agreement by reference, and

the surrender for transfer of any certificates for common stock outstanding will also constitute the transfer of the rights associated with the common stock represented by the certificates.

As soon as practicable after the date when the rights separate from the common stock, right certificates will be mailed to holders of record of common stock as of the close of business on that date and, after that time, the separate right certificates alone will represent the rights. Only common stock issued prior to the date when the rights separate from the common stock will be issued with rights. The Holdco rights are not exercisable until their separation from the Holdco common stock and will expire on December 31, 2008, unless the Holdco board exchanges or redeems them earlier, as described below.

If a third party acquires 15% or more of the outstanding Holdco common stock, as described above, thus triggering a separation of the Holdco rights from the Holdco common stock, each holder of a Holdco right will thereafter have the right to receive, upon exercise and payment of the exercise price, Holdco common stock having a value equal to two times the exercise price.

If, at any time after a third party acquires, or obtains the right to acquire beneficial ownership of, 15% or more of the outstanding Holdco common stock, as described above,

Holdco is acquired in a merger or other business combination,

an acquiring firm merges into Holdco, or

50% or more of Holdco s assets or earning power is sold or transferred,

each holder of a Holdco right shall thereafter have the right to receive, upon exercise and payment of the exercise price, common stock of the acquirer having a value equal to twice the exercise price.

Any rights that are or were owned by an acquirer of beneficial ownership of 15% or more of the outstanding Holdco common stock will be null and void.

At any time prior to the earlier of the date upon which a third party acquires, or obtains the right to acquire beneficial ownership of, 15% of the outstanding Holdco common stock, or December 31, 2008, the Holdco board of directors may redeem the rights in whole, but not in part, at a redemption price of $0.01 per right. Immediately upon the Holdco board of directors ordering the redemption of the rights, the rights will terminate and the holders of the rights will be entitled to receive only this redemption price.

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The Holdco board of directors may amend any provision of the rights agreement without approval of the holders of the rights prior to the time a person becomes an acquiring person. After this date, the board may not amend the rights agreement in any manner that would adversely affect the interests of the holders of the rights.

Until a right is exercised, a holder of rights will have no rights as a Holdco shareholder, including the right to vote and to receive dividends, beyond its rights as an existing shareholder.

The Holdco rights may have anti-takeover effects. The rights will cause substantial dilution to a person or group that attempts to acquire 15% or more of the outstanding Holdco common stock without conditioning the offer on a substantial number of rights being acquired. Accordingly, the existence of the rights may deter acquirers from making takeover proposals or tender offers. The rights are not intended to prevent a takeover, but are designed to enhance the ability of Holdco s board to negotiate with an acquirer on behalf of all the shareholders. The rights should also not interfere with any merger or other business combination approved by the Holdco board of directors and the Holdco shareholders because the board of directors may redeem the rights.

Florida Rock. Florida Rock has a shareholder rights plan under which plan Florida Rock shareholders have one right for each share of Florida Rock common stock held. Originally, each right entitled the registered holder to purchase from Florida Rock one one-hundredth of a share of Florida Rock s Series A Junior Participating Preferred Stock, par value $0.10 per share, at a purchase price of $145. However, rights are subject to adjustment to prevent dilution of the interests represented by each right. Following 3-for-2 stock splits in 2001, 2004 and 2005, each outstanding share of Florida Rock common stock is associated with four-ninths of a right. Each four-ninths of a Florida Rock right currently represents the right to purchase eight twenty-seven hundredths of a share of Florida Rock s Series A Junior Participating Preferred Stock, at a purchase price of $42.96.

The Florida Rock rights are attached to all Florida Rock common stock and are represented by the certificates representing Florida Rock common stock, and no separate certificates representing Florida Rock rights will be distributed except as follows. The Florida Rock rights will separate from the Florida Rock common stock, and be represented by separate rights certificates, upon the earlier of:

10 business days following the date of any public announcement that a person or group of affiliated or associated persons (an acquiring person) has acquired, or obtained the right to acquire, beneficial ownership of 15% or more of the outstanding shares of Florida Rock common stock, or

10 business days following the commencement of, or announcement of an intention to make, a tender offer or exchange offer that would result in a person beneficially owning 15% or more of the outstanding Florida Rock common stock.

Until the Florida Rock rights separate from the Florida Rock common stock to which they are attached, or an earlier date on which these rights are redeemed, exchanged or expire:

the rights will be evidenced by the common share certificates and will be transferred only with them,

all common share certificates will contain a notation incorporating the terms of the rights agreement by reference, and

the surrender for transfer of any certificates for common stock outstanding will also constitute the transfer of the rights associated with the common stock represented by the certificates.

As soon as practicable after the date when the rights separate from the Florida Rock common stock, right certificates will be mailed to holders of record of Florida Rock common stock as of the close of business on that date and, after that time, the separate right certificates alone will represent the rights. Only Florida Rock common stock issued prior to the date when the rights separate from the common stock will be issued with rights. The Florida Rock rights are not exercisable until their separation from the Florida Rock common stock and will expire on the earliest of September 30, 2009 or the effective time of the Florida Rock merger, unless the Florida Rock board exchanges or redeems them earlier, as described below.

If, other than in connection with the Florida Rock merger, a third party acquires 15% or more of the Florida Rock common stock, as described above, thus triggering a separation of the Florida Rock rights from the Florida

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Rock common stock, each holder of a Florida Rock right will thereafter have the right to receive, upon exercise and payment of the exercise price, Florida Rock common stock having a value equal to two times the exercise price.

If, at any time after a third party acquires, or obtains the right to acquire beneficial ownership of, 15% or more of the outstanding Florida Rock common stock, as described above,

Florida Rock is acquired in a merger or other business combination, other than in connection with the Florida Rock merger,

an acquiring firm merges into Florida Rock, other than in connection with the Florida Rock merger, or

50% or more of Florida Rock s assets or earning power is sold or transferred,

each holder of a Florida Rock right shall thereafter have the right to receive, upon exercise and payment of the exercise price, common stock of the acquirer having a value equal to twice the exercise price.

Any rights that are or were owned by an acquirer of beneficial ownership of 15% or more of the outstanding Florida Rock common stock will be null and void.

At any time prior to the earlier of the date upon which a third party acquires, or obtains the right to acquire beneficial ownership of, 15% of the outstanding Florida Rock common stock, or September 30, 2009, the Florida Rock board of directors may redeem the rights in whole, but not in part, at a redemption price of $0.01 per right. Immediately upon the Florida Rock board of directors ordering the redemption of the rights, the rights will terminate and the holders of the rights will be entitled to receive only this redemption price.

The Florida Rock board of directors may amend any provision of the rights agreement without approval of the holders of the rights prior to the time a person becomes an acquiring person. After this date, the Florida Rock board may not amend the rights agreement in any manner that would adversely affect the interests of the holders of the rights.

Until a right is exercised, a holder of rights will have no rights as a Florida Rock shareholder, including the right to vote and to receive dividends, beyond its rights as an existing shareholder.

The Florida Rock rights may have anti-takeover effects. The rights will cause substantial dilution to a person or group that attempts to acquire 15% or more of the outstanding Florida Rock common stock without conditioning the offer on a substantial number of rights being acquired. Accordingly, the existence of the rights may deter acquirers from making takeover proposals or tender offers. The rights are not intended to prevent a takeover, but are designed to enhance the ability of Florida Rock s board to negotiate with an acquirer on behalf of all the shareholders. The rights should also not interfere with any merger or other business combination approved by the Florida Rock board of directors and the Florida Rock shareholders because the Florida Rock board of directors may redeem the rights.

The Florida Rock rights plan is inapplicable to the Florida Rock merger and the other transactions contemplated by the merger agreement.

Preemptive Rights

Holdco. Holdco s restated certificate of incorporation will state that holders of common stock have no preemptive rights and will authorize the Holdco board of directors to determine whether the preference shares would be entitled to preemptive rights before issuance of such shares.

Florida Rock. Florida Rock s restated articles of incorporation provide that holders of common stock have no preemptive rights.

Shareholder Voting

Holdco.

General. Each share of Holdco common stock will be entitled to one vote per share on all matters submitted to the shareholders. Generally, corporate actions taken by vote of Holdco shareholders will be authorized upon receiving the affirmative vote of a majority of the votes cast by all Holdco shareholders entitled to vote on such

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action. The election of directors will be determined by a plurality vote, as the nominees receiving the highest number of votes cast by Holdco shareholders will be elected to Holdco s board of directors.

Quorum. In general, a majority of the outstanding shares, represented in person or by proxy, at a shareholders meeting duly called will constitute a quorum for the transaction of business.

Cumulative Voting. Holders of Holdco common stock will not have cumulative voting rights.

Class Voting. Under the NJBCA, voting by classes is only required for amendments to the certificate of incorporation that would adversely affect the holders of a class of shares by limiting their voting rights, preemptive rights, or rights to accrued dividends or by creating a class of shares that has rights superior to the holders of that class. Subject to the rights of any preferred stock that may be issued and other provisions requiring a higher shareholder vote, no other specific class voting rights will be provided under the restated certificate of incorporation or restated by-laws of Holdco.

Florida Rock.

General. Each share of Florida Rock common stock is entitled to one vote per share on all matters submitted to the shareholders. Generally, corporate actions taken by vote of Florida Rock s shareholders are authorized upon receiving the affirmative vote of a majority of the votes cast at the shareholders meeting on the subject matter. The election of directors is determined by a plurality vote, as the nominees receiving the highest number of votes cast by Florida Rock shareholders will be elected to Florida Rock s board of directors.

Quorum. A majority of the shares entitled to vote, represented in person or by proxy, constitutes a quorum at a shareholders meeting.

Cumulative Voting. Holders of Florida Rock common stock do not have cumulative voting rights.

Class Voting. Under the FBCA, voting by classes is only required for amendments to articles of incorporation that would: (i) effect an exchange or reclassification, or create a right of exchange, of all or part of the shares of the class into shares of another class, or shares of another class into the shares of the class; (ii) change the designation, rights, preferences, or limitations of all or part of the shares of the class; (iii) change the shares of all or part of the class into a different number of shares of the same class, (iv) create a new class or series having rights or preferences with respect to distribution or dissolution that are prior or superior to those of the shares held by them, or increase the rights or preferences of any other existing class or series with the same effect; (v) cancel or otherwise adversely affect dividends which have accrued but have not been declared on the shares held by them; or (vi) limit or deny their existing preemptive rights. Subject to the rights of any preferred stock that may be issued, no other specific class voting rights are provided under Florida Rock s restated articles of incorporation or restated bylaws.

Action by Written Consent

Holdco. The restated certificate of incorporation of Holdco will prohibit shareholder actions taken by written consent, unless agreed to by all shareholders entitled to vote.

Florida Rock. The restated articles of incorporation of Florida Rock prohibit shareholder actions taken by written consent.

Notice of Shareholders Meeting

Holdco. Consistent with the NJBCA, Holdco s restated by-laws will provide that written notice of the time, place and purposes of a meeting of shareholders must be given not less than 10 nor more than 60 days before the date of the meeting, either personally or by mail, to each shareholder of record entitled to vote at the meeting.

Florida Rock. Consistent with the FBCA, Florida Rock s restated bylaws provide that written notice of the time, place and purposes of a meeting of shareholders must be delivered not less than 10 nor more than 60 days before the date of the meeting, either personally or by mail, to each shareholder of record entitled to vote at such meeting.

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Inspection of Shareholder Lists

Holdco. Under the NJBCA, a list of shareholders is required to be produced by a corporation and subject to inspection by its shareholders for reasonable periods during its annual meeting of the shareholders. In addition, any person who has been a shareholder of record for at least six months, or any person holding, or authorized in writing by the holders of, at least 5% of the outstanding shares of any class or series, has the right, upon at least five days written demand, to examine the minutes of shareholder proceedings and record of shareholders for any proper purpose.

Notwithstanding any of the foregoing, the courts have the power, upon proof by a shareholder of proper purpose, to compel the production for examination by the shareholder of the corporation s books and records of account, minutes, and record of shareholders. Holdco s restated certificate of incorporation and restated by-laws will not change these provisions.

Florida Rock. Under the FBCA, subject to certain exceptions, a list of shareholders is required to be available for inspection by shareholders for a period of 10 days prior to and at shareholder meetings. In addition, Florida corporations are required to maintain the following records, which any shareholder of record may, after at least five business days prior written notice, inspect and copy: (1) the articles of incorporation and bylaws, (2) certain board and shareholder resolutions, (3) certain written communications to shareholders, (4) names and addresses of current directors and officers and (5) the most recent annual report. In addition, shareholders of a Florida corporation are entitled to inspect and copy other books and records of the corporation during regular business hours if the shareholder gives at least five business days prior written notice to the corporation and (a) the shareholder s demand is made in good faith and for a proper purpose, (b) the demand describes with particularity its purpose and the records to be inspected or copied and (c) the requested records are directly connected with such purpose.

Ability to Call Special Meetings of Shareholders

Holdco. Special meetings of the shareholders may be called by the board of directors, the chairman of the board, or the chief executive officer. The NJBCA also authorizes the Superior Court for good cause shown to order a special meeting of shareholders upon the application of the holder or holders of not less than 10% of all the shares entitled to vote at a meeting.

Florida Rock. Special meetings of the shareholders may be called by the president or board of directors, and will be called by the president or secretary at the request of at least 50% of the holders of all outstanding stock entitled to vote at the meeting. The request must state the purpose of the meeting.

Amendment to Governing Documents

Holdco.

Amendment of Certificate of Incorporation. Generally, under the NJBCA, an amendment to Holdco s restated certificate of incorporation will require approval by the affirmative vote of a majority of the votes cast by the shareholders entitled to vote thereon. An amendment to certain provisions of the Holdco restated certificate of incorporation requires the affirmative vote by holders of at least 80% of the voting power of the outstanding capital stock of the corporation entitled to vote, voting together as a single class. Provisions protected by this supermajority vote include provisions relating to the size and classification of the board, vacancies on the board, removal from the board, requirement for shareholders meetings and exception for unanimous written consent and certain amendments to the restated certificate of incorporation.

Amendment of By-laws. The restated by-laws of Holdco will provide that such by-laws may be amended, altered or repealed and new by-laws may be adopted: (1) except for by-laws adopted by the shareholders which by their terms cannot be altered, amended, or repealed by the board, at any meeting of the board of directors by a majority vote of the members of the board; or (2) at any meeting of the shareholders by a majority of the votes cast by the holders of shares entitled to vote thereon.

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Florida Rock.

Amendment of Articles of Incorporation. Under the FBCA, with the limited exception of certain non-substantive amendments that can be effected by a corporation s board of directors without shareholder approval, a corporation s board of directors may propose one or more amendments to the articles of incorporation for submission to the shareholders. For the amendment to be adopted, the board of directors must recommend the amendment to the shareholders, unless the board of directors determines that because of conflict of interest or other special circumstances it should make no recommendation and communicates the basis for its determination to the shareholders with the amendment, and the shareholders entitled to vote on the amendment must approve the amendment. Unless the FBCA, the restated articles of incorporation or the board of directors requires a greater vote, the amendment to be adopted by shareholders must be approved by a majority of the votes entitled to be cast on the amendment. The board of directors may condition its submission of the proposed amendment on any basis.

Amendment of By-laws. The Florida Rock restated bylaws may be amended consistent with bylaws adopted by shareholders, or any part of the restated bylaws that has not been adopted by the shareholders may be repealed, by the board of directors at any regular or special meeting of the board. The restated bylaws may be amended or repealed by the shareholders at any meeting of the shareholders by a majority of the votes cast by shareholders entitled to vote thereon, if such proposed action was included in the notice of the meeting or is waived in writing by a majority of the shareholders entitled to vote thereon.

Size and Classification of the Board of Directors

Holdco. Immediately following the mergers, the board of directors of Holdco will consist of the Vulcan directors as of the time of the mergers. On the day following the completion of the mergers, the board of directors of Holdco will be expanded to include John D. Baker II, Florida Rock s current President and Chief Executive Officer and a director of Florida Rock. The Holdco restated certificate of incorporation will provide that the number of directors must not be less than nine nor more than twenty-one directors, with the actual number of directors to be fixed, from time to time, by resolution adopted by a majority of the entire board of directors. The Holdco restated by-laws will provide that the number of directors will be limited to at least nine, but no more than twelve directors, with the actual number of directors to be fixed, from time to time, by resolution adopted by a majority of the entire board of directors. Holdco s restated certificate of incorporation and restated by-laws will provide for a staggered board of directors divided into three classes with the term of office of one class expiring in each year and the number of directors in each class being as nearly equal as possible.

Florida Rock. Currently, Florida Rock has twelve directors. Florida Rock s restated articles of incorporation and restated bylaws provide that the board of directors will consist of a number of directors fixed from time to time by the Florida Rock board of directors, but may not be less than three. The restated articles of incorporation of Florida Rock provide for a staggered board of directors, consisting of three classes with each class consisting of four directors.

Qualifications of Directors

Holdco. Holdco directors must be at least 25 years of age but do not have to be New Jersey residents or shareholders of Holdco. Employee directors will be required to resign from the board of directors at the next annual meeting following their 65th birthday (except the chief executive officer will be permitted to remain on the board of directors until the annual meeting following his or her 69th birthday) and inside directors are required to resign at the next annual meeting following their 72nd birthday. An inside director is one who is or has been in the full-time employment of Holdco, and an outside director is any other director.

Florida Rock. The FBCA requires Florida Rock s directors to be at least 18 years of age. Directors need not be Florida residents. The restated bylaws of Florida Rock require that all directors be shareholders of Florida Rock.

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Shareholder Nominations of Directors

Holdco. None of the NJBCA, Holdco s restated certificate of incorporation or Holdco s restated by-laws contain specific provisions with respect to nomination of directors by shareholders. Holdco shareholders will be able to nominate directors in accordance with Regulation 14A under the Exchange Act.

Florida Rock. Under the restated articles of incorporation of Florida Rock, in order for a shareholder to nominate persons for election as directors of Florida Rock, a nomination must be made pursuant to timely notice in writing to the secretary of Florida Rock. To be timely, a shareholder s notice shall be delivered to or mailed and received at the principal executive offices of Florida Rock not less than forty days prior to an annual meeting, provided that in the event that less than fifty days notice or prior public disclosure of the date of the meeting is given or made to shareholders, notice by the shareholder to be timely must be received not later than the close of business on the tenth day following the day on which such notice of the date of the meeting was mailed or such public disclosure was made.

Such shareholder s notice to the secretary shall set forth, as to each person whom the shareholder proposes to nominate for election as a director:

- the name, age, business address and residence address of such person;
- the principal occupation or employment of such person;
- the class and number of any shares of Florida Rock or any subsidiary of Florida Rock which are beneficially owned by such person; and
- any other information relating to such person that is required to be disclosed in solicitations for proxies for election of directors pursuant to any then-existing rule or regulation promulgated under the Exchange Act.

The notice shall also set forth the term and class of directors for which the nomination is made and, as to the shareholder giving the notice:

- the name and record address of such shareholder; and
- the class and number of shares of the corporation which are beneficially owned by such shareholder.

Florida Rock may require any proposed nominee to furnish such other information as may reasonably be required by Florida Rock to determine the eligibility of such proposed nominee as a director. No person shall be eligible for election as a director unless nominated in accordance with these requirements.

Removal of Directors

Holdco. The Holdco restated certificate of incorporation will provide that the board may remove a director for cause by the affirmative vote of a majority of the directors in office when, in such majority s judgment, the director s continuation in office would be harmful to Holdco, and that the board may suspend the director for a reasonable period pending final determination that cause exists for removal.

Florida Rock. The restated articles of incorporation and restated bylaws of Florida Rock provide that a director may be removed from office only for cause. Cause is defined as conviction of a felony, declaration of unsound mind by

court order, adjudication of bankruptcy, non-acceptance of office, or the entry of a non-appealable final judgment by a court of competent jurisdiction holding the director liable for negligence or misconduct in the performance of his or her duty to Florida Rock in a matter of substantial importance to the corporation.

Vacancies on the Board of Directors

Holdco. Under the NJBCA, unless otherwise provided in the certificate of incorporation or the by-laws, vacancies on a board of directors and newly created directorships resulting from an increase in the authorized number of directors may be filled by the affirmative vote of a majority of the remaining directors, even if less than a quorum, or by the sole remaining director. A director so elected shall hold office until the next succeeding annual meeting of shareholders and until his or her successor shall have been elected and qualified.

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The restated certificate of incorporation of Holdco will provide that, subject to the rights of any series of preferred shareholders, any vacancies on the Holdco board of directors will be filled by the affirmative vote of a majority of the remaining directors even if those directors do not constitute a quorum, or by a sole remaining director. The directors elected to fulfill a vacancy will have a term of office expiring at the next annual meeting. Holdco s restated by-laws will provide that any directorship that is to be filled by reason of an increase in the authorized number of directors may be filled by the affirmative vote of two-thirds of the directors then in office.

Florida Rock. Under the FBCA, unless otherwise provided in the restated articles of incorporation, vacancies on a board of directors and newly created directorships resulting from an increase in the authorized number of directors may be filled by an affirmative vote of a majority of the remaining directors, though less than a quorum, or by the shareholders. A director so elected shall hold office until the next succeeding annual meeting of shareholders and until his or her successor shall have been elected and qualified. However, where shareholders of any voting group are entitled to elect a class of one or more directors by the provisions of the restated articles of incorporation, vacancies in such class may be filled by the shareholders of that voting group or by a majority of the directors then in office elected by such voting group or by a sole remaining director so elected. Unless the restated articles of incorporation provide otherwise, if no director elected by such voting group remains in office, then directors not elected by such voting group may fill vacancies.

The restated articles of incorporation and restated bylaws of Florida Rock provide that any vacancies on the board of directors of Florida Rock may be filled by the affirmative vote of a majority of the directors then in office, even if those directors do not constitute a quorum. Any director of any class elected to fill a vacancy, including a vacancy resulting from an increase in the number of directors, will hold office for a term coinciding with the remaining term of the class. The directors elected to fill a vacancy will have a term of office expiring at the annual meeting for the year in which his or her term expires and until his or her successor has been elected and qualified.

Limitation of Personal Liability of Directors and Officers

Holdco. The restated certificate of incorporation of Holdco will provide that neither a director nor an officer will be personally liable to Holdco or its shareholders for monetary damages for breach of any duty owed as a director or officer, except to the extent that the exemption from or limitation of liability is not permitted under the NJBCA.

The NJBCA provides that a corporation may include in its certificate of incorporation a provision eliminating or limiting the personal liability of a director or officer to the corporation or its shareholders for damages for breach of any duty owed to the corporation or its shareholders. However, the provision may not eliminate or limit the personal liability of a director or officer for any breach of duty based on an act or omission:

- in breach of the officer s or director s duty of loyalty to the corporation or its shareholders, which the director or officer knows or believes to be contrary to the best interests of the corporation or its shareholders in connection with a matter in which the director or officer has a material conflict of interest;
- not in good faith or involving a knowing violation of law; or
- resulting in receipt by the officer or director of an improper personal benefit.

Florida Rock. The FBCA provides that a director is not personally liable for monetary damages to the corporation or any other person for any statement, vote, decision or failure to act, regarding corporate management or policy, by a director, unless the director breached or failed to perform his or her duties as a director and the director s breach of, or failure to perform, those duties constitutes:

a violation of the criminal law, unless the director had reasonable cause to believe his or her conduct was lawful or had no reasonable cause to believe his or her conduct was unlawful;

a transaction from which the director derived an improper personal benefit;

unlawful payment of distributions;

in a proceeding by or in the right of the corporation, a conscious disregard for the best interest of the corporation, or willful misconduct; or

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in a proceeding by or in the right of someone other than the corporation or a shareholder, recklessness or an act or omission which was committed in bad faith or with malicious purpose or in a manner exhibiting wanton and willful disregard of human rights, safety, or property.

Subject to the limitations imposed by law, the Florida Rock restated bylaws provide that no person will be liable to Florida Rock for loss or damage from any action taken or omitted to be taken in good faith as a director or officer if such person exercised a certain degree of care or relied upon certain advice or statements which he or she had reasonable grounds to believe.

Indemnification of Directors and Officers

Holdco. The NJBCA provides that, subject to certain limitations and with the exception of actions brought by or in the right of a corporation by its shareholders in its name, a corporation may indemnify any person against expenses and liabilities incurred in connection with any action, suit or proceeding involving the person by reason of his being or having been a director, officer, employee or agent of the corporation, or serving in that capacity for another enterprise at the request of the corporation. In each instance, unless ordered by a court, indemnification must be authorized by a majority vote of a quorum consisting of directors who were not parties to or otherwise involved in the proceeding, if such quorum is not obtainable (or if obtainable and so directed by a majority of the disinterested directors) by independent legal counsel in a written opinion or by the shareholders. Indemnification is only permitted if the person:

acted in good faith and in a manner he or she reasonably believed to be in or not opposed to the best interests of the corporation; and

in a criminal proceeding, had no reasonable cause to believe his or her conduct was unlawful.

The NJBCA also permits indemnification by a corporation under similar circumstances for expenses paid or incurred by directors, officers, employees or agents in connection with actions brought by or in the right of the corporation by its shareholders in its name, except that no indemnification may be made in respect of any claim, issue or matter as to which the person is adjudged to be liable to the corporation unless the New Jersey Superior Court or the court in which the action was brought determines upon application that the person is fairly and reasonably entitled to indemnity for the expenses which the court deems to be proper.

The NJBCA requires a corporation to indemnify a director, officer, employee or agent against expenses if the director, officer, employee or agent has been successful on the merits or otherwise in any such action, suit or proceeding or in defense of any related claim, issue or matter. Expenses paid or incurred by a director, officer, employee or agent in connection with any action, suit or proceeding may be paid in advance of the final disposition of the action, suit or proceeding upon receipt of an undertaking by or on behalf of that person to repay the amount if it is ultimately determined that that person is not entitled to indemnification.

Holdco s restated by-laws will require Holdco to indemnify and hold harmless any director, officer, employee or agent of Holdco to the full extent permitted under the NJBCA.

Florida Rock. Under the FBCA, a corporation may indemnify any person who was or is a party to any proceeding (other than an action by, or in the right of, the corporation), by reason of the fact that he or she is or was a director, officer, employee or agent of the corporation, or serving in that capacity for another enterprise at the request of the corporation, if he or she acted in good faith and in a manner that he or she reasonably believed to be in, or not opposed to, the best interests of the corporation, and in criminal proceedings, had no reasonable cause to believe his or her conduct was unlawful. In the case of shareholder derivative suits, the corporation may indemnify a director or officer

if he or she acted in good faith and in a manner that he or she reasonably believed to be in, or not opposed to, the best interests of the corporation, except that no indemnification may be made in respect of any claim, issue or matter as to which such individual has been adjudged to be liable to the corporation, unless and only to the extent that the court in which the action was brought, or any other court of competent jurisdiction, determines, upon application, that, in view of all the circumstances of the case, the individual is fairly and reasonably entitled to indemnity for the portion of the settlement amount and expenses as the court deems proper.

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Any director or officer who has been successful on the merits or otherwise in the defense of a civil or criminal action or proceeding will be entitled to indemnification. Except as provided in the preceding sentence, unless ordered by a court, any indemnification under the FBCA as described in the immediately preceding paragraph may be made only if authorized in the specific case and after a finding that the director or officer met the requisite standard of conduct by a majority of the disinterested directors if a quorum is available, or, if the quorum so directs or is unavailable, by (1) the board of directors upon the written opinion of independent legal counsel or (2) the shareholders.

The restated articles of incorporation require Florida Rock to indemnify directors and officers from all claims and liabilities to which they become subject by reason of their service as a director or officer in accordance with Florida law. Florida Rock has entered into indemnification agreements with each of its directors and officers requiring Florida Rock to indemnify them to the full extent permitted under Florida law.

Transactions Involving Officers or Directors

Holdco. The NJBCA provides that a corporation may lend money to, or guarantee any obligation of, or otherwise assist, any director, officer or employee of the corporation or of any subsidiary, if, in the judgment of the directors, such loan, guarantee or assistance may reasonably be expected to benefit the corporation.

Any contract or transaction between a corporation and one or more of its directors or between a corporation and another corporation, firm or association in which one or more of its directors is a director or otherwise interested is neither void nor voidable solely by reason of such common directorship or interest, or solely because such interested director or directors are present at the meeting of the board or board committee which authorizes or approves the contract or transaction, or solely because his or their votes are counted for such purpose, if any one of the following is true:

the contract or other transaction is fair and reasonable as to the corporation at the time it is authorized, approved or ratified; or

the fact of the common directorship or interest is disclosed or known to the board or committee and the board or committee authorizes, approves, or ratifies the contract or transaction by unanimous written consent, provided at least one director so consenting is disinterested, or by affirmative vote of a majority of the disinterested directors, even if less than a quorum; or

the fact of the common directorship or interest is disclosed or known to the shareholders, and they authorize, approve or ratify the contract or transaction.

Florida Rock. Under the FBCA, a corporation may lend money to, guarantee any obligation of, or otherwise assist, any director, officer or employee of the corporation or of a subsidiary, if, in the judgment of the directors, such loan, guaranty or assistance may reasonably be expected to benefit the corporation.

Florida Rock s restated articles of incorporation provide that no contract, act or other transaction between Florida Rock and any other persons, firm or corporation, in the absence of fraud, will be invalidated, vitiated or in any way affected by the fact that any one of the directors of Florida Rock is or are (i) a party or parties to or interested in such contract, act or transaction or (ii) interested in or a director or officer of such other corporation.

Similarly, under the FBCA, no contract or transaction between a corporation and any of its directors, or any other corporation, firm, association or entity in which any of its directors is a director or officer or financially interested is void or voidable for this reason alone, or by presence of the director at any meeting approving the transaction, or by

the director s vote being counted for approval of the transaction if:

the interest of the director is disclosed or otherwise known to the board of directors or committee that authorized the transaction by sufficient vote (without counting the interested director s vote); or

the interest of the director is disclosed or otherwise known to the shareholders and the shareholders approve or ratify the transaction; or

the transaction is fair and reasonable as to the corporation at the time it was approved by the board of directors, a committee or the shareholders.

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Mergers, Acquisitions, Asset Purchases and Certain Other Transactions

Holdco. Under the NJBCA, a merger, consolidation or sale of all or substantially all of a corporation s assets must be approved by the board of directors. Upon such approval of merger, plan of consolidation or sale of assets, the board is required to direct that the transaction be submitted to a vote at a meeting of shareholders. Written notice shall be given at least 20 but not later than 60 days before such meeting to each shareholder of record.

At each such meeting, a vote of the shareholders shall be taken on the proposed sale of assets or plan of merger or consolidation. Such sale of assets or plan of merger or consolidation shall be approved upon receiving the affirmative vote of a majority of votes cast, and, in addition, if any class or series is entitled to vote thereon as a class, the affirmative vote of a majority of the votes cast in each class vote. Any class or series of shares is entitled to vote as a class if the plan of merger or consolidation, as the case may be, contains any provision which, if contained in a proposed amendment to the certificate of incorporation, would entitle the class or series of shares to vote as a class unless the provision is one which could be adopted by the board without shareholder approval.

However, the approval of the shareholders of a surviving corporation is not required to authorize a merger (unless its certificate of incorporation otherwise provides) if:

- the plan of merger does not make an amendment to the certificate of incorporation of the surviving corporation which is required by the NJBCA to be approved by the shareholders;

- each shareholder of the surviving corporation whose shares were outstanding immediately before the effective date of the merger will hold the same number of shares, with identical designations, preferences, limitations, and rights, immediately after;

- the number of voting shares outstanding immediately after the merger, plus the number of voting shares issuable on conversion of other securities or on exercise of rights and warrants issued pursuant to the merger, will not exceed by more than 40% the total number of voting shares of the surviving corporation outstanding immediately before the merger; and

- the number of participating shares outstanding immediately after the merger, plus the number of participating shares issuable on conversion of other securities or on exercise of rights and warrants issued pursuant to the merger, will not exceed by more than 40% the total number of participating shares of the surviving corporation outstanding immediately before the merger.

Holdco s restated certificate of incorporation and restated by-laws will not change these provisions.

Florida Rock. Under the FBCA, a merger, share exchange or sale of all or substantially all of the assets of a corporation requires (a) the board of directors to adopt and (b) the shareholders to approve, by affirmative vote of a majority of the outstanding stock of the corporation entitled to vote thereon, a plan of merger, share exchange or sale of all or substantially all of the corporation s assets. The FBCA allows the board of directors or the articles of incorporation to establish a higher vote requirement.

Unless otherwise required by the articles of incorporation, the FBCA does not require approval of a merger by the shareholders of the surviving corporation if:

the articles of the surviving corporation will not differ, with certain exceptions, from its articles before the merger and each shareholder of the surviving corporation whose shares were outstanding immediately prior to the merger will hold the same number of shares, with identical designations, preferences, limitations and relative rights, immediately after the merger; and

the merger is of a subsidiary into a parent, provided the parent owns at least 80% of the subsidiary.

The restated articles of incorporation of Florida Rock require the affirmative vote of the holders of at least 75% of the shares of stock entitled to vote thereon for the approval or authorization of certain business combinations with related parties.

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Anti-Takeover Provisions

Holdco.

Holdco s Restated Certificate of Incorporation. Holdco s restated certificate of incorporation will provide that business combinations with interested shareholders require the affirmative vote of the holders of at least 80% of the outstanding shares of capital stock of Holdco issued and outstanding and entitled to vote.

New Jersey Corporation Takeover Bid Disclosure Law. The New Jersey Corporation Takeover Bid Disclosure Law requires, among other things, that any person making an offer to purchase in excess of 10% (or such amount which, when aggregated with such person s present holdings, exceeds 10% of any class of equity securities) of any corporation or other issuer of securities organized under the laws of New Jersey, within 20 days before the offer is made, file a disclosure statement with the target company and with the Bureau of Securities of the Division of Consumer Affairs of the New Jersey Department of Law and Public Safety (the Bureau). These provisions do not apply to an offer as to which the target company s board of directors recommends acceptance to its shareholders.

Such a takeover bid may not proceed until after the receipt by the filing party of the Bureau s permission. Such permission may not be denied unless the Bureau, after a public hearing, finds that (i) the financial condition of the offeror is such as to jeopardize the financial stability of the target company or prejudice the interests of any employees or security holders who are unaffiliated with the offeror, (ii) the terms of the offer are unfair or inequitable to the security holders of the target company, (iii) the plans and proposals which the offeror has to make any material change in the target company s business, corporate structure, or management are not in the interest of the target company s remaining security holders or employees, (iv) the competence, experience and integrity of those persons who would control the operation of the target company are such that it would not be in the interest of the target company s remaining security holders or employees to permit the takeover, or (v) the terms of the takeover bid do not comply with certain provisions of the New Jersey Corporation Takeover Bid Disclosure Law.

New Jersey Shareholders Protection Act. Under the New Jersey Shareholders Protection Act certain business combinations between a resident domestic corporation and its interested shareholders are restricted. An interested stockholder generally is (i) a person that beneficially owns 10% or more of the voting power of the corporation, or (ii) an affiliate or associate of the corporation that held a 10% or greater beneficial ownership interest at any time within the prior five years. A business combination includes any merger or consolidation of the resident domestic corporation or any of its subsidiaries with the interested stockholder or a corporation affiliated or associated with the interested stockholder. Business combinations also include any sale, lease, exchange, mortgage, pledge, transfer or other disposition to or with the interested stockholder or its affiliate or associate of more than 10% of the corporation s assets; the issuance or transfer to the interested stockholder or its affiliate or associate of stock with a value greater than 5% of the corporation s outstanding stock; the adoption of a plan of liquidation or dissolution pursuant to an arrangement or agreement with the interested stockholder or its affiliate or associate; and various other significant transactions.

The New Jersey Shareholders Protection Act does not apply to a business combination with an interested stockholder if the corporation was not listed on a national securities exchange at the time the interested stockholder acquired his or its 10% interest in the corporation (the share acquisition date). Otherwise, the Act generally prohibits a resident domestic corporation from engaging in a business combination with an interested stockholder for a period of five years following the share acquisition date unless the business combination is approved by the corporation s board of directors prior to the share acquisition date. In addition to the five-year restriction reference previously, a business combination with an interested stockholder is prohibited at any time unless any one of the following three conditions

are satisfied:

the board of directors approves the business combination prior to the share acquisition date;

the holders of two-thirds of the corporation s voting stock not beneficially owned by the interested stockholder approve the business combination by an affirmative vote; or

the transaction meets certain requirements designed to ensure, among other things, that the shareholders unaffiliated with the interested stockholder receive for their shares the higher of (i) the maximum price paid by the interested stockholder during the five years preceding the announcement date or the date the

interested stockholder became such, whichever is higher, or (ii) the market value of the corporation s common stock on the announcement date or the interested stockholder s share acquisition date, whichever yields a higher price.

Florida Rock.

Florida Rock s Restated Articles of Incorporation. The restated articles of incorporation of Florida Rock require the affirmative vote of the holders of at least seventy-five percent (75%) of the shares of stock entitled to vote thereon for the approval or authorization of certain business combinations with related parties.

Affiliated Transactions. The FBCA contains provisions governing affiliated transactions designed to deter uninvited takeovers of Florida corporations. Under these provisions, an affiliated transaction must be approved by the affirmative vote of the holders of two-thirds of the voting shares, other than shares beneficially owned by the interested shareholder, except for certain exceptions discussed below. An interested shareholder is any holder of more than 10% of the outstanding voting shares of the corporation. An affiliated transaction includes any merger or consolidation of the corporation or any of its subsidiaries with the interested shareholder or a corporation affiliated or associated with the interested shareholder. Affiliated transactions also include any sale, lease, exchange, mortgage, pledge, transfer or other disposition to or with the interested shareholder or its affiliate or associate of more than 5% of the corporation s assets; the issuance or transfer to the interested shareholder or its affiliate or associate of stock with a value greater than 5% of the corporation s outstanding stock; the adoption of a plan of liquidation or dissolution pursuant to an arrangement or agreement with the interested shareholder or its affiliate or associate; and various other significant transactions.

Shareholder approval of an affiliated transaction is not required, however, if:

the affiliated transaction has been approved by a majority of the disinterested directors;

the corporation has not had more than 300 shareholders of record at any time during the three years preceding the announcement date;

the interested shareholder has been the beneficial owner of at least 80% of the corporation s outstanding voting shares for at least five years preceding the announcement date;

the interested shareholder is the beneficial owner of at least 90% of the outstanding voting shares, excluding shares acquired directly from the corporation in transactions not approved by a majority of the disinterested directors;

the corporation is an investment company registered under the Investment Company Act of 1940; or

the price paid to shareholders in connection with the affiliated transaction meets the statutory test of fairness.

Control Share Acquisitions. In addition, the FBCA provides that any acquisition by a person, either directly or indirectly, of ownership of, or the power to direct the voting of 20% or more (control shares) of the outstanding voting securities of, a corporation is a control-share acquisition.

The FBCA provides that shares acquired in a control-share acquisition will have the same voting rights as were accorded such shares before the control share acquisition only to the extent granted by resolution approved by shareholders. To be approved, the resolution must be approved by each class or series entitled to vote separately on the proposal by a majority of all votes entitled to be cast by the class or series (exclusive of shares held by officers of

such corporation, inside directors or the acquiring party). Any person who proposes to make or has made a control-share acquisition may at the person s election deliver an acquiring person statement to the target corporation and request a special meeting of the shareholders for the purpose of considering the voting rights to be accorded to the control shares. A special meeting of shareholders must be held by the corporation to approve a control-share acquisition within fifty days after a request for such meeting is submitted by the person seeking to acquire control.

If authorized in a corporation s articles of incorporation or bylaws before a control-share acquisition has occurred and if no acquiring person statement has been filed with the corporation, control shares acquired in a control-share acquisition may, at any time for a period of 60 days after the last acquisition of control shares, be

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subject to redemption by the corporation at the fair value of the shares. Control shares acquired in a control-share acquisition are not subject to redemption after an acquiring person statement has been filed unless the shares are not accorded full voting rights by the shareholders.

The Florida Rock restated articles of incorporation have opted out of the control share acquisition provisions of the FBCA.

Rights of Dissenting Shareholders

Holdco. Under the NJBCA, dissenting shareholders who comply with certain procedures are entitled to appraisal rights in connection with the merger, consolidation or sale, lease, exchange or other disposition of all or substantially all of the assets of a corporation not in the usual or regular course of business, unless the certificate of incorporation otherwise provides. However, a shareholder shall not have the right to dissent when (unless the certificate of incorporation provides otherwise) (i) the shares to vote on such transaction are listed on a national securities exchange or held of record by 1,000 or more shareholders (or shareholders receive in such transaction cash and/or securities which are listed on a national securities exchange or held of record by 1,000 or more shareholders) or (ii) no vote of the corporation s shareholders is required for the proposed transaction.

Florida Rock. Under the FBCA, dissenting holders of common stock who follow prescribed statutory procedures are entitled to appraisal rights in certain circumstances, including in the case of a merger or share exchange, a sale of all of substantially all the assets of a corporation or amendments to the articles of incorporation that adversely affect the rights or preferences of such shareholder. These rights are not provided when the dissenting shareholders are shareholders of a corporation surviving a merger where no vote of the shareholders is required for the merger, or if the shares of the corporation are listed on a national securities exchange, designated as a national market system security by the National Association of Securities Dealers, Inc. or held of record by more than 2,000 shareholders and have a value in excess of $10 million, excluding the value of shares held by subsidiaries, senior executives, directors and shareholders owning more than 10 percent of the shares.

Dividends

Holdco. Under the NJBCA, subject to any restrictions contained in the certificate of incorporation, a corporation may, from time to time, by resolution of its board, pay dividends on its shares in cash, in its own shares, in its bonds or in other property, including the shares or bonds of other corporations. However, a corporation may not pay dividends if after paying dividends:

the corporation would be unable to pay its debts as they become due in the usual course of its business; or

its total assets would be less than its total liabilities.

Florida Rock. Florida Rock s restated bylaws permit the corporation to pay dividends to its shareholders on approval of its board of directors in the manner and on the terms prescribed by its restated articles of incorporation and the FBCA without impairing the business of the corporation and as the business and profits of the corporation may justify.

Under the FBCA, a corporation may not pay dividends to its shareholders, if, after giving effect to the dividend, either:

the corporation would not be able to pay its debts as they become due in the usual course of business; or

the corporation s total assets would be less than the sum of its total liabilities plus (unless the articles of incorporation permit otherwise) the amount that would be needed, if the corporation were to be dissolved at the time of the distribution, to satisfy the preferential dissolution rights of shareholders whose preferential rights are superior to those receiving the distribution.

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LEGAL MATTERS

William F. Denson III, Esq., counsel for Vulcan, will pass on the validity of the Holdco common stock to be issued to Florida Rock shareholders in the Florida Rock merger. It is a condition to the completion of the mergers that Vulcan receive an opinion from Wachtell, Lipton, Rosen & Katz to the effect that the Vulcan merger will not be a taxable transaction for U.S. federal income tax purposes and Florida Rock receive an opinion from Weil, Gotshal & Manges LLP, counsel to Florida Rock, to the effect that the mergers will constitute exchanges to which Section 351 of the Internal Revenue Code applies. Please see The Merger Agreement Conditions to the Completion of the Mergers and The Mergers Material Federal Income Tax Consequences.

EXPERTS

The consolidated financial statements and the related financial statement schedule and management s report on the effectiveness of internal control over financial reporting of Vulcan and its subsidiary companies included in this proxy statement/prospectus, and the financial statements from which the Selected Historical Financial Data included in this proxy statement/prospectus have been derived have been audited by Deloitte & Touche LLP, an independent registered public accounting firm, as stated in their reports appearing herein (which reports (1) express an unqualified opinion on the financial statements and financial statement schedule and include an explanatory paragraph referring to Vulcan s adoption of SFAS 123(R), Share-Based Payment; SFAS 158, Employer s Accounting for Defined Benefit Pension and Other Postretirement Plans, an amendment of FASB Statements No. 87, 88, 106, and 132(R); and EITF Issue No. 04-6, Accounting for Stripping Costs Incurred During Production in the Mining Industry, (2) express an unqualified opinion on management s assessment regarding the effectiveness of internal control over financial reporting, and (3) express an unqualified opinion on the effectiveness of internal control over financial reporting). Such financial statements, related financial statement schedule, management s report on the effectiveness of internal control over financial reporting and Selected Historical Financial Data have been included herein in reliance upon the reports of such firm given upon their authority as experts in accounting and auditing.

The consolidated financial statements and schedules of Florida Rock as of September 30, 2006 and 2005, and for the years then ended, and Florida Rock management s assessment of the effectiveness of internal control over financial reporting and the effectiveness of internal control over financial reporting as of September 30, 2006, have been incorporated by reference herein in reliance upon the reports of KPMG LLP, independent registered public accounting firm, incorporated by reference herein, and upon the authority of said firm as experts in accounting and auditing. The audit report covering the September 30, 2006 financial statements refers to a change in the method of computing share-based compensation as of October 1, 2005.

The financial statements and the related financial statement schedules of Florida Rock for the year ended September 30, 2004 incorporated in this proxy/prospectus by reference from Florida Rock s Annual Report on Form 10-K for the year ended September 30, 2006 have been audited by Deloitte & Touche LLP, an independent registered public accounting firm, as stated in their report, which is incorporated herein by reference, and have been so incorporated in reliance upon the report of such firm given upon their authority as experts in accounting and auditing.

SHAREHOLDER PROPOSALS

From time to time, certain Florida Rock shareholders submit proposals they believe should be voted upon by the shareholders. The SEC has adopted regulations that govern the inclusion of such proposals in the annual meeting proxy materials.

Florida Rock will hold a 2008 annual meeting of shareholders only if the Florida Rock merger has not already been completed. If such a meeting is held, shareholder proposals for inclusion in Florida Rock s proxy statement and form of proxy relating to the Florida Rock 2008 annual meeting of shareholders must be received by Florida Rock at its corporate offices in Jacksonville, Florida by August 29, 2007. Florida Rock may solicit proxies in connection with the annual meeting which confer discretionary authority to vote on any shareholder proposals of which Florida Rock does not receive notice by November 12, 2007.

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WHERE YOU CAN FIND MORE INFORMATION

Vulcan and Florida Rock file annual, quarterly and special reports, proxy statements and other information with the SEC under the Exchange Act. You may read and copy this information at the SEC s Public Reference Room, 100 F Street, N.E., Washington, D.C. 20549, or at the SEC s public reference rooms in New York, New York or Chicago, Illinois. You may also obtain copies of this information by mail from the Public Reference Section of the SEC, 100 F Street, N.E., Washington, D.C. 20549, at prescribed rates. The SEC also maintains an Internet website that has reports, proxy statements and other information about issuers, like Florida Rock and Vulcan, that make electronic filings with the SEC. The address of that site is www.sec.gov.

Holdco filed a registration statement on Form S-4 to register with the SEC the Holdco common stock to be issued to Florida Rock shareholders in the Florida Rock merger. This proxy statement/prospectus is a part of that registration statement and constitutes a prospectus of Holdco in addition to being a proxy statement of Florida Rock for the special meeting. In addition, we have attached certain filings made by Vulcan with the SEC as Annexes to this proxy statement/prospectus. As permitted by the SEC rules, this proxy statement/prospectus does not contain all the information that you can find in the registration statement or the exhibits to that statement.

The SEC allows us to incorporate by reference information into this proxy statement/prospectus. This means that we can 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 document, except for any information superseded by information in this document. This proxy statement/prospectus incorporates by reference the documents set forth below that we have previously filed with the SEC. These documents contain important information about our companies and their financial performance.

You may also find more information by visiting the Vulcan and Florida Rock websites at www.vulcanmaterials.com and www.flarock.com, respectively.

Florida Rock SEC Filings

(File No. 001-07159)	**Period**
Annual Report on Form 10-K	Fiscal year ended September 30, 2006
Quarterly Reports on Form 10-Q	Quarter ended December 31, 2006
Proxy Statement on Schedule 14A	Annual meeting held February 7, 2007
Current Reports on Form 8-K	October 11, 2006, December 13, 2006, February 21, 2007, February 27, 2007
Description of Florida Rock s common stock set forth in Florida Rock s registration statements filed pursuant to Section 12 of the Exchange Act, including any amendment or report filed for the purpose of updating such description	Filed on February 17, 1998

We are also incorporating by reference additional documents that Florida Rock files with the SEC between the date of this proxy statement/prospectus and the later of the date of the special meeting and the election deadline.

Vulcan has supplied all information contained in or found in an Annex to this proxy statement/prospectus relating to Vulcan, and Florida Rock has supplied all information contained or incorporated by reference in this proxy

statement/prospectus relating to Florida Rock.

You may already have been sent some of the documents incorporated by reference, but you can obtain any of them from us or the SEC. Documents incorporated by reference and any other SEC filings made by the companies are available from us without charge, excluding all exhibits, unless we have specifically incorporated by reference an exhibit in this proxy statement/prospectus. Shareholders may obtain these documents incorporated by reference

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and any other SEC filings made by the companies by requesting them in writing or by telephone from the appropriate party at the following address:

Vulcan Materials Company
1200 Urban Center Drive
Birmingham, Alabama 35242
205-298-3000

Florida Rock Industries, Inc.
155 East 21st Street
Jacksonville, Florida 32206
904-355-1781

If you would like to request documents from us, please do so by [ ] to receive them before the Florida Rock special shareholders meeting. We shall send the documents by first-class mail within one business day of receiving your request.

You can also get more information by visiting Vulcan s web site at www.vulcanmaterials.com and Florida Rock s website at www.flarock.com. Website materials are not part of this proxy statement/prospectus.

You should rely only on the information contained or incorporated by reference in this proxy statement/prospectus to vote on the Florida Rock merger proposal. If information is given or representations are made, you may not rely on that information or those representations as having been authorized by Florida Rock or Vulcan. We have not authorized anyone to provide you with information that is different from what is contained in this document. This proxy statement/prospectus is neither an offer to sell nor a solicitation of an offer to buy any securities other than those registered by this proxy statement/prospectus, nor is it an offer to sell or a solicitation of an offer to buy securities where an offer or solicitation would be unlawful. This proxy statement/prospectus is dated [ ], 2007. You should not assume that the information in it is accurate as of any date other than that date, and neither its mailing to shareholders nor the issuance of Holdco common stock in the transaction shall create any implication to the contrary.

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Annex A

AGREEMENT AND PLAN OF MERGER

dated as of February 19, 2007

by and among

VULCAN MATERIALS COMPANY

FLORIDA ROCK INDUSTRIES, INC.

VIRGINIA HOLDCO, INC.

VIRGINIA MERGER SUB, INC.

and

FRESNO MERGER SUB, INC.

(This Composite reflects Amendment No. 1 dated April 9, 2007)

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AGREEMENT AND PLAN OF MERGER dated as of February 19, 2007 (this Agreement) is by and among Vulcan Materials Company, a New Jersey corporation (Vulcan), Florida Rock Industries, Inc., a Florida corporation (Florida Rock), Virginia Holdco, Inc., a New Jersey corporation and a direct wholly owned subsidiary of Vulcan (Holdco), Virginia Merger Sub, Inc., a New Jersey corporation and a direct wholly owned subsidiary of Holdco (Virginia Merger Sub), and Fresno Merger Sub, Inc., a Florida corporation and a direct wholly owned subsidiary of Holdco (Fresno Merger Sub and, together with Virginia Merger Sub, the Merger Subs).

WHEREAS, the Board of Directors of Vulcan has approved, and deems it advisable and in the best interests of its shareholders to consummate, the Vulcan Merger (as defined in Section 1.3(a)) in which the issued and outstanding shares of capital stock of Vulcan will be converted into shares of capital stock of Holdco;

WHEREAS, the Board of Directors of Florida Rock has approved, and deems it advisable and in the best interests of its shareholders to consummate, the Florida Rock Merger (as defined in Section 1.3(b)) in which the issued and outstanding shares of capital stock of Florida Rock will be converted into the right to receive shares of capital stock of Holdco or cash;

WHEREAS, Vulcan and Florida Rock desire to make certain representations, warranties and agreements in connection with the Mergers (as defined in Section 1.3(b)) and also to prescribe various conditions to the Mergers;

WHEREAS, for Federal income Tax purposes, (i) it is intended that the exchange of Florida Rock Common Stock and Vulcan Common Stock for Holdco Common Stock pursuant to the Mergers, taken together, shall qualify as an exchange described in Section 351 of the Internal Revenue Code of 1986, as amended (the Code), which is undertaken pursuant to a single integrated plan; (ii) it is intended that the Vulcan Merger shall qualify as a reorganization within the meaning of Section 368(a) of the Code; and (iii) the parties intend, by executing this Agreement, to adopt a plan of reorganization within the meaning of Treasury Regulation Section 1.368-2(g); and

WHEREAS, as a condition and inducement to Vulcan s willingness to enter into this Agreement, certain members and affiliates of the Baker Family (collectively with their affiliates and family members, Baker Group) are entering into a support agreement dated as of the date hereof in the form of Exhibit A hereto (the Support Agreement), pursuant to which, among other things, the Baker Group has agreed to vote certain shares of Florida Rock Common Stock beneficially owned by the Baker Group in favor of approval of this Agreement, to make a Stock Election (as defined herein) with respect to certain of those shares, and not to sell or otherwise transfer those shares prior to the termination of such Support Agreement in accordance with its terms;

NOW, THEREFORE, in consideration of the foregoing and the respective representations, warranties, covenants and agreements set forth herein, the parties agree as follows:

ARTICLE I

THE MERGERS

1.1. *Organization of Holdco*. Vulcan has caused Holdco to be organized under the laws of the State of New Jersey and owns all of the capital stock of Holdco. The authorized capital stock of Holdco consists of 100 shares of common stock, par value $0.01 per share (the Holdco Common Stock), of which one share has been issued to Vulcan, which share of Holdco Common Stock is validly issued, fully paid and nonassessable, and is owned by Vulcan free and clear of any liens (statutory or other), pledges, charges, encumbrances and security interests whatsoever (Liens).

1.2. *Organization of Merger Subs*. Vulcan has caused Holdco to organize, and Holdco has organized, Fresno Merger Sub under the laws of the State of Florida and Virginia Merger Sub under the laws of the State of New Jersey. The

authorized capital stock of Fresno Merger Sub consists of 100 shares of common stock, par value $0.01 per share, all of which are validly issued, fully paid and nonassessable, and are owned by Holdco free and clear of any Liens. The authorized capital stock of Virginia Merger Sub consists of 100 shares of common stock, par value $0.01 per share, all of which are validly issued, fully paid and nonassessable, and are owned by Holdco free and clear of any Liens.

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1.3. *The Mergers*. (a) At the Initial Effective Time (as defined in Section 1.4(a)), Virginia Merger Sub shall be merged with and into Vulcan (the Vulcan Merger). Vulcan will be the surviving corporation in the Vulcan Merger (the Vulcan Surviving Corporation), and the separate existence of Virginia Merger Sub shall cease. As a result of the Vulcan Merger, Vulcan shall become a wholly owned Subsidiary of Holdco.

(b) At the Effective Time (as defined in Section 1.4(b)), Fresno Merger Sub shall be merged with and into Florida Rock (the Florida Rock Merger and together with the Vulcan Merger, the Mergers). Florida Rock will be the surviving corporation in the Florida Rock Merger (the Florida Rock Surviving Corporation), and the separate existence of Fresno Merger Sub shall cease. As a result of the Florida Rock Merger, Florida Rock shall become a wholly owned Subsidiary of Holdco.

(c) The Florida Rock Merger will have the effects set forth in the Florida Business Corporation Act (the FBCA), and the Vulcan Merger will have the effects set forth in the New Jersey Business Corporation Act (the NJBCA).

1.4. *Effective Time of the Mergers*. Subject to the provisions of this Agreement, on the Closing Date (as defined in Section 1.5), the parties shall (and shall cause their Subsidiaries to) cause the following to occur:

(a) Virginia Merger Sub and Vulcan shall execute and deliver for filing a certificate of merger (the Vulcan Certificate of Merger) to the Secretary of State of the State of New Jersey, in such form and manner provided in the NJBCA and shall make all other filings or recordings required under the NJBCA to effect the Vulcan Merger. The Vulcan Merger shall become effective upon the filing of the Vulcan Certificate of Merger (such time of filing, the Initial Effective Time).

(b) Immediately following the Initial Effective Time, Fresno Merger Sub and Florida Rock shall execute and deliver for filing articles of merger (the Florida Rock Articles of Merger) to the Department of State of the State of Florida, in such form and manner provided in the FBCA and shall make all other filings or recordings required under the FBCA to effect the Florida Rock Merger. The Florida Rock Merger shall become effective one minute following the Initial Effective Time (such time, the Effective Time).

1.5. *Closing*. The closing of the Mergers (the Closing) will take place at 10:00 a.m., New York City time, on the date (the Closing Date) that is the second business day after the satisfaction or waiver (subject to applicable law) of the conditions set forth in Article VI (excluding conditions that, by their terms, are to be satisfied on the Closing Date, but subject to the satisfaction or waiver of such conditions), unless another time or date is agreed to in writing. The Closing shall be held at the offices of Wachtell, Lipton, Rosen & Katz, 51 West 52nd Street, New York, New York 10019, unless another place is agreed to in writing.

1.6. *Charters and Bylaws of the Surviving Corporations and Holdco*. (a) Subject to Section 5.10, at the Effective Time, the Restated Articles of Incorporation, as amended, of Florida Rock (the Florida Rock Charter) and Restated Bylaws, as amended, of Florida Rock (the Florida Rock Bylaws) shall be amended so as to read in their entirety as the articles of incorporation and bylaws of Fresno Merger Sub as in effect immediately prior to the Effective Time, except for the incorporator and except that the Florida Rock Surviving Corporation shall retain Florida Rock s name.

(b) At the Initial Effective Time, the Restated Certificate of Incorporation, as amended, of Vulcan (the Vulcan Charter) and Restated By-laws, as amended (the Vulcan By-laws) shall be amended so as to read in their entirety as the certificate of incorporation and by-laws of Virginia Merger Sub as in effect immediately prior to the Initial Effective Time, except for the incorporator and except that the Vulcan Surviving Corporation shall be named VMC Corp.

(c) The certificate of incorporation and by-laws of Holdco shall be amended so that following the Initial Effective Time they will contain provisions identical to the Vulcan Charter and Vulcan By-laws, respectively, except the name of Holdco shall be Vulcan Materials Company effective as of the Initial Effective Time and except for any other changes required by, or permitted under, Section 14A:10-3 of the NJBCA, or any successor provision thereto.

1.7. *Directors*. The directors of Fresno Merger Sub at the Effective Time shall be the initial directors of the Florida Rock Surviving Corporation, each to hold office in accordance with the articles of incorporation and bylaws

of the Florida Rock Surviving Corporation until such director s successor is duly elected and qualifies. The directors of Virginia Merger Sub at the Initial Effective Time shall be the initial directors of the Vulcan Surviving Corporation, each to hold office in accordance with the certificate of incorporation and by-laws of the Vulcan Surviving Corporation until such director s successor is duly elected and qualified. In accordance with Section 14A:10-3(6) of the NJBCA, the directors of Vulcan at the Initial Effective Time shall be directors of Holdco at the Initial Effective Time, each to hold office in accordance with the certificate of incorporation and by-laws of Holdco until such director s successor is duly elected and qualified.

1.8. *Officers*. The officers of Florida Rock at the Effective Time shall be the initial officers of the Florida Rock Surviving Corporation, each to hold office in accordance with the articles of incorporation and bylaws of the Florida Rock Surviving Corporation until such officer s successor is duly elected and qualifies, subject to earlier termination by removal or resignation. The officers of Vulcan at the Initial Effective Time shall be the initial officers of the Vulcan Surviving Corporation, each to hold office in accordance with the certificate of incorporation and by-laws of the Vulcan Surviving Corporation until such officer s successor is elected and has qualified, subject to earlier termination by removal or resignation. The officers of Vulcan at the Initial Effective Time shall be the officers of Holdco at the Initial Effective Time, each to hold office in accordance with the certificate of incorporation and by-laws of Holdco.

ARTICLE II

EFFECTS OF THE MERGERS

2.1. *Conversion of Florida Rock Securities*. At the Effective Time, by virtue of the Florida Rock Merger and without any action on the part of Holdco, Fresno Merger Sub, Florida Rock or the holders of any of the following securities:

(a) *Conversion of Florida Rock Common Stock*. Each common share, par value $0.10 per share, of Florida Rock (Florida Rock Common Stock) issued and outstanding immediately prior to the Effective Time (other than any Excluded Shares (as defined in Section 2.1(b)) shall, subject to Sections 2.3 and 2.5(d), be converted into the right to receive the following consideration (the Florida Rock Consideration):

(i) Each share of Florida Rock Common Stock with respect to which an election to receive cash (a Cash Election) has been effectively made and not revoked or lost pursuant to Section 2.2 (each, a Cash Electing Florida Rock Share) shall be converted into the right to receive $67.00 in cash without interest (the Cash Consideration), subject to adjustment in accordance with Section 2.1(d).

(ii) Each share of Florida Rock Common Stock with respect to which an election to receive stock consideration (a Stock Election) has been properly made and not revoked or lost pursuant to Section 2.2 (each, a Stock Electing Florida Rock Share and, together with each Cash Electing Florida Rock Shares, an Electing Florida Rock Share) shall be converted into the right to receive 0.63 shares (the Exchange Ratio), subject to adjustment in accordance with Section 2.1(d), of validly issued, fully paid and non assessable shares of Holdco Common Stock (together with any cash in lieu of fractional shares of Holdco Common Stock to be paid pursuant to Section 2.5(d), the Stock Consideration).

(iii) Each share of Florida Rock Common Stock other than shares of Florida Rock Common Stock with respect to which a Cash Election or a Stock Election has been properly made and not revoked or lost pursuant to Section 2.2 (each, a Non-Electing Florida Rock Share) shall be converted into the right to receive the Cash Consideration or the Stock Consideration or a combination of both, subject to Section 2.3.

(b) *Florida Rock and Vulcan-Owned Shares*. Each share of Florida Rock Common Stock owned by Florida Rock or Fresno Merger Sub (Cancelled Shares), in each case immediately prior to the Effective Time, shall be cancelled without any conversion thereof, and no consideration shall be paid with respect thereto. Each share of Florida Rock Common Stock owned by Vulcan or any direct or indirect wholly owned Subsidiary of Florida Rock or Vulcan, other than Fresno Merger Sub (the Converted Shares and, together with the Cancelled Shares, the Excluded Shares), in each case immediately prior to the Effective Time, shall

be converted into the right to receive the Stock Consideration. The Stock Consideration paid pursuant to this Section 2.1(b) shall not be subject to proration under Section 2.3.

(c) *Conversion of Fresno Merger Sub Stock*. Each share of common stock of Fresno Merger Sub issued and outstanding immediately prior to the Effective Time shall be converted into one fully paid and non assessable share of Florida Rock Common Stock, as the surviving corporation in the Florida Rock Merger, following which, Florida Rock Surviving Corporation shall become a wholly owned Subsidiary of Holdco.

(d) *Adjustments*. (i) If, after the date hereof and prior to the Effective Time, either (A) Vulcan pays a dividend in, splits, combines into a smaller number of shares, or issues by reclassification any shares of Vulcan Common Stock (in each case, subject to the approval of Florida Rock pursuant to Section 4.2) or (B) Florida Rock pays a dividend in, splits, combines into a smaller number of shares, or issues by reclassification any shares of Florida Rock Common Stock (in each case, subject to the approval of Vulcan pursuant to Section 4.1), then the Merger Consideration (as defined in Section 2.4(a)) and Exchange Ratio and any other similarly dependent items, as the case may be, shall be appropriately adjusted to provide to the holders of Florida Rock Common Stock and Vulcan Common Stock the same economic effect as contemplated by this Agreement prior to such action, and as so adjusted shall, from and after the date of such event, be the Merger Consideration, Exchange Ratio or other dependent item, as applicable, subject to further adjustment in accordance with this sentence.

(ii) If, after the date hereof and prior to the Effective Time, the representations and warranties of Florida Rock set forth in Section 3.1(b)(i) or 3.1(b)(iii) shall not be true and correct and Vulcan elects to do so, then the Merger Consideration and Exchange Ratio and any other similarly dependent items, as the case may be, shall be appropriately adjusted to provide to the holders of Florida Rock Common Stock and Vulcan Common Stock the same economic effect as contemplated by this Agreement prior to such action, and as so adjusted shall, from and after the date of such event, be the Merger Consideration, Exchange Ratio or other dependent item, as applicable; provided that no adjustments shall be made pursuant to this Section 2.1(d)(ii) if the failure of Sections 3.1(b)(i) and 3.1(b)(iii) to be true and correct results from the understatement in such Sections of the number of issued and outstanding shares of Florida Rock Common Stock and/or shares of Florida Rock Common Stock underlying Florida Rock Stock Options by not more than 10,000, in the aggregate.

2.2. *Florida Rock Election Procedures*. (a) Not less than three business days prior to the mailing of the Proxy Statement/Prospectus (as defined in Section 5.1(a)) pursuant to Section 5.1, Vulcan shall designate a bank or trust company reasonably acceptable to Florida Rock to act as exchange agent hereunder (the Exchange Agent) for the purpose of exchanging certificates that immediately prior to the Effective Time represented shares of Florida Rock Common Stock (the Florida Rock Certificates) and shares of Florida Rock Common Stock represented by book-entry (Florida Rock Book-Entry Shares).

(b) Each person who, on or prior to the Election Date (as defined below), is a record holder of shares of Florida Rock Common Stock shall be entitled to specify the number of such holder s shares of Florida Rock Common Stock (and, if such shares to which the election relates are represented by Florida Rock Certificates, such particular shares) with respect to which such holder makes a Cash Election or Stock Election.

(c) Holdco shall prepare and file as an exhibit to the Form S-4 (as defined in Section 5.1(a)) a form of election (the Form of Election) in form and substance reasonably acceptable to Florida Rock. The Form of Election shall specify that delivery shall be effected, and risk of loss and title to any Florida Rock Certificates shall pass only upon proper delivery of the Form of Election and any Florida Rock Certificates. Florida Rock shall mail the Form of Election with the Proxy Statement/Prospectus to all persons who are record holders of shares of Florida Rock Common Stock as of the record date for the Florida Rock Shareholders Meeting (as defined in Section 5.1(b)). The Form of Election shall be used by each record holder of shares of Florida Rock Common Stock (or, in the case of nominee record holders, the

beneficial owner through proper instructions and documentation) who wishes to make a Cash Election or a Stock Election or a combination of both for any and all shares of Florida Rock Common Stock held by such holder. Florida Rock shall use its reasonable best efforts to make the Form of Election available to all persons who become holders of shares of Florida Rock Common Stock during the period between the record date for the Florida Rock Shareholders Meeting and the Election Date.

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(d) Any holder s election shall have been properly made only if the Exchange Agent shall have received at its designated office, by 5:00 p.m., New York City time, on (1) the date of the Florida Rock Shareholders Meeting or (2) if the Closing Date is more than four business days following the Florida Rock Shareholders Meeting, two business days preceding the Closing Date, or (3) such other date as the parties mutually agree (the Election Date), a Form of Election properly completed and signed and accompanied by (i) certificates representing the shares of Florida Rock Common Stock to which such Form of Election relates, duly endorsed in blank or otherwise in form acceptable for transfer on the books of Florida Rock (or by an appropriate guarantee of delivery of such Florida Rock Certificates as set forth in such Form of Election from a firm that is an eligible guarantor institution (as defined in Rule 17Ad-15 under the Securities Exchange Act of 1934, as amended (the Exchange Act)); provided that such Florida Rock Certificates are in fact delivered to the Exchange Agent by the time set forth in such guarantee of delivery) or (ii) in the case of Florida Rock Book-Entry Shares, any additional documents required by the procedures set forth in the Form of Election. After a Cash Election or a Stock Election is validly made with respect to any shares of Florida Rock Common Stock, no further registration of transfers of such shares shall be made on the stock transfer books of Florida Rock, unless and until such Cash Election or Stock Election is properly revoked.

(e) Vulcan and Florida Rock shall publicly announce the anticipated Election Date at least five business days prior to the anticipated Closing Date. If the Closing Date is delayed to a subsequent date, the Election Date shall be similarly delayed to a subsequent date, and Vulcan and Florida Rock shall promptly announce any such delay and, when determined, the rescheduled Election Date.

(f) Any Cash Election or Stock Election may be revoked with respect to all or a portion of the shares of Florida Rock Common Stock subject thereto by the holder who submitted the applicable Form of Election by written notice received by the Exchange Agent prior to 5:00 p.m., New York City time, on the Election Date. In addition, all Cash Elections and Stock Elections shall automatically be revoked if this Agreement is terminated in accordance with Article VII. If a Cash Election or Stock Election is revoked with respect to shares of Florida Rock Common Stock represented by Florida Rock Certificates, Florida Rock Certificates representing such shares shall be promptly returned to the holder that submitted the same to the Exchange Agent.

(g) The determination of the Exchange Agent (or the joint determination of Vulcan and Florida Rock, in the event that the Exchange Agent declines to make any such determination) shall be conclusive and binding as to whether or not Cash Elections and Stock Elections shall have been properly made or revoked pursuant to this Section 2.2 and as to when Cash Elections, Stock Elections and revocations were received by the Exchange Agent. The Exchange Agent (or Vulcan and Florida Rock jointly, in the event that the Exchange Agent declines to make the following computation) shall also make all computations as to the proration contemplated by Section 2.3, and absent manifest error this computation shall be conclusive and binding. The Exchange Agent may, with the written agreement of Vulcan, after Vulcan s reasonable consultation with Florida Rock, make any rules as are consistent with this Section 2.2 for the implementation of the Cash Elections and Stock Elections provided for in this Agreement as shall be necessary or desirable to effect these Cash Elections and Stock Elections.

2.3. *Florida Rock Proration.* Notwithstanding anything in this Agreement to the contrary (but subject to Sections 2.1(b) and 2.4):

(a) The Cash Percentage (as defined below) of the shares of Florida Rock Common Stock (other than the Excluded Shares) issued and outstanding immediately prior to the Effective Time (such number, the Cash Cap Number) shall be converted into the right to receive the Cash Consideration, and all other shares of Florida Rock Common Stock (other than the Excluded Shares) issued and outstanding immediately prior to the Effective Time shall be converted into the right to receive the Stock Consideration. The Cash Percentage shall be equal to 70%, subject to adjustment as provided in Section 2.1(d).

(b) If the aggregate number of Cash Electing shares of Florida Rock Common Stock (such number, the Cash Election Number) exceeds the Cash Cap Number, then (i) all Stock Electing Florida Rock Shares and Non-Electing Florida Rock Shares shall be converted into the right to receive the Stock Consideration and (ii) the number of Cash Electing Florida Rock Shares of each shareholder of Florida Rock that shall be converted into the right to receive the Cash Consideration shall be equal to the product obtained by multiplying (A) the number of Cash Electing Florida Rock Shares of such shareholder by (B) a fraction, the numerator of

which is the Cash Cap Number and the denominator of which is the Cash Election Number, with the remaining number of such holder s Cash Electing Florida Rock Shares being converted into the right to receive the Stock Consideration.

(c) If the Cash Election Number is less than the Cash Cap Number (such difference between the Cash Election Number and Cash Cap Number, the Shortfall Number), then (x) all Cash Electing Florida Rock Shares shall be converted into the right to receive the Cash Consideration and (y) the Stock Electing Florida Rock Shares and Non-Electing Florida Rock Shares shall be treated in the following manner:

(i) if the Shortfall Number is less than or equal to the aggregate number of Non-Electing Florida Rock Shares, then (x) all Stock Electing Florida Rock Shares shall be converted into the right to receive the Stock Consideration and (y) the Non-Electing Florida Rock Shares of each shareholder of Florida Rock shall be converted into the right to receive the Cash Consideration in respect of that number of Non-Electing Florida Rock Shares equal to the product obtained by multiplying (1) the number of Non-Electing Florida Rock Shares of such shareholder by (2) a fraction, the numerator of which is the Shortfall Number and the denominator of which is the aggregate number of Non-Electing Florida Rock Shares, with the remaining number of such holder s Non-Electing Florida Rock Shares being converted into the right to receive the Stock Consideration; or

(ii) if the Shortfall Number exceeds the aggregate number of Non-Electing Florida Rock Shares, then (x) all Non-Electing Florida Rock Shares shall be converted into the right to receive the Cash Consideration and (y) the number of Stock Electing Florida Rock Shares of each shareholder of Florida Rock that shall be converted into the right to receive the Cash Consideration shall be equal to the product obtained by multiplying (1) the number of Stock Electing Florida Rock Shares of such shareholder by (2) a fraction, the numerator of which is the amount by which the Shortfall Number exceeds the aggregate number of Non-Electing Florida Rock Shares, and the denominator of which is the aggregate number of Stock Electing Florida Rock Shares, with the remaining number of such holder s Stock Electing Florida Rock Shares being converted into the right to receive the Stock Consideration.

2.4. *Conversion of Vulcan Securities*. At the Initial Effective Time, by virtue of the Vulcan Merger and without any action on the part of Holdco, Virginia Merger Sub, Vulcan or the holders of any of the following securities:

(a) *Conversion of Vulcan Common Stock*. Each share of common stock, par value $1.00 per share, of Vulcan (Vulcan Common Stock) issued and outstanding immediately prior to the Initial Effective Time (other than any shares cancelled pursuant to Section 2.4(b)) shall be converted into the right to receive one validly issued, fully paid and non assessable share of Holdco Common Stock (the Vulcan Consideration and, together with the Florida Rock Consideration, the Merger Consideration).

(b) *Vulcan and Florida Rock-Owned Shares*. Each share of Vulcan Common Stock owned by Vulcan immediately prior to the Initial Effective Time, shall be cancelled without any conversion thereof, and no consideration shall be paid with respect thereto. Each share of Vulcan Common Stock owned by Florida Rock or any direct or indirect wholly owned Subsidiary of Florida Rock or Vulcan, in each case immediately prior to the Initial Effective Time, shall be converted into the right to receive the Vulcan Consideration.

(c) *Conversion of Virginia Merger Sub Stock*. Each share of common stock of Virginia Merger Sub issued and outstanding immediately prior to the Initial Effective Time shall be converted into one fully paid and non assessable share of Vulcan Common Stock, as the surviving corporation in the Vulcan Merger, following which, the Vulcan Surviving Corporation shall become a wholly owned Subsidiary of Holdco.

(d) *Cancellation of Holdco Common Stock*. Each share of Holdco Common Stock held by Vulcan immediately prior to the Initial Effective Time shall be cancelled, and no consideration shall be paid with respect thereto.

(e) *Treatment of Vulcan Certificates and Vulcan Book-Entry Shares*. All of the shares of Vulcan Common Stock converted into the right to receive Holdco Common Stock pursuant to this Section 2.4 shall cease to be outstanding and shall be cancelled and retired and shall cease to exist and, as of the Initial Effective

Time, the holders of Vulcan Common Stock shall be deemed to have received shares of Holdco Common Stock (without the requirement for the surrender of any certificate previously representing any such shares of Vulcan Common Stock or issuance of new certificates representing Holdco Common Stock), with each certificate representing shares of Vulcan Common Stock prior to the Initial Effective Time being deemed to represent automatically an equivalent number of shares of Holdco Common Stock and with each share of Vulcan Common Stock represented by book-entry immediately prior to the Initial Effective Time being deemed to represent automatically one share of Holdco Common Stock.

2.5. *Exchange of Florida Rock Certificates and Florida Rock Book-Entry Shares.*

(a) *Deposit of Merger Consideration.* (i) As of and from time to time after the Effective Time, Holdco shall deposit with the Exchange Agent, for the benefit of the shareholders of Florida Rock, (A) certificates or, at Holdco s option, evidence of shares in book entry form, representing shares of Holdco Common Stock in denominations as the Exchange Agent may reasonably specify and (B) cash, in each case as are issuable or payable, respectively, pursuant to this Article II in respect of shares of Florida Rock Common Stock for which Florida Rock Certificates or Florida Rock Book-Entry Shares have been properly delivered to the Exchange Agent or the cash to be paid in lieu of fractional shares. Such certificates (or evidence of book-entry form, as the case may be) for shares of Holdco Common Stock and such cash so deposited, together with any dividends or distributions with respect thereto, are hereinafter referred to as the Exchange Fund.

(ii) The Exchange Agent shall invest any cash deposited with the Exchange Agent by Holdco as directed by Holdco, provided that no such investment or losses thereon shall affect the Cash Consideration payable to holders of shares of Florida Rock Common Stock entitled to receive such consideration or cash in lieu of fractional interests, and Holdco and Vulcan shall promptly provide additional funds to the Exchange Agent for the benefit of holders of shares of Florida Rock Common Stock entitled to receive such consideration in the amount of any such losses. Any interest or income produced by such investments shall not be deemed part of the Exchange Fund and shall be payable to Holdco or Vulcan, as Holdco directs.

(b) *Exchange Procedures.* (i) As soon as reasonably practicable after the Effective Time, Holdco shall cause to be mailed to each record holder, as of the Effective Time, of Non-Electing Florida Rock Shares (such holders, Non-Electing Florida Rock Holders) subject to Section 2.3 above, (i) a letter of transmittal (which shall specify that delivery shall be effected, and risk of loss and title to the Florida Rock Certificates held by such holder representing such Non-Electing Florida Rock Shares shall pass only upon proper delivery of the Florida Rock Certificates to the Exchange Agent or, in the case of Florida Rock Book-Entry Shares, upon adherence to the procedures set forth in the letter of transmittal) and (ii) instructions for use in effecting the surrender of the Florida Rock Certificates or, in the case of Florida Rock Book-Entry Shares, the surrender of such shares, for payment of the Merger Consideration therefor. Such letter of transmittal shall be in such form and have such other provisions as Holdco may specify and shall be reasonably acceptable to Florida Rock.

(ii) (x) Each former shareholder of Florida Rock who properly made and did not revoke a Cash Election or Stock Election shall be entitled to receive in exchange for such shareholder s Electing Florida Rock Shares the following as specified in clauses (A) and (B), and (y) upon surrender by a Non-Electing Florida Rock Holder to the Exchange Agent of a Florida Rock Certificate or Florida Rock Book-Entry Shares, as applicable, together with a letter of transmittal, duly completed and validly executed in accordance with the instructions thereto, and such other documents as may be required pursuant to such instructions, each Non-Electing Florida Rock Holder shall be entitled to receive in exchange therefor: (A) the number of whole shares of Holdco Common Stock, if any, into which such holder s shares of Florida Rock Common Stock represented by such holder s properly surrendered Florida Rock Certificates or Florida Rock Book-Entry Shares, as applicable, were converted in accordance with this Article II (after taking into account all shares of Florida Rock Common Stock to which an election or non-election of the same type

were made), and such Florida Rock Certificates or Florida Rock Book-Entry Shares so surrendered shall be forthwith cancelled, and (B) a check in an amount of U.S. dollars (after giving effect to any required withholdings pursuant to Section 2.5(g)) equal to (I) the amount of cash (including the Cash Consideration and cash in lieu of fractional interests in shares of Holdco Common Stock to be paid pursuant to Section 2.5(d)), if any, into which such holder s shares of Florida Rock Common Stock represented by such holder s properly surrendered Florida Rock Certificates or Florida Rock Book-Entry Shares, as applicable, were converted in accordance with this

Article II, plus (II) any cash dividends or other distributions that such holder has the right to receive pursuant to Section 2.5(c).

(iii) If payment or issuance of the Merger Consideration is to be made to a person other than the person in whose name the surrendered Florida Rock Certificate is registered, it shall be a condition of payment or issuance that the Florida Rock Certificate so surrendered shall be properly endorsed or shall be otherwise in proper form for transfer and that the person requesting such payment or issuance shall have paid to the Exchange Agent any transfer and other Taxes required by reason of the payment or issuance of the Merger Consideration to a person other than the registered holder of the Florida Rock Certificate surrendered or shall have established to the satisfaction of the Exchange Agent that such Tax either has been paid or is not applicable. In the event that any Florida Rock Certificate shall have been lost, stolen or destroyed, upon the holder s compliance with the replacement requirements established by the Exchange Agent, including, if necessary, the posting by the holder of a bond in customary amount as indemnity against any claim that may be made against it with respect to the Florida Rock Certificate, the Exchange Agent shall deliver in exchange for the lost, stolen or destroyed Florida Rock Certificate the applicable Merger Consideration payable in respect of the shares of Florida Rock Common Stock represented by the Florida Rock Certificate pursuant to this Article II.

(iv) No interest shall be paid or accrued for the benefit of holders of the Florida Rock Certificates or Florida Rock Book-Entry Shares on the Merger Consideration payable in respect of the Florida Rock Certificates or Florida Rock Book-Entry Shares. Until surrendered as contemplated hereby, each Florida Rock Certificate or Book-Entry Share shall, after the Effective Time, represent for all purposes only the right to receive upon such surrender the applicable Merger Consideration as contemplated by this Article II, the issuance or payment of which (including any cash in lieu of fractional shares) shall be deemed to be the satisfaction in full of all rights pertaining to shares of Florida Rock Common Stock converted in the Florida Rock Merger.

(v) At the Effective Time and the Initial Effective Time, respectively, the stock transfer books of Florida Rock and Vulcan shall be closed, and thereafter there shall be no further registration of transfers of shares of Florida Rock Common Stock or Vulcan Common Stock, respectively, that were outstanding prior to the Effective Time and the Initial Effective Time, respectively. After the Effective Time and the Initial Effective Time, respectively, Florida Rock Certificates or Florida Rock Book-Entry Shares presented to Florida Rock for transfer shall be cancelled and exchanged for the consideration provided for, and in accordance with the procedures set forth, in this Article II.

(c) *Distributions with Respect to Unexchanged Shares.* No dividends or other distributions with respect to shares of Holdco Common Stock issuable with respect to the shares of Florida Rock Common Stock shall be paid to the holder of any unsurrendered Florida Rock Certificates or Florida Rock Book-Entry Shares until those Florida Rock Certificates or Florida Rock Book-Entry Shares are surrendered as provided in this Article II. Upon surrender, there shall be issued and/or paid to the holder of the shares of Holdco Common Stock issued in exchange therefor, without interest, (A) at the time of surrender, the dividends or other distributions payable with respect to those shares of Holdco Common Stock with a record date on or after the date of the Effective Time and a payment date on or prior to the date of this surrender and not previously paid and (B) at the appropriate payment date, the dividends or other distributions payable with respect to those shares of Holdco Common Stock with a record date on or after the date of the Effective Time but with a payment date subsequent to surrender.

(d) *No Fractional Shares.* No certificates or scrip representing fractional shares of Holdco Common Stock shall be issued upon the surrender for exchange of Florida Rock Certificates or Florida Rock Book-Entry Shares, and such fractional share interests will not entitle the owner thereof to vote or to any rights of a shareholder of Holdco. In lieu thereof, upon surrender of the Florida Rock Certificates or Florida Rock Book-Entry Shares, Holdco shall pay each holder of Florida Rock Common Stock an amount in cash equal to the product obtained by multiplying (a) the fractional share interest to which such holder (after taking into account all shares of Florida Rock Common Stock held

at the Effective Time and for which an election or non-election of the same type was made by such holder) would otherwise be entitled, by (b) the closing price on the New York Stock Exchange, Inc. (NYSE) for a share of Vulcan Common Stock on the last trading day immediately preceding the Effective Time.

(e) *Termination of Exchange Fund*. Any portion of the Exchange Fund that remains undistributed to the shareholders of Florida Rock on the first anniversary of the Effective Time shall be delivered to Holdco, upon demand by Holdco, and any shareholders of Florida Rock who have not theretofore complied with this Article II

shall thereafter look only to Holdco for payment of their claim for any part of the Merger Consideration, any cash in lieu of fractional shares of Holdco Common Stock and any dividends or distributions with respect to Holdco Common Stock.

(f) *No Liability*. None of Vulcan, Florida Rock or Holdco shall be liable to any holder of shares of Florida Rock Common Stock for cash or shares of Holdco Common Stock (or dividends or distributions with respect thereto) from the Exchange Fund delivered to a public official pursuant to any applicable abandoned property, escheat or similar law.

(g) *Withholding*. Holdco and the Exchange Agent shall be entitled to deduct and withhold from the consideration otherwise payable pursuant to this Agreement to any holder of shares of Florida Rock Common Stock such amounts as it is required to deduct and withhold with respect to the making of such payment under the Code and the rules and regulations promulgated thereunder, or any provision of state, local or foreign Tax law. To the extent that amounts are so withheld by Holdco or the Exchange Agent, such withheld amounts shall be treated for all purposes of this Agreement as having been paid to the holder of the shares of Florida Rock Common Stock in respect of which such deduction and withholding was made by Holdco or the Exchange Agent.

2.6. *Florida Rock Options and Other Stock-Based Awards*. The Board of Directors of Florida Rock or the appropriate committee thereof shall take all action necessary so that:

(a) Effective as of at least ten (10) business days prior to the Election Date, Florida Rock shall cause each option or other right to acquire Florida Rock Common Stock under any Florida Rock Stock Plan (as defined in Section 3.1(b)) (a "Florida Rock Stock Option"), to become fully vested and exercisable. In connection therewith, Florida Rock shall provide written notice to each holder of a Florida Rock Stock Option, that (i) such Florida Rock Stock Option shall be, as at the date of such notice, exercisable in full, (ii) such Florida Rock Stock Option shall terminate at the Effective Time and (iii) if such Florida Rock Stock Option is not exercised or otherwise terminated on or before the fourth business day prior to the Election Date, such Florida Rock Stock Option shall be treated as set forth in Section 2.6(b) below.

(b) Each Florida Rock Stock Option that is outstanding immediately prior to the Effective Time shall, as of the Effective Time, cease to represent an option to acquire shares of Florida Rock Common Stock and shall instead represent the right to receive a cash amount equal to the Option Consideration for each share of Florida Rock Common Stock then subject to such Florida Rock Stock Option, which Option Consideration shall be paid as soon after the Closing Date as shall be practicable. Notwithstanding the foregoing, Holdco and the Exchange Agent shall be entitled to deduct and withhold from the Option Consideration otherwise payable such amounts as may be required to be deducted and withheld with respect to the making of such payment under the Code, or any provision of state, local or foreign tax law. For purposes of this Agreement, "Option Consideration" means, with respect to any share of Florida Rock Common Stock issuable under a particular Florida Rock Stock Option, an amount equal to the excess, if any, of (i) the Cash Consideration over (ii) the exercise price payable in respect of such share of Florida Rock Common Stock issuable under such Florida Rock Stock Option.

(c) Each stock unit in respect of a share of Florida Rock Common Stock under any Florida Rock Stock Plan (the "Florida Rock Stock Units") that is outstanding immediately prior to the Effective Time shall, as of the Effective Time, be converted into a number of stock units in respect of Holdco Common Stock equal to the number of shares of Florida Rock Common Stock underlying the Florida Rock Stock Units immediately prior to the Effective Time multiplied by the Exchange Ratio. At and after the Effective Time, the Florida Rock Stock Units shall continue to be payable or distributable in accordance with the terms of the Director Stock Purchase Plan and any individual agreement relating to such Florida Rock Stock Units, subject to the requirements of Section 409A of the Code.

(d) Prior to the Effective Time, Florida Rock shall take all actions that are necessary (i) to give effect to the transactions contemplated by this Section 2.6, including amending the terms of the Florida Rock Stock Plan, and (ii) to ensure that no individual shall have the right to receive any Florida Rock Common Stock in connection with the exercise of a Florida Rock Stock Option or settlement of a Florida Rock Stock Unit following the Effective Time. Florida Rock shall keep Vulcan fully informed, with respect to all amendments,

resolutions, notices and actions that Vulcan intends to adopt, distribute or take in connection with the matters described in this Section 2.6, and shall provide Vulcan with a reasonable opportunity to review and comment on all such amendments, resolutions and notices.

2.7. *Vulcan Options and Other Stock-Based Awards.* The Board of Directors of Vulcan or the appropriate committee thereof shall take all action necessary so that:

(a) Each option or other right to acquire Vulcan Common Stock under any Vulcan Stock Plan (as defined in Section 3.2(b)) (a "Vulcan Stock Option"), and each stock appreciation right with respect to Vulcan Common Stock under any Vulcan Stock Plan (a "Vulcan SAR") which is outstanding immediately prior to the Effective Time (whether vested or unvested) shall, as of the Initial Effective Time, cease to represent an option on, stock appreciation right with respect to, or other right to acquire, shares of Vulcan Common Stock and shall instead represent the right to purchase (in the case of Vulcan Stock Options) or a stock appreciation right with respect to (in the case of Vulcan SARs) a number of shares of Holdco Common Stock equal to the number of shares of Vulcan Common Stock subject to such Vulcan Stock Option or Vulcan SAR immediately prior to the Initial Effective Time. The exercise price or base price per share of Holdco Common Stock subject to any such Vulcan Stock Option or Vulcan SAR at and after the Initial Effective Time shall be equal to the exercise price or base price per share of Vulcan Common Stock subject to such Vulcan Stock Option or Vulcan SAR prior to the Initial Effective Time.

(b) Each restricted stock unit, deferred stock unit or phantom unit in respect of a share of Vulcan Common Stock (the "RSUs") which is outstanding under any Vulcan Stock Plan or otherwise (including any RSUs held in participant accounts under any employee benefit or compensation plan or arrangement of Vulcan) immediately prior to the Initial Effective Time shall, as of the Initial Effective Time, be converted into a number of restricted stock units in respect of shares of Holdco Common Stock, equal to the number of shares underlying RSUs held by the grantee immediately prior to the Initial Effective Time.

2.8. *Stock Plans.* Following the Closing Date, Holdco may grant equity awards under the Vulcan Stock Plans and the Florida Rock Stock Plans to the extent shares are available for grant under any such plan, in accordance with the mergers and acquisitions exemption to the equity compensation plan shareholder approval requirement under the NYSE rules.

ARTICLE III

REPRESENTATIONS AND WARRANTIES

3.1. *Representations and Warranties of Florida Rock.* Except (x) with respect to any subsection of this Section 3.1, as set forth in the correspondingly identified subsection of the disclosure letter delivered by Florida Rock to Vulcan concurrently herewith (the "Florida Rock Disclosure Letter") (it being understood by the parties that any information disclosed in one subsection of the Florida Rock Disclosure Letter shall be deemed to be disclosed for purposes of each other subsection of the Florida Rock Disclosure Letter to which the relevance of such information is reasonably apparent) or (y) as disclosed in the Florida Rock SEC Documents filed prior to the date hereof (excluding, in each case, any disclosures set forth in any risk factor section, in any section relating to forward looking statements and any other disclosures included therein to the extent that they are cautionary, predictive, or forward looking in nature), Florida Rock represents and warrants to Vulcan as follows:

(a) *Organization, Standing and Power.* Each of Florida Rock and its Significant Subsidiaries (as defined below) is a corporation or other entity duly organized, validly existing and, if applicable, in good standing under the laws of its jurisdiction of incorporation, has all requisite power and authority to own, lease and operate its properties and to carry on its business as now being conducted, and is duly qualified and, if applicable, in good standing to do business in

each jurisdiction in which the nature of its business or the ownership or leasing of its properties makes such qualification necessary, in each case, other than as would not, either individually or in the aggregate, reasonably be expected to have a material adverse effect on Florida Rock. The Florida Rock Charter and Florida Rock Bylaws, copies of which have been made available to

Vulcan, are true, complete and correct copies of such documents as in effect on the date hereof. As used in this Agreement:

(i) the word "Subsidiary" when used with respect to any party means any corporation or other organization, whether incorporated or unincorporated, (A) of which such party or any other Subsidiary of such party is a general partner (excluding partnerships, the general partnership interests of which held by such party or any Subsidiary of such party do not have a majority of the voting interests in such partnership), or (B) a majority of the stock or other equity interests of which that have by their terms ordinary voting power to elect a majority of the board of directors or others performing similar functions with respect to such corporation or other organization is directly or indirectly owned or controlled by such party or by any one or more of its Subsidiaries, or by such party and one or more of its Subsidiaries; provided that the joint venture between Florida Rock and Patriot Transportation Holding, Inc. ("Patriot") shall be considered a Subsidiary of Florida Rock for purposes of this Agreement.

(ii) a "Significant Subsidiary" means any Subsidiary of Florida Rock or Vulcan, as the case may be, that constitutes a Significant Subsidiary of such party within the meaning of Rule 1-02 of Regulation S-X of the Securities and Exchange Commission (the "SEC"); and

(iii) the term "material adverse effect" means, with respect to any party hereto, a material adverse effect on the financial condition, businesses or results of operations of such party and its Subsidiaries taken as a whole; provided that, for purposes of this clause (iii) the following shall not be deemed to have a "material adverse effect": any change or event caused by or resulting from (A) changes, in prevailing economic or market conditions or the securities, credit or financial markets in the United States or elsewhere (except to the extent those changes have a materially disproportionate effect on such entity and its Subsidiaries relative to other similarly situated participants in the industries in which they operate), (B) changes or events, affecting the industries in which they operate generally (except to the extent those changes or events have a materially disproportionate effect on such entity and its Subsidiaries relative to other similarly situated participants in the industries in which they operate), (C) changes in generally accepted accounting principles ("GAAP") applicable to such entity and its Subsidiaries, (D) changes, after the date hereof, in laws, rules or regulations of general applicability or interpretations thereof by any Governmental Entity, (E) the announcement of this Agreement, (F) the impact of changes in the housing or commercial building markets in the State of Florida, whether occurring prior to or after the date of this Agreement, (G) any weather-related or other force majeure event (except to the extent those events have a materially disproportionate effect on such entity and its Subsidiaries relative to other similarly situated participants in the industries in which they operate), or (H) any developments (including adverse judgments) in the litigation matter set forth on Schedule 3.1(a)(iii) of the Florida Rock Disclosure Letter.

(iv) Notwithstanding the foregoing, solely with respect to Sections 5.3 and 6.2(d) of this Agreement, "material adverse effect" with respect to Florida Rock shall mean, a disposition (or commitment to do same) of Vulcan or Florida Rock assets or businesses (subject to the remainder of this paragraph) that, individually or in the aggregate, generated earnings before interest, taxes, depreciation and amortization ("EBITDA") equal to or greater than $18.5 million in 2006. If Vulcan swaps an asset or business of Florida Rock or Vulcan for an asset or business of a third-party, or enters into an agreement to effect such a swap, then in determining whether there has been a material adverse effect on Florida Rock s aggregates business, to the extent that the EBITDA of the Vulcan or Florida Rock property so disposed of exceeds the EBITDA of the third party property received in return, the difference between the EBITDA of such properties shall be added to the total of disposed EBITDA, and to the extent that the EBITDA of the Vulcan or Florida Rock property so disposed of is less than the EBITDA of the third party property received in return, the difference between the EBITDA of such properties shall be subtracted from the total of disposed EBITDA. If Vulcan sells or otherwise disposes of a Vulcan asset or business pursuant to Section 5.3 (other than swaps, which shall be treated as above), then the EBITDA for the corresponding asset or business of Florida Rock that is closest to the Vulcan asset or business so sold or disposed of shall be considered for purposes of determining whether there has been a material

adverse effect on Florida Rock s aggregates business.

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(b) *Capital Structure*. (i) The authorized capital stock of Florida Rock consists of 150,000,000 shares of Florida Rock Common Stock and 10,000,000 preferred shares, no par value per share (the Florida Rock Preferred Stock), of which 500,000 shares of Florida Rock Preferred Stock are designated Series A Junior Participating Preferred Stock, par value $0.01 per share. As of the close of business on February 8, 2007, (A) 65,809,776 shares of Florida Rock Common Stock were issued (including shares held in treasury), 3,838,702 shares of Florida Rock Common Stock were subject to issuance upon the exercise or payment of outstanding Florida Rock Stock Options, 576,656 shares of Florida Rock Common Stock were reserved for issuance upon the exercise or payment of stock options, stock units or other awards or pursuant to any plans of Florida Rock under which any award, grant or other form of compensation issuable in the form of, or based in whole or in part on the value of, Florida Rock Common Stock, may be conferred on any individual or entity (such stock options, units and other awards and plans, collectively, the Florida Rock Stock Plans), and 396,002 shares of Florida Rock Common Stock were held by Florida Rock in its treasury or by its Subsidiaries, and (B) no shares of Florida Rock Preferred Stock were outstanding or reserved for issuance. All outstanding shares of Florida Rock Common Stock have been duly authorized and validly issued and are fully paid and, except as set forth in the FBCA, non assessable and are not subject to preemptive rights.

(ii) No bonds, debentures, notes or other indebtedness generally having the right to vote on any matters on which shareholders may vote (Voting Debt) of Florida Rock are issued or outstanding.

(iii) Except for (A) this Agreement, (B) Florida Rock Stock Options that represented, as of February 8, 2007, the right to acquire up to an aggregate of 3,838,702 shares of Florida Rock Common Stock, and (C) agreements entered into and securities and other instruments issued after the date hereof as permitted by Section 4.1, there are no options, warrants, calls, rights, commitments or agreements of any character to which Florida Rock or any Subsidiary of Florida Rock is a party or by which it or any such Subsidiary is bound obligating Florida Rock or any Subsidiary of Florida Rock to issue, deliver or sell, or cause to be issued, delivered or sold, additional shares of capital stock or any Voting Debt or stock appreciation rights of Florida Rock or of any Subsidiary of Florida Rock or obligating Florida Rock or any Subsidiary of Florida Rock to grant, extend or enter into any such option, warrant, call, right, commitment or agreement. There are no outstanding contractual obligations of Florida Rock or any of its Subsidiaries (A) to repurchase, redeem or otherwise acquire any shares of capital stock of Florida Rock or any of its Subsidiaries, or (B) pursuant to which Florida Rock or any of its Subsidiaries is or could be required to register shares of Florida Rock Common Stock or other securities under the Securities Act of 1933, as amended (the Securities Act), except any such contractual obligations entered into after the date hereof as permitted by Section 4.1. All Florida Rock Stock Options were granted at an exercise price at least equal to the fair market value (within the meaning of Section 409A of the Code) of a share of Florida Rock Common Stock on the date of grant and no Florida Rock Stock Option has been extended, amended or repriced since the date of grant.

(iv) Since February 8, 2007, except as permitted by Section 4.1, Florida Rock has not (A) issued or permitted to be issued any shares of capital stock, stock appreciation rights or securities exercisable or exchangeable for or convertible into shares of capital stock of Florida Rock or any of its Subsidiaries, other than pursuant to and as required by the terms of the Florida Rock Stock Plans and any employee stock options and other awards issued under the Florida Rock Stock Plans prior to the date hereof (or issued after the date hereof in compliance with Sections 4.1(c) and 4.1(k)); (B) repurchased, redeemed or otherwise acquired, directly or indirectly through one or more Florida Rock Subsidiaries, any shares of capital stock of Florida Rock or any of its Subsidiaries; or (C) declared, set aside, made or paid to the shareholders of Florida Rock dividends or other distributions on the outstanding shares of capital stock of Florida Rock, other than regular quarterly cash dividends on the Florida Rock Common Stock at an amount per share not in excess of the regular quarterly cash dividend most recently declared by Florida Rock prior to the date hereof.

(c) *Authority*. (i) Florida Rock has all requisite corporate power and authority to enter into this Agreement and, subject in the case of the consummation of the Florida Rock Merger to the approval of this Agreement by the

Required Florida Rock Vote (as defined in Section 3.1(n)), to consummate the transactions contemplated hereby. The execution and delivery of this Agreement and the consummation of the transactions contemplated hereby have been duly authorized by all necessary corporate action on the part of Florida Rock, subject in the case of the consummation of the Florida Rock Merger to the approval of this Agreement by the

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Required Florida Rock Vote. This Agreement has been duly executed and delivered by Florida Rock and constitutes a valid and binding obligation of Florida Rock, enforceable against Florida Rock in accordance with its terms, subject to bankruptcy, insolvency, fraudulent transfer, reorganization, moratorium and similar laws of general applicability relating to or affecting creditors rights and to general equitable principles.

(ii) The execution and delivery of this Agreement does not, and the consummation of the transactions contemplated hereby will not, (A) conflict with, or result in any violation of, or constitute a default (with or without notice or lapse of time, or both) under, or give rise to a right of termination, cancellation or acceleration of any obligation or the loss of a material benefit under, or the creation of a lien, pledge, security interest, charge or other encumbrance on any assets (any such conflict, violation, default, right of termination, cancellation or acceleration, loss or creation, a Violation) pursuant to, any provision of the Florida Rock Charter, Florida Rock Bylaws or equivalent governing documents of any Significant Subsidiary of Florida Rock, or (B) subject to obtaining or making the consents, approvals, orders, authorizations, registrations, declarations and filings referred to in paragraph (iii) below, result in any Violation of any loan or credit agreement, note, mortgage, indenture, lease, or other agreement, obligation, instrument, permit, concession, franchise, license, judgment, order, decree, statute, law, ordinance, rule or regulation applicable to Florida Rock or any Subsidiary of Florida Rock or their respective properties or assets, which Violation, individually or in the aggregate, would reasonably be expected to (x) have a material adverse effect on Florida Rock or (y) prevent, materially delay or materially impede Florida Rock s ability to perform its obligations hereunder or to consummate the transactions contemplated hereby.

(iii) No consent, approval, order or authorization of, or registration, declaration or filing with, any court, administrative agency or commission or other governmental authority or instrumentality, domestic or foreign, or self-regulatory organization (a Governmental Entity) is required by or with respect to Florida Rock or any Subsidiary of Florida Rock in connection with the execution and delivery of this Agreement by Florida Rock or the consummation by Florida Rock of the transactions contemplated hereby, the failure to make or obtain that, individually or in the aggregate, would reasonably be expected to (x) have a material adverse effect on Florida Rock or (y) prevent, materially delay or materially impede Florida Rock s ability to perform its obligations hereunder or to consummate the transactions contemplated hereby, except for (A) the filing with the SEC of the Proxy Statement/Prospectus, (B) the filing of the Florida Rock Articles of Merger with the applicable Governmental Entities required by the FBCA, and (C) notices or filings under the Hart-Scott-Rodino Antitrust Improvements Act of 1976, as amended (the HSR Act).

(d) *SEC Documents*. Florida Rock has filed all required reports, schedules, registration statements and other documents with the SEC since September 30, 2004 (the Florida Rock SEC Documents). As of their respective dates of filing with the SEC (or, if amended or superseded by a filing prior to the date hereof, as of the date of such filing), the Florida Rock SEC Documents complied in all material respects with the requirements of the Securities Act or the Exchange Act, as the case may be, and the rules and regulations of the SEC thereunder applicable to such Florida Rock SEC Documents, and none of the Florida Rock SEC Documents when filed contained any untrue statement of a material fact or omitted to state a material fact required to be stated therein or necessary to make the statements therein, in light of the circumstances under which they were made, not misleading. The financial statements of Florida Rock included in the Florida Rock SEC Documents complied as to form, as of their respective dates of filing with the SEC, in all material respects with all the published rules and regulations of the SEC with respect thereto (except, in the case of unaudited statements, as permitted by Form 10-Q of the SEC), have been prepared in accordance with GAAP applied on a consistent basis during the periods involved (except as may be disclosed therein) and fairly present in all material respects the consolidated financial position of Florida Rock and its consolidated Subsidiaries and the consolidated results of operations, changes in shareholders equity and cash flows of such companies as of the dates and for the periods shown. As of the date hereof, there are no outstanding written comments from the SEC with respect to any of the Florida Rock SEC Documents.

(e) *Undisclosed Liabilities*. Except for (i) those liabilities that are appropriately reflected or reserved for in the consolidated financial statements of Florida Rock included in its Quarterly Report on Form 10-Q for the fiscal quarter ended December 31, 2006, as filed with the SEC prior to the date hereof, (ii) liabilities incurred since December 31, 2006 in the ordinary course of business consistent with past practice,

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(iii) liabilities that are, individually and in the aggregate, immaterial to Florida Rock, (iv) liabilities incurred pursuant to the transactions contemplated by, or permitted by, this Agreement, and (v) liabilities or obligations discharged or paid in full prior to the date hereof in the ordinary course of business consistent with past practice, Florida Rock and its Subsidiaries do not have, any liabilities or obligations of any nature whatsoever (whether accrued, absolute, contingent or otherwise) that are required to be reflected in Florida Rock s financial statements in accordance with GAAP.

(f) *Compliance with Applicable Laws and Reporting Requirements*. (i) Florida Rock and its Subsidiaries hold all permits, certificates, licenses, variances, exemptions, orders and approvals of all Governmental Entities that are material to the operation of the businesses of Florida Rock and its Subsidiaries, taken as a whole (the Florida Rock Permits), and Florida Rock and its Subsidiaries are and for the two years preceding the date hereof have been in compliance with the terms of the Florida Rock Permits and all applicable laws and regulations, except where the failure so to hold or comply would not reasonably be expected to have a material adverse effect on Florida Rock. The businesses of Florida Rock and its Subsidiaries are not being and during the two years preceding the date hereof have not been conducted in violation of any law, ordinance (including zoning) or regulation of any Governmental Entity (including the Sarbanes-Oxley Act of 2002), except for violations that, individually or in the aggregate, do not have, and would not reasonably be expected to have, a material adverse effect on Florida Rock. No investigation by any Governmental Entity with respect to Florida Rock or any of its Subsidiaries is pending or, to the knowledge of Florida Rock, threatened, other than, in each case, those the outcome of which, individually or in the aggregate, would not reasonably be expected to have a material adverse effect on Florida Rock.

(ii) Florida Rock and its Subsidiaries have designed and maintain a system of internal controls over financial reporting (as defined in Rules 13a-15(f) and 15d-15(f) of the Exchange Act) sufficient to provide reasonable assurances regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with GAAP. Florida Rock (A) has designed and maintains disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) of the Exchange Act) to ensure that material information required to be disclosed by Florida Rock in the reports that it files or submits under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in the SEC s rules and forms and is accumulated and communicated to Florida Rock s management as appropriate to allow timely decisions regarding required disclosure, and (B) has disclosed, based on its most recent evaluation of such disclosure controls and procedures prior to the date hereof, to Florida Rock s auditors and the audit committee of Florida Rock s Board of Directors (1) any significant deficiencies and material weaknesses in the design or operation of internal controls over financial reporting that are reasonably likely to adversely affect in any material respect Florida Rock s ability to record, process, summarize and report financial information and (2) any fraud, whether or not material, that involves management or other employees who have a significant role in Florida Rock s internal controls over financial reporting.

(g) *Legal Proceedings*. There is no claim, suit, action, investigation or other demand or proceeding (whether judicial, arbitral, administrative or other) pending or, to the knowledge of Florida Rock, threatened, against or affecting Florida Rock or any Subsidiary of Florida Rock that would reasonably be expected to have, individually or in the aggregate, a material adverse effect on Florida Rock, nor is there any judgment, decree, injunction, rule or order of any Governmental Entity or arbitrator outstanding against Florida Rock or any Subsidiary of Florida Rock having or that would reasonably be expected to have, individually or in the aggregate, a material adverse effect on Florida Rock or on Holdco after the Effective Time.

(h) *Taxes*. (i) Except as would not reasonably be expected, individually or in the aggregate, to have a material adverse effect on Florida Rock:

(1) Each of Florida Rock and its Subsidiaries has duly and timely filed (including all applicable extensions) all Tax Returns required to be filed by it on or prior to the date of this Agreement (all such Tax Returns being accurate and

complete in all respects), has timely paid all Taxes shown thereon as arising and has duly and timely paid all Taxes that are due and payable or claimed to be due from it by federal, state, foreign or local taxing authorities other than Taxes that are being contested in good faith, which

have not been finally determined, and have been adequately reserved against in accordance with GAAP on Florida Rock s most recent consolidated financial statements;

(2) Florida Rock and each of its Subsidiaries has withheld and paid over to the relevant taxing authority all Taxes required to have been withheld and paid in connection with payments to employees, independent contractors, creditors, shareholders or other third parties;

(3) Florida Rock and each of its Subsidiaries has withheld and paid over to the relevant taxing authority all sales, use or other Taxes collected with respect to payments received from customers or other third parties;

(4) Neither Florida Rock nor, to Florida Rock s knowledge, any of its Subsidiaries, has received written notice of any proposed or threatened proceeding, examination, investigation, audit or administrative or judicial proceeding (proceedings) against, or with respect to any Taxes of, Florida Rock or any of its Subsidiaries, and no such proceedings are currently pending;

(5) No deficiencies for any Taxes have been proposed, asserted or assessed in writing against Florida Rock or any of its Subsidiaries that have not been finally resolved and paid in full;

(6) Neither Florida Rock nor any of its Subsidiaries has granted any extension or waiver of the limitation period applicable to any Tax that remains in effect;

(7) No claim has been made in writing by any Governmental Entity in a jurisdiction in which Florida Rock or any of its Subsidiaries does not file a Tax Return that Florida Rock or any of its Subsidiaries is or may be subject to taxation by such jurisdiction;

(8) There are no liens for Taxes (other than statutory liens for Taxes not yet due and payable or the amount or validity of which is being contested in good faith by appropriate proceedings) upon any of the assets of Florida Rock or any of its Subsidiaries;

(9) Neither Florida Rock nor any of its Subsidiaries is a party to or is bound by any Tax sharing, allocation, or indemnification agreement or arrangement (other than such an agreement or arrangement exclusively between or among Florida Rock and its Subsidiaries and other than customary tax indemnifications contained in credit or similar agreements), under which Holdco, Florida Rock Surviving Corporation or any of their Subsidiaries could be liable, following the Effective Date, for the Tax liability of another entity;

(10) Neither Florida Rock nor any of its Subsidiaries (A) has been a member of a group filing a consolidated, combined or unitary Tax Return (other than a group the common parent of which was Florida Rock) or (B) has any liability for the Taxes of any person (other than Florida Rock or any of its Subsidiaries) under Treasury Regulation Section 1.1502-6 (or any similar provision of state, local or foreign Law), as a transferee or successor, by contract or otherwise;

(11) Neither Florida Rock nor any of its Subsidiaries has been, within the past two years or otherwise as part of a plan (or series of related transactions) within the meaning of Section 355(e) of the Code of which the Mergers are also a part, a distributing corporation or a controlled corporation (within the meaning of Section 355(a)(1)(A) of the Code) in a distribution of stock intending to qualify for tax-free treatment under Section 355 of the Code;

(12) Neither Florida Rock nor any of its Subsidiaries has participated in a reportable transaction within the meaning of Treasury Regulation Section 1.6011-4(b)(1); and

(13) As of the date of this Agreement, neither Florida Rock nor any of its Subsidiaries has taken any action or knows of any fact, agreement, plan or other circumstance that could reasonably be expected to prevent (i) the exchange of Florida Rock Common Stock and Vulcan Common Stock for Holdco Common Stock pursuant to the Mergers, taken together, from qualifying as an exchange described in Section 351 of the Code or (ii) the Vulcan Merger from qualifying as a reorganization within the meaning of Section 368(a) of the Code.

(ii) As used in this Agreement, the term "Tax" or "Taxes" means all federal, state, local, and foreign income, excise, gross receipts, ad valorem, profits, gains, property, capital, sales, transfer, use, license, payroll, employment, social security, severance, unemployment, withholding, duties, excise, windfall profits, intangibles, franchise, backup withholding, value added, alternative or add-on minimum, estimated and other taxes, charges, levies or like assessments imposed by any Governmental Entity together with all penalties and additions to tax and interest thereon.

(iii) As used in this Agreement, the term "Tax Return" means any return, declaration, report, claim for refund, or information return or statement relating to Taxes, including any schedule or attachment thereto, and including any amendment thereof, supplied to, or required to be supplied to, a Governmental Entity.

(i) *Certain Agreements*. Except for this Agreement, neither Florida Rock nor any of its Subsidiaries is a party to or bound by any contract, arrangement, commitment or understanding (i) with respect to the employment of any directors or executive officers, or with any consultants that are natural persons, involving the payment of $1.0 million or more per annum, (ii) that is a "material contract" (as such term is defined in Item 601(b)(10) of Regulation S-K of the SEC), (iii) that limits the ability of Florida Rock or any of its Subsidiaries to compete in any line of business, in any geographic area or with any person, or that requires referrals of business and, in each case, which limitation or requirement would reasonably be expected to be material to Florida Rock and its Subsidiaries taken as a whole, (iv) that relates to the sale of products by Florida Rock or any of its Subsidiaries which have not been performed by Florida Rock or its applicable Subsidiaries and for which a performance obligation that is material to Florida Rock and its Subsidiaries, taken as a whole, would remain after the Effective Time, (v) in the case of an Employee Benefit Plan of Florida Rock, any of the benefits of which will be increased, or the vesting of the benefits of which will be accelerated, by the occurrence of any of the transactions contemplated by this Agreement, or the value of any of the benefits of which will be calculated on the basis of any of the transactions contemplated by this Agreement, (vi) that has as its subject matter an Affiliate Transaction (as defined in Section 3.1(v)), or (vii) that would reasonably be expected to prevent, materially delay or materially impede the consummation of any of the transactions contemplated by this Agreement. All contracts, arrangements, commitments or understandings of the type described in this Section 3.1(i) (collectively referred to herein as the "Florida Rock Contracts") are valid and in full force and effect, except to the extent they have previously expired in accordance with their terms or if the failure to be in full force and effect, individually or in the aggregate, would not reasonably be expected to have a material adverse effect on Florida Rock. Neither Florida Rock nor any of its Subsidiaries has, and to the knowledge of Florida Rock, none of the other parties thereto have, violated any provision of, or committed or failed to perform any act, and no event or condition exists, which with or without notice, lapse of time or both would constitute a default under the provisions of, any Florida Rock Contract, except in each case for those violations and defaults that, individually or in the aggregate, would not reasonably be expected to result in a material adverse effect on Florida Rock.

(j) *Benefit Plans*. For purposes hereof, the following terms shall have the following meaning:

"Controlled Group Liability" means any and all liabilities (i) under Title IV of ERISA, (ii) under Section 302 of ERISA or under Section 412 of the Code as a result of failure to comply with the minimum funding requirements, (iii) under Section 4971 of the Code, (iv) as a result of a failure to comply with the continuation coverage requirements of Section 601 et seq. of ERISA and Section 4980B of the Code, and (v) under corresponding or similar provisions of foreign laws or regulations.

"Employee Benefit Plan" means any employee benefit plan, program, policy, practices, or other arrangement providing benefits to any current or former employee, officer or director of Florida Rock or any of its Subsidiaries or any beneficiary or dependent thereof that is sponsored or maintained by Florida Rock or any of its Subsidiaries or to which Florida Rock or any of its Subsidiaries contributes or is obligated to contribute, whether or not written, including any employee welfare benefit plan within the meaning of Section 3(1) of ERISA, any employee pension benefit plan

within the meaning of Section 3(2) of ERISA (whether or not such plan is subject to ERISA) and any bonus, incentive, deferred compensation, vacation, insurance, stock purchase, stock option, equity award, severance, employment, change of control or fringe benefit plan, program or agreement.

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Employment Agreement means a contract, offer letter or agreement of Florida Rock or any of its Subsidiaries with or addressed to any individual who is rendering or has rendered services thereto as an employee, director or consultant pursuant to which Florida Rock or any of its Subsidiaries has any actual or contingent liability or obligation to provide compensation and/or benefits in consideration for past, present or future services.

ERISA means the Employee Retirement Income Security Act of 1974, as amended, and the regulations promulgated thereunder.

ERISA Affiliate means, with respect to any entity, trade or business, any other entity, trade or business that is a member of a group described in Section 414(b), (c), (m) or (o) of the Code or Section 4001(b)(1) of ERISA that includes the first entity, trade or business, or that is a member of the same controlled group as the first entity, trade or business pursuant to Section 4001(a)(14) of ERISA.

Multiemployer Plan means any multiemployer plan within the meaning of Section 4001(a)(3) of ERISA.

Withdrawal Liability means liability to a Multiemployer Plan as a result of a complete or partial withdrawal from such Multiemployer Plan, as those terms are defined in Part I of Subtitle E of Title IV of ERISA.

(i) Section 3.1(j)(i) of the Florida Rock Disclosure Letter includes a complete list and description of all Employee Benefit Plans and all Employment Agreements.

(ii) With respect to each material Employee Benefit Plan, Florida Rock has made available to Vulcan a true and correct copy of each writing constituting a part of such Employee Benefit Plan, including (A) the most recent annual report (Form 5500) filed with the IRS, if any, (B) such Employee Benefit Plan, (C) each trust agreement relating to such Employee Benefit Plan, if any, (D) the most recent summary plan description for each Employee Benefit Plan for which a summary plan description is required by ERISA, (E) the most recent actuarial report or valuation relating to an Employee Benefit Plan subject to Title IV of ERISA, and (F) the most recent determination letter issued by the IRS with respect to any Employee Benefit Plan qualified under Section 401(a) of the Code, if any.

(iii) Section 3.1(j)(iii) to the Florida Rock Disclosure Letter identifies each Employee Benefit Plan that is intended to be a qualified plan within the meaning of Section 401(a) of the Code (Qualified Plans). The Internal Revenue Service has issued a favorable determination letter with respect to each Qualified Plan and the related trust that has not been revoked, and there are no circumstances, and no events have occurred, that could reasonably be expected to adversely affect the qualified status of any Qualified Plan or the related trust. Section 3.1(j)(iii) to the Florida Rock Disclosure Letter identifies each Employee Benefit Plan that is intended to meet the requirements of Code Section 501(c)(9), and each such plan meets such requirements and provides no disqualified benefits (as such term is defined in Code Section 4976(b)).

(iv) All contributions required to be made to any Employee Benefit Plan by applicable law or regulation or by any plan document or other contractual undertaking, and all premiums due or payable with respect to insurance policies funding any Employee Benefit Plan, for any period through the date hereof have been timely made or paid in full (except where Florida Rock s failure to timely make such contributions or pay such premiums would not result in any material liability, penalty or tax).

(v) With respect to each Employee Benefit Plan, Florida Rock and its Subsidiaries have complied, and are now in compliance, in all material respects, with all provisions of ERISA, the Code and all laws and regulations applicable to such Employee Benefit Plans and each Employee Benefit Plan has been administered in all material respects in accordance with its terms. There is not now, nor do any circumstances exist that could give rise to, any requirement

for the posting of

security with respect to an Employee Benefit Plan or the imposition of any lien on the assets of Florida Rock or any of its Subsidiaries under ERISA or the Code.

(vi) With respect to each Employee Benefit Plan that is subject to Title IV or Section 302 of ERISA or Section 412 or 4971 of the Code: (i) there does not exist any accumulated funding deficiency within the meaning of Section 412 of the Code or Section 302 of ERISA, whether or not waived; (ii) the fair market value of the assets of such Employee Benefit Plan equals or exceeds the actuarial present value of all accrued benefits under such Employee Benefit Plans (whether or not vested), based on the most recently available actuarial report with respect to such Employee Benefit Plan; (iii) no reportable event within the meaning of Section 4043(c) of ERISA for which the 30-day notice requirement has not been waived has occurred, and the consummation of the transactions contemplated by this Agreement will not result in the occurrence of any such reportable event; (iv) all premiums to the Pension Benefit Guaranty Corporation (the PBGC) have been timely paid in full; (v) no liability (other than for premiums to the PBGC) under Title IV of ERISA has been or is expected to be incurred by the Company or any of its subsidiaries; and (vi) the PBGC has not instituted proceedings to terminate any such Employee Benefit Plan and no condition exists that presents a risk that such proceedings will be instituted or which would constitute grounds under Section 4042 of ERISA for the termination of, or the appointment of a trustee to administer, any such Employee Benefit Plan.

(vii) Except as set forth in Section 3.1(j)(vii) of the Florida Rock Disclosure Letter: (A) no Employee Benefit Plan is a Multiemployer Plan or a plan that has two or more contributing sponsors at least two of whom are not under common control, within the meaning of Section 4063 of ERISA (a Multiple Employer Plan); (B) none of Florida Rock or any of its Subsidiaries nor any of their respective ERISA Affiliates has, at any time during the last six years, contributed to or been obligated to contribute to any Multiemployer Plan or Multiple Employer Plan; and (C) none of Florida Rock or any of its Subsidiaries nor any ERISA Affiliates has incurred any Withdrawal Liability that has not been satisfied in full. With respect to each Employee Benefit Plan that is a Multiemployer Plan, except as set forth in Section 3.1(j)(vii) of the Florida Rock Disclosure Letter: (x) if Florida Rock or any of its Subsidiaries or any of their respective ERISA Affiliates were to experience a withdrawal or partial withdrawal from such plan, no Withdrawal Liability would be incurred; and (y) none of Florida Rock and its Subsidiaries, nor any of their respective ERISA Affiliates has received any notification, nor has any reason to believe, that any such Employee Benefit Plan is in reorganization, has been terminated, is insolvent, or may reasonably be expected to be in reorganization, to be insolvent, or to be terminated.

(viii) There does not now exist, nor do any circumstances exist that would reasonably be expected to result in, any Controlled Group Liability that would be a material liability of Florida Rock or any of its Subsidiaries following the Closing. Without limiting the generality of the foregoing, neither Florida Rock nor any of its Subsidiaries, nor any of their respective ERISA Affiliates, has engaged in any transaction described in Section 4069 or Section 4204 or 4212 of ERISA.

(ix) Section 3.1(j)(ix) to the Florida Rock Disclosure Letter sets forth each Employee Benefit Plan or Employment Agreement under which the execution and delivery of this Agreement or the consummation of the transactions contemplated hereby could (either alone or in conjunction with any other event) result in, cause the accelerated vesting, funding or delivery of, or increase the amount or value of, any payment or benefit to any employee, officer, consultant or director of Florida Rock or any of its Subsidiaries, or could limit the right of Florida Rock or any of its Subsidiaries to amend, merge, terminate or receive a reversion of assets from any Employee Benefit Plan, Employment Agreement or trust. Except as set forth in Section 3.1(j)(ix) of the Florida Rock Disclosure Letter, neither Florida Rock nor any of its Subsidiaries is a party to any plan, program, agreement, arrangement, or policy that would result, separately or in the aggregate, in the payment or provision (whether in connection with any termination of employment or otherwise) of any excess parachute payment within the meaning of Section 280G of the Code with respect to a current or

former employee or current or former consultant or contractor of Florida Rock or any of its Subsidiaries or that could give rise to the payment of any amount that would not be deductible by reason of Section 162(m) of the Code. No Employee Benefit Plan or Employment Agreement provides for a tax gross-up with respect to the excise tax imposed under Section 4999 of the Code or the tax or penalties imposed under Section 409A of the Code.

(x) To Florida Rock s knowledge, none of Florida Rock and its Subsidiaries nor any other person, including any fiduciary, has engaged in any prohibited transaction (as defined in Section 4975 of the Code or Section 406 of ERISA), which would reasonably be expected to subject any of the Employee Benefit Plans or their related trusts, Florida Rock, any of its Subsidiaries or any person that Florida Rock or any of its Subsidiaries has an obligation to indemnify, to any material tax or penalty imposed under Section 4975 of the Code or Section 502 of ERISA.

(xi) There are no pending or, to Florida Rock s knowledge, threatened, claims (other than routine claims for benefits in the ordinary course), lawsuits or arbitrations which have been asserted or instituted, and to Florida Rock s knowledge, no set of circumstances exists which may reasonably give rise to a claim or lawsuit, against the Employee Benefit Plans, any fiduciaries thereof with respect to their duties to the Employee Benefit Plans or the assets of any of the trusts under any of the Employee Benefit Plans which could reasonably be expected to result in any material liability of Florida Rock or any of its Subsidiaries to the PBGC, the Department of Treasury, the Department of Labor, any Multiemployer Plan, any Employee Benefit Plan or any participant in an Employee Benefit Plan.

(xii) Neither Florida Rock nor any of its Subsidiaries has any liability for life, or medical benefits to former employees or beneficiaries or dependents thereof, except for health continuation coverage as required by Section 4980B of the Code or Part 6 of Title I of ERISA and at no expense to Florida Rock or any of its Subsidiaries.

(xiii) Each Employee Benefit Plan that is a nonqualified deferred compensation plan (within the meaning of Section 409A(d)(1) of the Code) subject to Section 409A of the Code has been operated in material compliance with Section 409A of the Code since September 30, 2004, based upon a good faith, reasonable interpretation of (i) Section 409A of the Code and (ii) (A) the proposed regulations issued thereunder or (b) Internal Revenue Service Notice 2005-1.

(k) *Subsidiaries*. Exhibit 21 to Florida Rock s Annual Report on Form 10-K for the fiscal year ended September 30, 2006 filed with the SEC prior to the date hereof includes all the Subsidiaries of Florida Rock that are Significant Subsidiaries. All of the shares of capital stock or other equity interests of each of the Subsidiaries held by Florida Rock or by another Subsidiary of Florida Rock are fully paid and nonassessable and are owned by Florida Rock or a Subsidiary of Florida Rock free and clear of any Lien.

(l) *Absence of Certain Changes or Events*. Since December 31, 2006, (i) Florida Rock and its Subsidiaries have conducted their respective businesses in the ordinary course consistent in all material respects with their past practices and (ii) there has not been any change, circumstance or event that has had, or would reasonably be expected to have, a material adverse effect on Florida Rock.

(m) *Board Approval; Florida Rock Rights Agreement*. (i) The Board of Directors of Florida Rock, by resolutions duly adopted by unanimous vote of those voting at a meeting duly called and held (the Florida Rock Board Approval), has (A) adopted this Agreement, (B) recommended that the shareholders of Florida Rock approve this Agreement and directed that such matter be submitted for consideration by Florida Rock shareholders at the Florida Rock Shareholders Meeting (as defined in Section 5.1(b)), and (C) approved the Support Agreement. The Florida Rock Board Approval constitutes approval of this Agreement and the Florida Rock Merger for purposes of Section 901 of the FBCA such that no other action or approval of the Board of Directors of Florida Rock or any person is needed to exempt this Agreement, the Support Agreement, the Florida Rock Merger or the other transactions contemplated hereby from the restrictions of Section 901 of the FBCA and of any other transaction effected by Vulcan or any of its

affiliates for purposes of Section 901 of the FBCA. To the knowledge of Florida Rock, except for Section 901 of the FBCA (which have been rendered

inapplicable), no moratorium, control share, fair price or other anti-takeover law or regulation (including Section 902 of the FBCA) is applicable to this Agreement, the Florida Rock Merger, or the other transactions contemplated hereby.

(ii) Florida Rock has taken all actions necessary to render the rights issued pursuant to the Rights Agreement, dated as of May 5, 1999, by and between Florida Rock and First Union National Bank (the Florida Rock Rights Agreement) inapplicable to this Agreement, the Florida Rock Merger, the Support Agreement and the transactions contemplated hereby and thereby.

(n) *Vote Required*. Assuming that the representations and warranties of Vulcan set forth in Section 3.2(b)(v) are true and correct, the affirmative vote of the holders of a majority of the outstanding shares of Florida Rock Common Stock to approve this Agreement (the Required Florida Rock Vote) is the only vote of the holders of any class or series of Florida Rock capital stock necessary to approve this Agreement and the transactions contemplated hereby.

(o) *Properties*. (i) Other than with respect to the Real Properties (which are addressed in clauses (ii)-(v) of this Section 3.1(o)), Florida Rock or one of its Subsidiaries (A) has good and marketable title to all the properties and assets reflected in the latest audited balance sheet included in the Florida Rock SEC Documents as being owned by Florida Rock or one of its Subsidiaries or acquired after the date thereof that are material to Florida Rock s business on a consolidated basis (except properties sold or otherwise disposed of since the date thereof in the ordinary course of business), free and clear of all Liens, except (1) statutory Liens securing payments not yet due, (2) such imperfections or irregularities of title, claims, liens, charges, security interests, easements, covenants and other restrictions or encumbrances as do not affect in any material respect the current use of the properties or assets subject thereto or affected thereby or otherwise impair in any material respect the business operations at such properties and (3) mortgages, deeds of trust or security interests related to indebtedness reflected on the consolidated financial statements of Florida Rock (such Liens in clauses (1) through (3), Florida Rock Permitted Liens), and (B) is the lessee of all leasehold estates reflected in the latest audited financial statements included in the Florida Rock SEC Documents or acquired after the date thereof that are material to its business on a consolidated basis (except for leases that have expired by their terms since the date thereof or been assigned, terminated or otherwise disposed of in the ordinary course of business consistent with past practice) and is in possession of the properties purported to be leased thereunder, and each such lease is valid without any default thereunder by the lessee or, to Florida Rock s knowledge, the lessor.

(ii) Except as would not reasonably be expected to have a material adverse effect on Fresno, Florida Rock or one of its Subsidiaries has good and marketable either fee simple or leasehold (as the case may be) title to all the real properties (the Real Properties) occupied, used or held for use in Florida Rock s business or reflected in the latest audited balance sheet included in the Florida Rock SEC Documents (except for leases that have expired by their terms since the date thereof or been assigned, terminated or otherwise disposed of in the ordinary course of business consistent with past practice), in each case free and clear of all Liens and Encumbrances other than Florida Rock Permitted Liens and Florida Rock Permitted Encumbrances. All aspects of the Real Property are in compliance in all material respects with any and all restrictions and other provisions included in the Florida Rock Permitted Encumbrances, and there are no matters which create, or which with notice or the passage of time would create, a default under any of the documents evidencing the Florida Rock Permitted Encumbrances, except in each case where the failure to comply or the default would not reasonably be expected to have a material adverse effect on Florida Rock.

(iii) Each of the leases and subleases pursuant to which Florida Rock or any of its Subsidiaries leases the leased Real Properties (the Real Property Leases) is valid, binding and in full force and effect without default thereunder by the lessee or, to Florida Rock s knowledge, the lessor (and there are no outstanding defaults or circumstances which, upon the giving of notice or passage of time or both, would constitute a default or breach by either party under any Real Property Lease), except in each case where the failure to comply or the default would not reasonably be expected to

have a material adverse effect on Florida Rock. True and complete copies of all Real Property Leases that are material to Florida Rock have been provided by Florida Rock to Vulcan prior to the date of this Agreement, including all amendments or modifications thereof and all side letters or other instruments affecting the obligations of any party thereunder. There is no pending or, to the knowledge of

Florida Rock, threatened suit, action or proceeding with respect to any leased property that is material to Florida Rock which would reasonably be expected to interfere in any material respect with the quiet enjoyment of any tenant. As used herein, the term lease shall also include subleases, the term lessor shall also include any sublessor, and the term lessee shall also include any sublessee.

(iv) Except as would not reasonably be expected to have a material adverse effect on Florida Rock, all buildings, structures, improvements and fixtures located on or within the Real Property, and all other aspects of the Real Property, (1) are in good operating condition and repair and are structurally sound and free of any defects; (2) are suitable, sufficient and appropriate in all respects for their current and contemplated uses; and (3) consist of sufficient land, parking areas, sidewalks, driveways and other improvements (and otherwise have adequate ingress and egress to public rights of way) to permit the continued use of such facilities in the manner and for the purposes to which they are presently devoted or to which they are contemplated to be devoted.

(v) As used herein, the term Encumbrance shall mean any mortgage, deed of trust, lease, license, condition, covenant, restriction, hypothecation, option to purchase or lease or otherwise acquire any interest, right of first refusal or offer, conditional sales or other title retention agreement, adverse claim of ownership or use, easement, encroachment, right of way or other title defect, third party right or encumbrance of any kind or nature. As used herein, the term Florida Rock Permitted Encumbrances means easements, rights-of-way, encroachments, restrictions, conditions and other similar encumbrances incurred or suffered in the ordinary course of business and which, individually or in the aggregate, do not materially and adversely impact the use of the applicable Real Property in the business as currently operated or otherwise materially and adversely impair Florida Rock s business operations at such location (as currently operated).

(p) *Intellectual Property*. Except as would not, individually or in the aggregate, reasonably be expected to have a material adverse effect on Florida Rock, (i) Florida Rock or its Subsidiaries own free and clear of all claims, liens, charges, security interests or encumbrances of any nature whatsoever other than Florida Rock Permitted Liens or have a valid license to use all material patents, inventions, copyrights, software, trademarks, service marks, domain names, trade names, know-how and other intellectual property (including any registrations or applications for registration of any of the foregoing) (collectively, the Florida Rock Intellectual Property) necessary to carry on their business as currently conducted, (ii) the Florida Rock Intellectual Property does not infringe, imitate, misappropriate, dilute, violate or otherwise derogate or make unauthorized use of (Infringe) the intellectual property rights of third parties and is not being Infringed by any third parties, (iii) to the knowledge of Florida Rock, no facts or circumstances exist that would affect the validity, substance or existence of, or Florida Rock s rights in, the Florida Rock Intellectual Property, (iv) Florida Rock and its Subsidiaries have taken reasonable actions to protect and maintain the Florida Rock Intellectual Property, including Florida Rock Intellectual Property that is confidential in nature, and (v) there are no claims, suits or other actions, and to the knowledge of Florida Rock, no claim, suit or other action is threatened, that seek to limit or challenge the validity, enforceability, ownership, or right to use, sell or license the Florida Rock Intellectual Property, nor does Florida Rock know of any valid basis therefor.

(q) *Environmental Matters*. Except as would not reasonably be expected to result in any liability that would be material to Florida Rock and its Subsidiaries, taken as a whole:

(i) Florida Rock and its Subsidiaries hold, and are in compliance with all applicable permits, licenses, registrations and other governmental authorizations (Environmental Permits) required under all applicable foreign, federal, state and local statutes, rules, regulations, ordinances, orders and decrees relating in any manner to contamination, pollution or protection of human health, natural resources or the environment (Environmental Laws) for Florida Rock to conduct its operations, and are in compliance with all applicable Environmental Laws and, to the knowledge of Florida Rock, there is no condition that would reasonably be expected to result in a violation of applicable Environmental Laws or applicable Environmental Permits in the future. To Florida Rock s knowledge, Florida Rock and its Subsidiaries have

not received any written notice, claim, demand, action, suit, complaint, proceeding or other communication by any person alleging any violation of, or any actual or potential liability under, any Environmental Laws (an Environmental Claim), and Florida Rock has no knowledge of any pending or threatened Environmental Claim. Neither Florida Rock nor any of its Subsidiaries has released any

hazardous or toxic substance regulated as such under Environmental Laws, including petroleum (including crude oil or any fraction thereof), asbestos and asbestos-containing materials, silica, arsenic, polychlorinated biphenyls, radon or any other material that is regulated pursuant to any Environmental Laws or that would reasonably be expected to result in liability under any Environmental Laws (collectively, Hazardous Materials) at, on, from or under any of the properties or facilities currently or formerly owned or leased by Florida Rock or its Subsidiaries, in violation of any Environmental Laws.

(ii) To Florida Rock s knowledge, there are no significant and substantial mining safety or health hazards, as defined under the Federal Mine Safety & Health Act of 1977 (MSHA) at any of the real properties owned or leased by Florida Rock or any of its Subsidiaries, or similar safety or health hazards at any such property arising under the Occupational Safety and Health Act of 1970 (OSHA) or any other federal, state or local law similar to MSHA or OSHA, which would reasonably be expected to result in Florida Rock and its Subsidiaries incurring any liability.

(r) *Labor and Employment Matters*. Except as would not, individually or in the aggregate, reasonably be expected to result in any material liability to Florida Rock or any of its Subsidiaries, (i) there is no labor strike, dispute, slowdown, stoppage or lockout actually pending or, to the knowledge of Florida Rock, threatened against Florida Rock or any of its Subsidiaries, (ii) no union organizing campaign with respect to the employees of Florida Rock or its Subsidiaries is underway or, to Florida Rock s knowledge, threatened, (iii) there is no unfair labor practice charge or complaint against Florida Rock or its Subsidiaries pending or, to the knowledge of Florida Rock, threatened before the National Labor Relations Board or any similar state or foreign agency, (iv) there is no grievance pending relating to any collective bargaining agreement or other grievance procedure, and (v) no charges with respect to or relating to Florida Rock or its Subsidiaries are pending before the Equal Employment Opportunity Commission or any other Governmental Entity responsible for the prevention of unlawful employment practices. Section 3.1(r) of the Florida Rock Disclosure Letter sets forth a complete list of each collective bargaining agreement to which Florida Rock or any of its subsidiaries is a party (the Collective Bargaining Agreements).

(s) *Information Supplied*. None of the information supplied or to be supplied by Florida Rock for inclusion or incorporation by reference in (i) the Form S-4 will, at the time the Form S-4 is filed with the SEC and at the time it becomes effective under the Securities Act, contain any untrue statement of a material fact or omit to state any material fact required to be stated therein or necessary to make the statements therein not misleading, and (ii) the Proxy Statement/Prospectus will, at the date of mailing to shareholders and at the time of the meeting of shareholders to be held in connection with the Florida Rock Merger, contain any untrue statement of a material fact or omit to state any material fact required to be stated therein or necessary in order to make the statements therein, in light of the circumstances under which they were made, not misleading. The Proxy Statement/Prospectus relating to the Florida Rock Shareholders Meeting will comply as to form in all material respects with the requirements of the Exchange Act and the rules and regulations of the SEC thereunder. No representation or warranty is made by Florida Rock with respect to statements made or incorporated by reference therein based on information supplied by Vulcan for inclusion or incorporation by reference in the Proxy Statement/Prospectus.

(t) *Insurance*. Florida Rock s self-insurance retention levels are accurately disclosed in Footnote 1 to the Consolidated Financial Statements included in Florida Rock s 2006 Annual Report included in the Florida Rock SEC Documents, and Florida Rock maintains umbrella policies providing $150 million of coverage above the self-insurance retention level. With respect to each such insurance policy, except as has not had and would not reasonably be expected to have, individually or in the aggregate, a material adverse effect on Florida Rock, (i) the policy is in full force and effect and all premiums due thereon have been paid, (ii) neither Florida Rock nor any of its Subsidiaries is in breach or default, and neither Florida Rock nor any of its Subsidiaries has taken any action or failed to take any action which, with notice or the lapse of time, would constitute such a breach or default, or permit termination or modification of, any such policy, and (iii) to the knowledge of Florida Rock, no insurer on any such policy has been declared insolvent or placed in receivership, conservatorship or liquidation, and no notice of cancellation or termination has been received

with respect to any such policy.

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(u) *Customers*. Prior to the date hereof, Florida Rock has furnished to Vulcan a list of the ten largest customers of Florida Rock (on a consolidated basis) for the calendar year ended December 31, 2006 and the percentage of consolidated volume attributable to such customer.

(v) *Related-Party Transactions*. (i) Except for passive ownership of less than five percent (5%) of the outstanding stock of any publicly traded entity, no member of the Baker Group owns, directly or indirectly, any interest in, or is an officer, director, employee or consultant of or otherwise receives remuneration from, (x) any business that competes, directly or indirectly, with Florida Rock or its affiliates, or (y) any lessor, lessee, customer or supplier of Florida Rock. No officer or director of Florida Rock or any member of the Baker Group has any interest in any tangible or intangible assets or real or personal property used in or pertaining to the business of Florida Rock.

(ii) Except for employment contracts entered into in the ordinary course of business consistent with past practice and filed as an exhibit to a Florida Rock SEC Document, Schedule 3.1(v)(ii) sets forth a correct and complete list of the contracts or arrangements under which Florida Rock has any existing or future liabilities of the type required to be reported by Florida Rock pursuant to Item 404 of Regulation S-K promulgated by the SEC (an Affiliate Transaction), between Florida Rock or any of its Subsidiaries, on the one hand, and, on the other hand, any (A) present or former officer or director of Florida Rock or any of its Subsidiaries or any of such officer s or director s immediate family members, (B) record or beneficial owner of more than 5% of the Florida Rock Common Stock, or (C) any Affiliate of any such officer, director or owner, since September 30, 2005, and (ii) identifies each Affiliate Transaction that is in existence as of the date of this Agreement. Florida Rock has provided or made available to Vulcan correct and complete copies of each contract or other relevant documentation (including any amendments or modifications thereto) providing for each Affiliate Transaction.

(iii) Each of the Florida Rock Contracts between Florida Rock or any of its Subsidiaries, on the one hand, and Patriot, on the other hand, contains terms that are in the aggregate no less favorable to Florida Rock than could be obtained from third parties in Patriot s industry or are cancelable on one day s notice; it being understood that the foregoing representation shall not be read to include any Real Property Leases.

(w) *Plants and Equipment*. To Florida Rock s knowledge, the plants, structures and equipment necessary for the continued operation of Florida Rock or any of its Subsidiaries are sufficient to conduct their material operations in the ordinary course of business in a manner consistent with their past practices.

(x) *Brokers or Finders*. No agent, broker, investment banker, financial advisor or other firm or person except Lazard Frères & Co. LLC (Lazard) is or will be entitled to any broker s or finder s fee or any other similar commission or fee in connection with any of the transactions contemplated by this Agreement. Florida Rock has disclosed to Vulcan all material terms of the engagement of Lazard.

(y) *Opinion of Florida Rock Financial Advisor*. Florida Rock has received the opinion of Lazard, dated the date hereof, to the effect that the Florida Rock Consideration is fair, from a financial point of view, to the holders of Florida Rock Common Stock (other than Vulcan and any of its direct or indirect wholly owned subsidiaries). Such opinion has not been amended or rescinded as of the date of this Agreement.

3.2. *Representations and Warranties of Vulcan*. Except (x) with respect to any subsection of this Section 3.2, as set forth in the correspondingly identified subsection of the disclosure letter delivered by Vulcan to Florida Rock concurrently herewith (the Vulcan Disclosure Letter) (it being understood by the parties that any information disclosed in one subsection of the Vulcan Disclosure Letter shall be deemed to be disclosed for purposes of each other subsection of the Vulcan Disclosure Letter to which the relevance of such information is reasonably apparent) or (y) as disclosed in the Vulcan SEC Documents filed prior to the date hereof (excluding, in each case, any disclosures

set forth in any risk factor section, in any section relating to forward looking statements and any other disclosures included therein to the extent that they are cautionary, predictive, or forward looking in nature), Vulcan represents and warrants to Florida Rock as follows:

(a) *Organization, Standing and Power*. (i) Each of Vulcan and the Significant Subsidiaries of Vulcan is a corporation or other entity duly organized, validly existing and, if applicable, in good standing under the laws of its jurisdiction of incorporation, has all requisite power and authority to own, lease and operate its properties and to carry on its business as now being conducted, and is duly qualified and, if applicable, in good standing to

do business in each jurisdiction in which the nature of its business or the ownership or leasing of its properties makes such qualification necessary, in each case, other than as would not, either individually or in the aggregate, reasonably be expected to have a material adverse effect on Vulcan.

(ii) Each of Holdco and the Merger Subs is a corporation duly organized, validly existing and in good standing in its jurisdiction of incorporation. Since their respective dates of incorporation, none of Holdco or the Merger Subs has carried on any business, incurred any liability or conducted any operations other than the execution of this Agreement, the performance of its obligations hereunder and matters ancillary thereto.

(b) *Capital Structure*. (i) The authorized capital stock of Vulcan consists of 480,000,000 shares of Vulcan Common Stock, and 5,000,000 shares of preferred stock, with no par value (Vulcan Preferred Stock). As of the close of business on February 12, 2007, (A) 139,704,972 shares of Vulcan Common Stock were issued (including shares held in treasury), 6,445,432 shares of Vulcan Common Stock were subject to issuance upon the exercise or payment of outstanding Vulcan Stock Options, 656,496 shares of Vulcan Common Stock were reserved for issuance upon the exercise or payment of stock options, stock units or other awards or pursuant to any plans of Vulcan under which any award, grant or other form of compensation issuable in the form of, or based in whole or in part on the value of, Vulcan Common Stock, may be conferred on any individual or entity (such stock options, units and other awards and plans, collectively, the Vulcan Stock Plans), and 44,117,148 shares of Vulcan Common Stock were held by Vulcan in its treasury or by its Subsidiaries; and (B) no shares of Vulcan Preferred Stock were outstanding or reserved for issuance. All outstanding shares of Vulcan Common Stock have been duly authorized and validly issued and are fully paid and non assessable and are not subject to preemptive rights. The shares of Holdco Common Stock to be issued pursuant to or as specifically contemplated by this Agreement (including as contemplated by Sections 2.7 and 2.8) will have been duly authorized as of the Effective Time and, if and when issued in accordance with the terms hereof, will be validly issued, fully paid and non assessable and will not be subject to preemptive rights.

(ii) No Voting Debt of Vulcan is issued or outstanding.

(iii) Except for (A) this Agreement, (B) Vulcan Stock Options that represented, as of February 12, 2007, the right to acquire up to an aggregate of 6,445,432 shares of Vulcan Common Stock, (C) Vulcan SARs that represented, as of February 12, 2007, the right to acquire up to an aggregate of 406,930 shares of Vulcan Common Stock, and (D) agreements entered into and securities and other instruments issued after the date hereof as permitted by Section 4.2, there are no options, warrants, calls, rights, commitments or agreements of any character to which Vulcan or any Subsidiary of Vulcan is a party or by which it or any such Subsidiary is bound obligating Vulcan or any Subsidiary of Vulcan to issue, deliver or sell, or cause to be issued, delivered or sold, additional shares of capital stock or any Voting Debt or stock appreciation rights of Vulcan or of any Subsidiary of Vulcan or obligating Vulcan or any Subsidiary of Vulcan to grant, extend or enter into any such option, warrant, call, right, commitment or agreement. There are no outstanding contractual obligations of Vulcan or any of its Subsidiaries (A) to repurchase, redeem or otherwise acquire any shares of capital stock of Vulcan or any of its Subsidiaries or (B) pursuant to which Vulcan or any of its Subsidiaries is or could be required to register shares of Vulcan Common Stock or other securities under the Securities Act, except any such contractual obligations entered into after the date hereof as permitted by Section 4.2. All Vulcan Stock Options were granted at an exercise price at least equal to the fair market value (within the meaning of Section 409A of the Code) of a share of Vulcan Common Stock on the date of grant and no Vulcan Stock Option has been extended, amended or repriced since the date of grant.

(iv) Since February 12, 2007, except as permitted by Section 4.2, Vulcan has not (A) issued or permitted to be issued any shares of capital stock, stock appreciation rights or securities exercisable or exchangeable for or convertible into shares of capital stock, of Vulcan or any of its Subsidiaries, other than pursuant to and as required by the terms of the Vulcan Stock Plans and any employee stock options and other awards issued under the Vulcan Stock Plans prior to the date hereof (or issued after the date hereof in compliance with Sections 4.2(c)); (B) repurchased, redeemed or

otherwise acquired, directly or indirectly through one or more Vulcan Subsidiaries, any shares of capital stock of Vulcan or any of its Subsidiaries; or (C) declared, set aside, made or paid to the shareholders of Vulcan dividends or other distributions on the outstanding shares of capital stock of Vulcan.

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(v) Neither Vulcan nor any of its Subsidiaries owns any Florida Rock Common Stock.

(c) *Authority*. (i) Vulcan, Holdco and the Merger Subs have all requisite corporate power and authority to enter into this Agreement and to consummate the transactions contemplated hereby. The execution and delivery of this Agreement and the consummation of the transactions contemplated hereby have been duly authorized by all necessary corporate action on the part of Vulcan, Holdco and the Merger Subs. This Agreement has been duly executed and delivered by Vulcan, Holdco and the Merger Subs and constitutes a valid and binding obligation of Vulcan, Holdco and the Merger Subs, enforceable against Vulcan, Holdco and the Merger Subs in accordance with its terms, subject to bankruptcy, insolvency, fraudulent transfer, reorganization, moratorium and similar laws of general applicability relating to or affecting creditors rights and to general equitable principles.

(ii) The execution and delivery of this Agreement does not, and the consummation of the transactions contemplated hereby will not, (A) result in any Violation pursuant to any provision of the Vulcan Charter, the Vulcan By-laws or equivalent governing documents of any Significant Subsidiary of Vulcan or of Holdco or the Merger Subs, or (B) subject to obtaining or making the consents, approvals, orders, authorizations, registrations, declarations and filings referred to in paragraph (iii) below, result in any Violation of any loan or credit agreement, note, mortgage, indenture, lease, obligation, instrument, permit, concession, franchise, license, judgment, order, decree, statute, law, ordinance, rule or regulation applicable to Vulcan or any Subsidiary of Vulcan or their respective properties or assets which Violation, individually or in the aggregate, would reasonably be expected to (x) have a material adverse effect on Vulcan or (y) prevent, materially delay or materially impede Vulcan s, Holdco s or the Merger Subs ability to perform their respective obligations hereunder or to consummate the transactions contemplated hereby.

(iii) No consent, approval, order or authorization of, or registration, declaration or filing with, any Governmental Entity is required by or with respect to Vulcan or any Subsidiary of Vulcan in connection with the execution and delivery of this Agreement by Vulcan or the consummation by Vulcan of the transactions contemplated hereby, the failure to make or obtain that, individually or in the aggregate, would reasonably be expected to (x) have a material adverse effect on Vulcan or (y) prevent, materially delay or materially impede Vulcan s ability to perform its obligations hereunder or to consummate the transactions contemplated hereby, except for (A) the filing with the SEC of the Proxy Statement/Prospectus and the Form S-4, (B) such filings and approvals as are required to be made or obtained under the securities or blue sky laws of various states in connection with the transactions contemplated by this Agreement, (C) the filing of the Vulcan Certificate of Merger with the Secretary of State of the State of New Jersey, (D) the listing of the Holdco Common Stock on NYSE, and (E) notices, filings and other authorizations under the HSR Act.

(d) *SEC Documents*. Vulcan has filed all required reports, schedules, registration statements and other documents with the SEC since January 1, 2005 (the Vulcan SEC Documents). As of their respective dates of filing with the SEC (or, if amended or superseded by a filing prior to the date hereof, as of the date of such filing), the Vulcan SEC Documents complied in all material respects with the requirements of the Securities Act or the Exchange Act, as the case may be, and the rules and regulations of the SEC thereunder applicable to such Vulcan SEC Documents, and none of the Vulcan SEC Documents when filed, contained any untrue statement of a material fact or omitted to state a material fact required to be stated therein or necessary to make the statements therein, in light of the circumstances under which they were made, not misleading. The financial statements of Vulcan included in the Vulcan SEC Documents complied as to form, as of their respective dates of filing with the SEC, in all material respects with all the published rules and regulations of the SEC with respect thereto (except, in the case of unaudited statements, as permitted by Form 10-Q of the SEC), have been prepared in accordance with GAAP applied on a consistent basis during the periods involved (except as may be disclosed therein) and fairly present in all material respects the consolidated financial position of Vulcan and its consolidated Subsidiaries and the consolidated results of operations, changes in shareholders equity and cash flows of such companies as of the dates and for the periods shown. As of the

date hereof, there are no outstanding written comments from the SEC with respect to any of the Vulcan SEC Documents.

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(e) *Undisclosed Liabilities*. Except for (i) those liabilities that are appropriately reflected or reserved for in the consolidated financial statements of Vulcan included in its Quarterly Report on Form 10-Q for the fiscal quarter ended September 30, 2006, as filed with the SEC prior to the date hereof, (ii) liabilities incurred since September 30, 2006 in the ordinary course of business consistent with past practice, (iii) liabilities that are, individually and in the aggregate, immaterial to Vulcan, (iv) liabilities incurred pursuant to the transactions contemplated by, or permitted by, this Agreement, and (v) liabilities or obligations discharged or paid in full prior to the date hereof in the ordinary course of business consistent with past practice, Vulcan and its Subsidiaries do not have, any liabilities or obligations of any nature whatsoever (whether accrued, absolute, contingent or otherwise) that are required to be reflected in Vulcan s financial statements in accordance with GAAP.

(f) *Information Supplied*. None of the information supplied or to be supplied by Vulcan for inclusion or incorporation by reference in (i) the Form S-4 will, at the time the Form S-4 is filed with the SEC and at the time it becomes effective under the Securities Act, contain any untrue statement of a material fact or omit to state any material fact required to be stated therein or necessary to make the statements therein not misleading and (ii) the Proxy Statement/Prospectus will, at the date of mailing to shareholders and at the times of the meeting of shareholders to be held in connection with the Florida Rock Merger, contain any untrue statement of a material fact or omit to state any material fact required to be stated therein or necessary in order to make the statements therein, in light of the circumstances under which they were made, not misleading. The Proxy Statement/Prospectus (other than the Proxy Statement/Prospectus relating to the Florida Rock Shareholders Meeting) will comply as to form in all material respects with the requirements of the Exchange Act and the rules and regulations of the SEC thereunder, and the Form S-4 will comply as to form in all material respects with the requirements of the Securities Act and the rules and regulations of the SEC thereunder. No representation or warranty is made by Vulcan with respect to statements made or incorporated by reference therein based on information supplied by Florida Rock for inclusion or incorporation by reference in the Proxy Statement/Prospectus or Form S-4.

(g) *Compliance with Applicable Laws and Reporting Requirements*. (i) Vulcan and its Subsidiaries hold all permits, licenses, variances, exemptions, orders and approvals of all Governmental Entities that are material to the operation of the businesses of Vulcan and its Subsidiaries, taken as a whole (the Vulcan Permits), and Vulcan and its Subsidiaries are and for the two years preceding the date hereof have been in compliance with the terms of the Vulcan Permits and all applicable laws and regulations, except where the failure so to hold or comply would not reasonably be expected to have a material adverse effect on Vulcan. The businesses of Vulcan and its Subsidiaries are not being and for the two years preceding the date hereof have not been conducted in violation of any law, ordinance or regulation of any Governmental Entity (including the Sarbanes-Oxley Act of 2002), except for violations that, individually or in the aggregate, do not have, and would not reasonably be expected to have, a material adverse effect on Vulcan. No investigation by any Governmental Entity with respect to Vulcan or any of its Subsidiaries is pending or, to the knowledge of Vulcan, threatened, other than, in each case, those the outcome of which, individually or in the aggregate, would not reasonably be expected to have a material adverse effect on Vulcan.

(ii) Vulcan and its Subsidiaries have designed and maintain a system of internal controls over financial reporting (as defined in Rules 13a-15(f) and 15d-15(f) of the Exchange Act) sufficient to provide reasonable assurances regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with GAAP. Vulcan (A) has designed and maintains disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) of the Exchange Act) to ensure that material information required to be disclosed by Vulcan in the reports that it files or submits under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in the SEC s rules and forms and is accumulated and communicated to Vulcan s management as appropriate to allow timely decisions regarding required disclosure, and (B) has disclosed, based on its most recent evaluation of such disclosure controls and procedures prior to the date hereof, to Vulcan s auditors and the audit committee of Vulcan s Board of Directors (1) any significant deficiencies and material weaknesses in the design or

operation of internal controls over financial reporting that are reasonably likely to adversely affect in any material respect Vulcan s ability to record, process, summarize and report financial information and (2) any fraud, whether or

not material, that involves management or other employees who have a significant role in Vulcan s internal controls over financial reporting.

(h) *Legal Proceedings*. There is no claim, suit, action, investigation or other demand or proceeding (whether judicial, arbitral, administrative or other) pending or, to the knowledge of Vulcan, threatened against or affecting Vulcan or any Subsidiary of Vulcan that would reasonably be expected to have, individually or in the aggregate, a material adverse effect on Vulcan, nor is there any judgment, decree, injunction, rule or order of any Governmental Entity or arbitrator outstanding against Vulcan or any Subsidiary of Vulcan having or that would reasonably be expected to have, individually or in the aggregate, a material adverse effect on Vulcan or on Holdco after the Effective Time.

(i) *Taxes*. Except as would not reasonably be expected, individually or in the aggregate, to have a material adverse effect on Vulcan:

(1) Each of Vulcan and its Subsidiaries has duly and timely filed (including all applicable extensions) all Tax Returns required to be filed by it on or prior to the date of this Agreement (all such Tax Returns being accurate and complete in all respects), has timely paid all Taxes shown thereon as arising and has duly and timely paid all Taxes that are due and payable or claimed to be due from it by federal, state, foreign or local taxing authorities other than Taxes that are being contested in good faith, which have not been finally determined, and have been adequately reserved against in accordance with GAAP on Vulcan s most recent consolidated financial statements;

(2) There are no disputes, audits, examinations or proceedings pending, or claims asserted in writing, for Taxes or assessments upon Vulcan or any of its Subsidiaries for which Vulcan does not have reserves that are adequate under GAAP;

(3) Neither Vulcan nor any of its Subsidiaries has participated in a listed transaction within the meaning of Treasury Regulation Section 1.6011-4(b)(2); and

(4) As of the date of this Agreement, neither Vulcan nor any of its Subsidiaries has taken any action or knows of any fact, agreement, plan or other circumstance that could reasonably be expected to prevent (i) the exchange of Florida Rock Common Stock and Vulcan Common Stock for Holdco Common Stock pursuant to the Mergers, taken together, from qualifying as an exchange described in Section 351 of the Code or (ii) the Vulcan Merger from qualifying as a reorganization within the meaning of Section 368(a) of the Code.

(j) *Subsidiaries*. Exhibit 21 to Vulcan s Annual Report on Form 10-K for the fiscal year ended December 31, 2005 filed with the SEC prior to the date hereof includes all the Subsidiaries of Vulcan that are Significant Subsidiaries. All of the shares of capital stock of each of the Subsidiaries held by Vulcan or by another Subsidiary of Vulcan are fully paid and nonassessable and are owned by Vulcan or a Subsidiary of Vulcan free and clear of any claim, lien or encumbrance.

(k) *Absence of Certain Changes or Events*. Since September 30, 2006, (i) Vulcan and its Subsidiaries have conducted their respective businesses in the ordinary course consistent in all material respects with their past practices and (ii) there has not been any change, circumstance or event that has had, or would reasonably be expected to have, a material adverse effect on Vulcan.

(l) *Board Approval; Vulcan Rights Agreement*. (i) The Board of Directors of Vulcan, by resolutions duly adopted by unanimous vote of those voting at a meeting duly called and held (the Vulcan Board Approval), has approved this Agreement.

(ii) Prior to the Initial Effective Time, Vulcan shall have taken any actions necessary (if any are necessary) to render the rights issued pursuant to the Rights Agreement dated as of October 19, 1998, as amended, between Vulcan and The Bank of New York (as successor to First Chicago Trust Company of New York), inapplicable to this Agreement, the Vulcan Merger, and the transactions contemplated hereby and thereby.

(m) *Environmental Matters*. Except as would not reasonably be expected to result in any liability that would be material to Vulcan and its Subsidiaries, taken as a whole:

(i) Vulcan and its Subsidiaries hold, and are in compliance with all Environmental Permits required under all applicable Environmental Laws for Vulcan to conduct its operations, and are in compliance with all applicable Environmental Laws and, to the knowledge of Vulcan, there is no condition that would reasonably be expected to result in a violation of applicable Environmental Laws or applicable Environmental Permits in the future. To Vulcan s knowledge, Vulcan and its Subsidiaries have not received any Environmental Claim, and Vulcan has no knowledge of any pending or threatened Environmental Claim. Neither Vulcan nor any of its Subsidiaries has released any Hazardous Materials at, on, from or under any of the properties or facilities currently or formerly owned or leased by Vulcan or its Subsidiaries, in violation of any Environmental Laws.

(ii) To Vulcan s knowledge, there are no significant and substantial mining safety or health hazards, as defined under MSHA at any of the real properties owned or leased by Vulcan or any of its Subsidiaries, or similar safety or health hazards at any such property arising under OSHA or any other federal, state or local law similar to MSHA or OSHA, which would reasonably be expected to result in Vulcan and its Subsidiaries incurring any material liability.

(n) *Brokers or Finders*. No agent, broker, investment banker, financial advisor or other firm or person except Goldman, Sachs & Co. (Goldman Sachs) is or will be entitled to any broker s or finder s fee or any other similar commission or fee in connection with any of the transactions contemplated by this Agreement.

ARTICLE IV

COVENANTS RELATING TO CONDUCT OF BUSINESS

4.1. *Covenants of Florida Rock*. During the period from the date hereof and continuing until the Effective Time, Florida Rock agrees as to itself and its Subsidiaries that, except as expressly permitted by this Agreement, as set forth on Section 4.1 of the Florida Rock Disclosure Letter, or to the extent that Vulcan shall otherwise consent in writing, which consent shall not be arbitrarily withheld or arbitrarily delayed:

(a) *Ordinary Course*. Florida Rock and its Subsidiaries shall carry on their respective businesses in the usual, regular and ordinary course consistent with past practice and use all reasonable efforts to preserve intact their present business organizations, maintain their rights, franchises, licenses and other authorizations issued by Governmental Entities and preserve their relationships with employees, customers, suppliers and others having business dealings with them to the end that their goodwill and ongoing businesses shall not be impaired in any material respect at the Effective Time. Florida Rock shall not, nor shall it permit any of its Subsidiaries to, (i) enter into any new material line of business, (ii) change its or its Subsidiaries operating policies in any respect that is material to Florida Rock, except as required by law or by policies imposed by a Governmental Entity, (iii) incur or commit to any capital expenditures or any obligations or liabilities in connection therewith other than capital expenditures and obligations or liabilities incurred or committed to in the ordinary course of business consistent with past practice and in any event not in excess of the amount set forth in Section 4.1(a) of the Florida Rock Disclosure Letter, in the aggregate, (iv) enter into or amend any agreement that has as its subject matter an Affiliate Transaction, or (v) except in the ordinary course of business consistent with past practice, enter into any agreement that would constitute a Florida Rock Contract had such agreement been in effect on the date hereof or terminate or make any material change to any Florida Rock Contract.

(b) *Dividends; Changes in Stock*. Florida Rock shall not, nor shall it permit any of its Subsidiaries to, or propose to, (i) declare or pay any dividends on or make other distributions in respect of any of its capital stock, except (A) the declaration and payment of regular quarterly cash dividends on the Florida Rock Common Stock at an amount per

share not in excess of the regular quarterly cash dividend most recently declared prior to the date hereof with usual record and payment dates for such dividends in accordance with Florida Rock s past dividend practice, and (B) for dividends by a wholly owned Subsidiary of Florida Rock, (ii) split, combine or reclassify any of its capital stock or issue or authorize or propose the issuance or authorization of any other securities in respect of, in lieu of or in substitution for, shares of its capital stock (except for any split,

combination or reclassification of capital stock of a wholly owned Subsidiary of Florida Rock or any issuance or authorization or proposal to issue or authorize any securities of a wholly owned Subsidiary of Florida Rock to Florida Rock or another wholly owned Subsidiary of Florida Rock) or (iii) repurchase, redeem or otherwise acquire, or permit any Subsidiary to redeem, purchase or otherwise acquire, any shares of its capital stock or any securities convertible into or exercisable for any shares of its capital stock, except for any wholly owned Subsidiary of Florida Rock.

(c) *Issuance of Securities*. Florida Rock shall not, nor shall it permit any of its Subsidiaries to, issue, deliver or sell, or authorize or propose the issuance, delivery or sale of, any shares of its capital stock of any class, any Voting Debt, any stock appreciation rights, or any securities convertible into or exercisable or exchangeable for, or any rights, warrants or options to acquire, any such shares or Voting Debt, or enter into any agreement with respect to any of the foregoing, other than (i) the issuance of Florida Rock Common Stock required to be issued upon the exercise or settlement of Florida Rock Stock Options or other equity rights or obligations under the Florida Rock Stock Plans or Employee Benefit Plans of Florida Rock outstanding on the date hereof in accordance with the terms of the applicable Florida Rock Stock Plan or Employee Benefit Plan of Florida Rock in effect on the date hereof, or (ii) issuances by a wholly owned Subsidiary of its capital stock to its parent or to another wholly owned Subsidiary of Florida Rock.

(d) *Governing Documents, Etc*. Florida Rock shall not amend or propose to amend the Florida Rock Charter or the Florida Rock Bylaws or, except as permitted pursuant to Section 4.1(e) or (f), enter into, or permit any Subsidiary to enter into, a plan of consolidation, merger or reorganization with any person other than a wholly owned Subsidiary of Florida Rock.

(e) *No Acquisitions*. Other than acquisitions (whether by means of merger, share exchange, consolidation, tender offer, asset purchase or otherwise) and other business combinations (collectively, Acquisitions) that meet all of the following criteria: (i) would not reasonably be expected to materially delay, impede or affect the consummation of the transactions contemplated by this Agreement in the manner contemplated hereby, (ii) are Acquisitions of inventory in the ordinary course of business consistent with past practice, and (iii) for which the fair market value of the total consideration paid by Florida Rock and its Subsidiaries in such Acquisitions does not exceed in the aggregate $60.0 million, Florida Rock shall not, and shall not permit any of its Subsidiaries to, acquire or agree to acquire, by merging or consolidating with, by purchasing a substantial equity interest in or a substantial portion of the assets of, by forming a partnership or joint venture with, or by any other manner, any business or any corporation, partnership, association or other business organization or division thereof or otherwise acquire or agree to acquire any assets that are material to Florida Rock; provided, however, that the foregoing shall not prohibit (A) internal reorganizations or consolidations involving existing Subsidiaries that would not present a material risk of any material delay in the receipt of any Requisite Regulatory Approval or (B) the creation of new Subsidiaries organized to conduct or continue activities otherwise permitted by this Agreement.

(f) *No Dispositions*. Other than (i) dispositions of inventory in the ordinary course of business consistent with past practice, and, (ii) disposition upon terms reasonably satisfactory to Vulcan of the assets of, or Florida Rock s equity interest in, any Canadian Subsidiaries of Florida Rock (including 50% owned subsidiaries), and (iii) other dispositions of assets (including Subsidiaries) if the book value thereof does not exceed in the aggregate $5 million, Florida Rock shall not, and shall not permit any of its Subsidiaries to, sell, lease, assign, encumber or otherwise dispose of, or agree to sell, lease, assign, encumber or otherwise dispose of, any of its assets.

(g) *Indebtedness*. Florida Rock shall not, and shall not permit any of its Subsidiaries to, incur, create or assume any indebtedness for borrowed money (or modify any of the material terms of any such outstanding indebtedness), guarantee any such indebtedness or issue or sell any debt securities or warrants or rights to acquire any debt securities of Florida Rock or any of its Subsidiaries or guarantee any long-term debt securities of others, other than (i) in replacement of existing or maturing debt, (ii) utilization of Florida Rock s existing credit line, provided the total balance outstanding does not exceed $100 million in the aggregate, solely for purposes of working capital and the

making of capital expenditures, in each case in the ordinary course of

business consistent with past practice, (iii) indebtedness of any Subsidiary of Florida Rock to Florida Rock or to another Subsidiary of Florida Rock, or (iv) indebtedness that does not exceed in the aggregate $5.0 million.

(h) *Other Actions*. Florida Rock shall not, and shall not permit any of its Subsidiaries to, intentionally take any action that would, or would reasonably be expected (unless such action is required by applicable law) to, adversely affect the ability of the parties to obtain any of the Requisite Regulatory Approvals without taking any action of the type referred to in Section 5.3(b)(i).

(i) *Accounting Methods; Tax Matters*. Except as disclosed in any Florida Rock SEC Document filed prior to the date hereof, Florida Rock shall not change its methods of accounting in effect at September 30, 2006, except as required by changes in GAAP or Law as concurred with by Florida Rock s independent auditors. Florida Rock shall not, and shall not permit any of its Subsidiaries to, make, change or revoke any material Tax election, change an annual Tax accounting period, adopt or change any material Tax accounting method, file any material amended Tax Return, enter into any closing agreement with respect to a material amount of Taxes, settle any material Tax claim or assessment or surrender any right to claim a refund of a material amount of Taxes.

(j) *Tax-Free Qualification*. Florida Rock shall not, and shall not permit any of its Subsidiaries to, take or cause to be taken any action, or knowingly fail to take or cause to be taken any action, which action or failure to act would reasonably be expected to prevent (i) the exchange of Florida Rock Common Stock and Vulcan Common Stock for Holdco Common Stock pursuant to the Mergers, taken together, from qualifying as an exchange described in Section 351 of the Code or (ii) the Vulcan Merger from qualifying as a reorganization within the meaning of Section 368(a) of the Code.

(k) *Compensation and Benefit Plans*. Except as required by applicable law, Florida Rock shall not and shall not permit its Subsidiaries to: (i) increase the wages, salaries, or incentive compensation or incentive compensation opportunities of any director or employee of Florida Rock or any of its Subsidiaries other than normal increases in base salary or wages in the ordinary course of business consistent with past practice for employees who are not directors of Florida Rock or officers of Florida Rock (ii) increase or accelerate the accrual rate, vesting or timing of payment or funding of, any compensation, severance, benefits or other rights of any director or employee of Florida Rock or any of its Subsidiaries or otherwise pay any amount to which any director or employee of Florida Rock or any of its Subsidiaries is not entitled, (iii) establish, adopt, or become a party to any new employment, severance or consulting agreement or any employee benefit or compensation plan, program, commitment or agreement or amend, suspend or terminate any Employee Benefit Plan or Employment Agreement, (iv) modify any Florida Rock Stock Option or other equity-based award, (v) make any discretionary contributions or payments to any trust or other funding vehicle or pay any discretionary premiums in respect of benefits under any Employee Benefit Plan or Employment Agreement or (vi) establish, adopt, enter into, amend, suspend or terminate any collective bargaining agreement, except as required by the terms of any collective bargaining agreement in effect on the date hereof.

(l) *No Liquidation*. Florida Rock shall not, and shall not permit any of its Significant Subsidiaries to, adopt a plan of complete or partial liquidation or resolutions providing for or authorizing such a liquidation or a dissolution, restructuring, recapitalization or reorganization.

(m) *Litigation*. Florida Rock shall not, and shall not permit any of its Subsidiaries to, settle or compromise any material litigation other than settlements or compromises of litigation where the amount paid (less the amount reserved for such matters by Florida Rock and any insurance coverage applicable thereto) in settlement or compromise, in each case, does not exceed $5.0 million.

(n) *No Restrictions on Business*. Florida Rock shall not, and shall not permit any of its Subsidiaries to, enter into or otherwise become party to any contract, arrangement, commitment or understanding that will restrict or limit, in any

material respect, the ability of Holdco, Florida Rock or Vulcan or any of their respective Subsidiaries from conducting, from and after the Closing, any of their businesses in any geographical area, other than any contract, arrangement, commitment or understanding terminable in full (including the restrictions and limitations on conduct of business) on notice of not more than 45 days by Holdco or a

Subsidiary thereof without the incurrence of any liability (including an incurrence of an obligation to make any payment of any amount in respect of such termination).

(o) *Insurance*. Florida Rock shall not, and shall not permit any of its Subsidiaries to, purchase any policies of directors and officers liability insurance, except to the extent set forth in Section 5.11(c).

(p) *Other Agreements*. Florida Rock shall not, and shall not permit any of its Subsidiaries to, agree to, or make any commitment to, take, or authorize, any of the actions prohibited by this Section 4.1.

4.2. *Covenants of Vulcan*. During the period from the date hereof and continuing until the Effective Time, Vulcan agrees as to itself and its Subsidiaries that, except as expressly permitted by this Agreement, as set forth on Section 4.2 of the Vulcan Disclosure Letter, or to the extent that Florida Rock shall otherwise consent in writing, which consent shall not be arbitrarily withheld or arbitrarily delayed:

(a) *Dividends; Changes in Stock*. Vulcan shall not, nor shall it permit any of its Subsidiaries to, or propose to (i) declare or pay any dividends on or make other distributions in respect of any of its capital stock, except (A) the declaration and payment of regular quarterly cash dividends on the Vulcan Common Stock at an amount per share not in excess of the regular quarterly cash dividend most recently declared prior to the date hereof with usual record and payment dates for such dividends in accordance with Vulcan s past dividend practice, and (B) for dividends by a wholly owned Subsidiary of Vulcan, or (ii) split, combine or reclassify any of its capital stock or issue or authorize or propose the issuance or authorization of any other securities in respect of, in lieu of or in substitution for, shares of its capital stock (except for any split, combination or reclassification of capital stock of a wholly owned Subsidiary of Vulcan or any issuance or authorization or proposal to issue or authorize any securities of a wholly owned Subsidiary of Vulcan to Vulcan or another wholly owned Subsidiary of Vulcan).

(b) *Issuance of Securities*. Vulcan shall not, nor shall it permit any of its Subsidiaries to, issue, deliver or sell, or authorize or propose the issuance, delivery or sale of, any shares of its capital stock of any class, any Voting Debt, any stock appreciation rights, or any securities convertible into or exercisable or exchangeable for, or any rights, warrants or options to acquire, any such shares or Voting Debt, or enter into any agreement with respect to any of the foregoing, other than (i) the issuance of Vulcan Common Stock or other equity rights or obligations under the Vulcan Stock Plans or employee benefit plans of Vulcan, (ii) issuances by a wholly owned Subsidiary of its capital stock to its parent or to another wholly owned Subsidiary of Vulcan or (iii) issuances of Vulcan Common Stock not in excess of 10% of the outstanding shares of Vulcan Common Stock (on a fully diluted basis) on the date hereof.

(c) *No Acquisitions*. Other than Acquisitions that would not reasonably be expected to materially delay, impede or affect the consummation of the transactions contemplated by this Agreement in the manner contemplated hereby, Vulcan shall not, and shall not permit any of its Subsidiaries to, acquire or agree to acquire, by merging or consolidating with, by purchasing a substantial equity interest in or a substantial portion of the assets of, by forming a partnership or joint venture with, or by any other manner, any business or any corporation, partnership, association or other business organization or division thereof or otherwise acquire or agree to acquire any assets that are material to Vulcan.

(d) *Tax-Free Qualification*. Vulcan shall not, and shall not permit Holdco, Merger Subs or any of its other Subsidiaries to, take or cause to be taken any action, or knowingly fail to take or cause to be taken any action, which action or failure to act would reasonably be expected to prevent (i) the exchange of Florida Rock Common Stock and Vulcan Common Stock for Holdco Common Stock pursuant to the Mergers, taken together, from qualifying as an exchange described in Section 351 of the Code or (ii) the Vulcan Merger from qualifying as a reorganization within the meaning of Section 368(a) of the Code.

(e) *No Liquidation*. Vulcan shall not adopt a plan of complete or partial liquidation or resolutions providing for or authorizing such a liquidation or a dissolution, restructuring, recapitalization or reorganization.

(f) *Other Agreements*. Vulcan shall not, and shall not permit any of its Subsidiaries to, agree to, or make any commitment to, take, or authorize, any of the actions prohibited by this Section 4.2.

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4.3. *Advice of Changes; Government Filings*. Each party shall confer on a regular and frequent basis with the other, report on operational matters and promptly advise the other orally and in writing of any change or event having, or that would reasonably be expected to have, a material adverse effect on such party or that would cause or constitute a material breach of any of the representations, warranties or covenants of such party contained herein; provided, however, that any noncompliance with the foregoing shall not constitute the failure to be satisfied of a condition set forth in Article VI or give rise to any right of termination under Article VII unless the underlying breach shall independently constitute such a failure or give rise to such a right. Florida Rock and Vulcan shall file all reports required to be filed by each of them (or their Subsidiaries) with the SEC between the date hereof and the Effective Time and shall deliver to the other party copies of all such reports promptly after the same are filed. Each of Florida Rock and Vulcan shall have the right to review in advance, and to the extent practicable each will consult with the other, in each case subject to applicable laws relating to the exchange of information, with respect to, any filing made with, or written materials submitted to, any third party or any Governmental Entity in connection with the transactions contemplated by this Agreement. In exercising the foregoing right, each of the parties agrees to act reasonably and as promptly as practicable. Each party agrees that it will consult with the other party with respect to the obtaining of all permits, consents, approvals and authorizations of all third parties and Governmental Entities necessary or advisable to consummate the transactions contemplated by this Agreement, and each party will keep the other party apprised of the status of matters relating to completion of the transactions contemplated hereby.

4.4. *Control of Other Party s Business*. Nothing contained in this Agreement shall give Vulcan, directly or indirectly, the right to control or direct the operations of Florida Rock prior to the Effective Time. Prior to the Effective Time, Florida Rock shall exercise, consistent with the terms and conditions of this Agreement, complete control and supervision over its and its Subsidiaries respective operations.

ARTICLE V

ADDITIONAL AGREEMENTS

5.1. *Preparation of Proxy Statement/Prospectus; Florida Rock Shareholders Meeting*. (a) (i) As promptly as practicable following the date of this Agreement, Vulcan and Florida Rock shall prepare and file with the SEC a registration statement on Form S-4 with respect to the issuance of Holdco Common Stock in the Mergers (such Form S-4, and any amendments or supplements thereto, the Form S-4), in which a proxy statement relating to the Florida Rock Shareholders Meeting will be included as a prospectus (such proxy statement/prospectus, as amended or supplemented from time to time, the Proxy Statement/Prospectus). Each of Vulcan and Florida Rock shall use reasonable best efforts to have the Form S-4 declared effective under the Securities Act as promptly as practicable after such filing. Florida Rock shall use reasonable best efforts to cause the Proxy Statement/Prospectus to be mailed to holders of Florida Rock Common Stock as promptly as practicable after the Form S-4 is declared effective.

(ii) If at any time prior to the Effective Time there shall occur (i) any event with respect to Florida Rock or any of its Subsidiaries, or with respect to other information supplied by Florida Rock for inclusion in the Form S-4 or the Proxy Statement/Prospectus or (ii) any event with respect to Vulcan, or with respect to information supplied by Vulcan for inclusion in the Form S-4 or the Proxy Statement/Prospectus, in either case, which event is required to be described in an amendment of, or a supplement, to the Form S-4 or the Proxy Statement/Prospectus, such event shall be so described, and such amendment or supplement shall be promptly filed with the SEC and, as required by law, disseminated to the shareholders of Florida Rock.

(iii) Each of Vulcan and Florida Rock shall promptly notify the other of the receipt of any comments from the SEC or its staff or any other appropriate government official and of any requests by the SEC or its staff or any other appropriate government official for amendments or supplements to any of the filings with the SEC in connection with

the Mergers and other transactions contemplated hereby or for additional information and shall supply the other with copies of all correspondence between Florida Rock or any of its representatives, or Vulcan or any of its representatives, as the case may be, on the one hand, and the SEC or its staff or any other appropriate government official, on the other hand, with respect thereto. Vulcan and Florida Rock shall use their respective reasonable best efforts to respond to any comments of the SEC with respect to the Form S-4 and the Proxy Statement/Prospectus as promptly as practicable. Vulcan and Florida Rock shall cooperate with each other and provide to each other all

information necessary in order to prepare the Form S-4 and the Proxy Statement/Prospectus, and shall provide promptly to the other party any information such party may obtain that could necessitate amending any such document.

(iv) Holdco shall file the opinions described in Sections 6.2(c) and 6.3(c) with the SEC by post-effective amendment to the Form S-4.

(b) Florida Rock shall duly take all lawful action to call, give notice of, convene and hold a meeting of its shareholders as promptly as practicable following the date upon which the Form S-4 becomes effective (the "Florida Rock Shareholders Meeting") for the purpose of obtaining the Required Florida Rock Vote with respect to the transactions contemplated by this Agreement and, unless it is permitted to make a Change in Florida Rock Recommendation (as defined below) pursuant to Section 5.4(b), shall use reasonable best efforts to solicit the approval of its shareholders of the matters comprising the Required Florida Rock Vote; and the Board of Directors of Florida Rock shall recommend approval of the matters comprising the Required Florida Rock Vote by the shareholders of Florida Rock to the effect as set forth in Section 3.1(m) (the "Florida Rock Recommendation") and shall not (x) withdraw or modify (or propose to withdraw or modify) in any manner adverse to Vulcan such recommendation or (y) take any other action or make any other statement in connection with the Florida Rock Shareholders Meeting inconsistent with such recommendation (collectively, a "Change in Florida Rock Recommendation"), except as and to the extent expressly permitted by Section 5.4(b). Notwithstanding any Change in Florida Rock Recommendation, this Agreement shall be submitted to the shareholders of Florida Rock at the Florida Rock Shareholders Meeting for the purpose of approving the matters comprising the Required Florida Rock Vote, and nothing contained herein shall be deemed to relieve Florida Rock of such obligation. If Florida Rock shall receive an unsolicited bona fide written Acquisition Proposal within five business days prior to the Florida Rock Shareholders Meeting, Florida Rock shall be permitted to adjourn or postpone the Florida Rock Shareholders Meeting for up to five business days if the Board of Directors of Florida Rock, after consultation with its outside legal counsel, concludes in good faith that such adjournment or postponement is reasonably likely to be required by applicable law.

5.2. *Access to Information; Confidentiality*. Subject to the Agreement, dated as of December 12, 2006 between Vulcan and Florida Rock (the "Confidentiality Agreement"), and subject to applicable law, upon reasonable notice, Florida Rock shall, and shall cause its subsidiaries to, afford to Vulcan and to the officers, employees, accountants, counsel, financial advisors and other representatives of Vulcan, reasonable access during normal business hours during the period prior to the Effective Time to all its respective properties, books, contracts, commitments, personnel and records and, during such period, Florida Rock shall, and shall cause each of its subsidiaries to, furnish promptly to Vulcan (a) a copy of each material report, schedule, registration statement and other document filed by it with any Governmental Entity and (b) all other information concerning its business, properties and personnel as Vulcan may reasonably request. Subject to the Confidentiality Agreement, and subject to applicable law, Vulcan shall, and shall cause its subsidiaries to, afford to Florida Rock and to the officers, employees, accountants, counsel, financial advisors and other representatives of Vulcan, reasonable access during the period prior to the Effective Time to all information concerning its business, properties and personnel as Florida Rock may reasonably request. No review pursuant to this Section 5.2 shall affect any representation or warranty given by Florida Rock to Vulcan. Vulcan and Florida Rock will hold, and will cause its respective officers, employees, accountants, counsel, financial advisors and other representatives and affiliates to hold, any nonpublic information in accordance with the terms of the Confidentiality Agreement Any such investigation pursuant to this Section 5.2 shall be conducted in such a manner as not to interfere unreasonably with the business or operations of Vulcan or Florida Rock, as the case may be. Neither party nor any of its Subsidiaries shall be required to provide access to or to disclose information where such access or disclosure would violate or prejudice the rights of its customers, jeopardize the attorney-client privilege of the institution in possession or control of such information or contravene any law, rule, regulation, order, judgment, decree or binding agreement entered into prior to the date hereof. To the extent practicable, the parties will make appropriate substitute disclosure arrangements under circumstances in which the restrictions of the preceding sentence apply.

5.3. *Reasonable Best Efforts*. (a) Subject to the terms and conditions of this Agreement, each party will use its reasonable best efforts to take, or cause to be taken, all actions and to do, or cause to be done, all things necessary, proper or advisable under this Agreement and applicable laws, rules and regulations to consummate the Mergers

and the other transactions contemplated by this Agreement as soon as practicable after the date hereof, including preparing and filing as promptly as practicable all documentation to effect all necessary applications, notices, filings and other documents and to obtain as promptly as practicable all Requisite Regulatory Approvals (as defined herein) and all other consents, waivers, orders, approvals, permits, rulings, authorizations and clearances necessary or advisable to be obtained from any third party or any Governmental Entity in order to consummate the Mergers or any of the other transactions contemplated by this Agreement. Each party shall use its reasonable best efforts to refrain from taking any action that would reasonably be expected to adversely affect or delay the ability of the parties to obtain all Requisite Regulatory Approvals. In furtherance and not in limitation of the foregoing, each party agrees (i) to make, as promptly as practicable, an appropriate filing of a Notification and Report Form pursuant to the HSR Act with respect to the transactions contemplated hereby, and (ii) to supply as promptly as practicable any additional information and documentary material that may be requested pursuant to the HSR Act or by such authorities and to use reasonable best efforts to cause the expiration or termination of the applicable waiting periods under the HSR Act.

(b) Each of Vulcan and Florida Rock shall, in connection with the efforts referenced in Section 5.3(a), use its reasonable best efforts to (i) cooperate in all respects with each other in connection with any filing or submission and in connection with any investigation or other inquiry, including any proceeding initiated by a private party, (ii) promptly inform the other party of the status of any of the matters contemplated hereby, including providing the other party with a copy of any written communication (or summary of oral communications) received by such party from, or given by such party to, the Antitrust Division of the Department of Justice, the Federal Trade Commission or any other Governmental Entity and of any written communication (or summary of oral communications) received or given in connection with any proceeding by a private party, in each case regarding any of the transactions contemplated hereby, and (iii) consult with each other in advance to the extent practicable of any meeting or conference with any such Governmental Entity or, in connection with any proceeding by a private party, with any such other person, and to the extent permitted by any such Governmental Entity or other person, give the other party the opportunity to attend and participate in such meetings and conferences.

(c) In furtherance and not in limitation of the covenants of the parties contained in this Section 5.3, (i) if (A) any objections are asserted with respect to the transactions contemplated hereby under any law, rule, regulation, order or decree (including the HSR Act), (B) any administrative or judicial action or proceeding is instituted (or threatened to be instituted) by any Governmental Entity or private party challenging the Mergers or the other transactions contemplated hereby as violative of any law, rule, regulation, order or decree (including the HSR Act) or that would otherwise prevent, materially delay or materially impede the consummation of the Mergers or the other transactions contemplated hereby, or (C) any law, rule, regulation, order or decree is enacted, entered, promulgated or enforced by a Governmental Entity that would make the Mergers or the other transactions contemplated hereby illegal or would otherwise prevent, materially delay or materially impede the consummation of the Mergers or the other transactions contemplated hereby, then (ii) Vulcan shall use its reasonable best efforts to resolve any such objections, actions or proceedings so as to permit the consummation of the transactions contemplated by this Agreement, including agreeing to sell, swap, hold separate or otherwise dispose of or conduct its or Florida Rock s business or assets in a specified manner, or selling, swapping, holding separate or otherwise disposing of or conducting its or Florida Rock s business or asset in a specified manner, which would resolve such objections, actions or proceedings such that the Merger can reasonably likely to be consummated by the date set forth in Section 7.1(c); provided that Vulcan shall use good faith efforts to swap rather than sell any businesses or assets that are required to be disposed of pursuant to this Section 5.3 if swapping the applicable business or assets would not prevent, materially delay or materially impede the consummation of the Mergers or the other transactions contemplated by this Agreement. Notwithstanding the foregoing or any other provision in this Agreement to the contrary, nothing in this Section 5.3 shall require, or be deemed to require the taking by Vulcan of any such action that (x) is not conditional on the consummation of the Mergers or (y) would reasonably be expected to result in a material adverse effect on Florida Rock. At the request of Vulcan, Florida Rock shall sell, swap, hold separate, or otherwise dispose of any of its assets, or cooperate with Vulcan in such actions, provided that Florida Rock shall not have to take any such action that is not conditional on the

consummation of the Mergers.

(d) In furtherance and not in limitation of the covenants of the parties contained in this Section 5.3, if any of the events specified in Section 5.3(c)(i)(B) or (C) occurs, then each of Vulcan and Florida Rock shall cooperate in all

respects with each other and use its reasonable best efforts, subject to Section 5.3(c), to contest and resist any such administrative or judicial action or proceeding and to have vacated, lifted, reversed or overturned any judgment, injunction or other decree or order, whether temporary, preliminary or permanent, that is in effect and that prevents, materially delays or materially impedes the consummation of the Mergers or the other transactions contemplated by this Agreement and to have such law, rule, regulation, order or decree repealed, rescinded or made inapplicable so as to permit consummation of the transactions contemplated by this Agreement, and each of Vulcan and Florida Rock shall use its reasonable best efforts to defend, at its own cost and expense, any such administrative or judicial actions or proceedings.

(e) Notwithstanding the foregoing or any other provision of this Agreement, nothing in this Section 5.3 shall limit a party s right to terminate this Agreement pursuant to Section 7.1(b) or 7.1(c) so long as such party has up to then complied with its obligations under this Section 5.3.

(f) Holdco shall agree to execute and deliver, at or prior to the Effective Time, supplemental indentures and other instruments required for the due assumption, as determined by the parties, of Florida Rock s and Vulcan s outstanding debt, guarantees and other securities to the extent required by the terms of such debt, guarantees and securities and the instruments and agreements relating thereto, and Florida Rock shall assist Holdco in accomplishing the same.

(g) Each of Florida Rock and Vulcan and their respective Boards of Directors shall, if any moratorium, control share, fair price or other anti-takeover law or regulation becomes applicable to this Agreement, the Mergers, or any other transactions contemplated hereby, use all reasonable best efforts to ensure that the Mergers and the other transactions contemplated by this Agreement may be consummated as promptly as practicable on the terms contemplated hereby and otherwise to minimize the effect of such law or regulation on this Agreement, the Mergers and the other transactions contemplated hereby.

5.4. *Acquisition Proposals*. (a) Florida Rock agrees that neither it nor any of its Subsidiaries (nor any of the employees or directors of it or its Subsidiaries), nor their respective agents and representatives (including any investment banker, attorney or accountant retained by it or any of its Subsidiaries) shall, directly or indirectly, (i) initiate, solicit, encourage or knowingly facilitate any inquiries or the making of any proposal or offer with respect to, or a transaction to effect, a merger, reorganization, share exchange, consolidation, business combination, recapitalization, liquidation, dissolution or similar transaction involving it or any of its Significant Subsidiaries (other than any such transaction permitted by Section 4.1(e) or (f)) or any purchase or sale of 20% or more of the consolidated assets (including stock of its Subsidiaries) of it and its Subsidiaries, taken as a whole, or any purchase or sale of, or tender or exchange offer for, its voting securities that, if consummated, would result in any person (or the shareholders of such person) beneficially owning securities representing 20% or more of its total voting power (or of the surviving parent entity in such transaction) or any of its Significant Subsidiaries (any such proposal, offer or transaction (other than a proposal or offer made by Vulcan or an affiliate thereof) being hereinafter referred to as an Acquisition Proposal), (ii) have any discussions with or provide any confidential information or data to any person relating to an Acquisition Proposal, or engage in any negotiations concerning an Acquisition Proposal, or knowingly facilitate any effort or attempt to make or implement an Acquisition Proposal, or (iii) approve or recommend, or propose to approve or recommend, or execute or enter into, any letter of intent, agreement in principle, merger agreement, asset purchase or share exchange agreement, option agreement or other similar agreement related to any Acquisition Proposal or propose or agree to do any of the foregoing. Notwithstanding the foregoing, prior to the Required Florida Rock Vote having been obtained, Florida Rock and its agents and representatives may make written inquiry to any person that has made a written Acquisition Proposal after the date hereof in order to obtain a written clarification of any terms and conditions of such proposal (and not in order to engage in any negotiation concerning such proposal), provided that Florida Rock promptly provides Vulcan a copy of such written inquiry and the response thereto.

(b) Notwithstanding anything in this Agreement to the contrary, Florida Rock or its Board of Directors shall be permitted to (A) to the extent applicable and subject to Section 5.4(g) and being otherwise in compliance with this Section 5.4(b), comply with Rule 14d-9 and Rule 14e-2 promulgated under the Exchange Act with regard to an Acquisition Proposal, (B) effect a Change in Florida Rock Recommendation, or (C) engage in any discussions or

negotiations with, or provide any confidential information or data to, any person in response to an unsolicited bona fide written Acquisition Proposal by any such person first made after the date hereof, if and only to the extent that:

(i) in any such case referred to in clause (B) or (C) above, (I) the Florida Rock Shareholders Meeting shall not have occurred, (II) Florida Rock has complied with this Section 5.4 in all material respects, and (III) the Board of Directors of Florida Rock, after consultation with its outside legal counsel, has determined in good faith that failure to take such action would be inconsistent with its fiduciary duties under applicable law;

(ii) in the case of clause (B) above if such Change in Florida Rock Recommendation is in response to an unsolicited bona fide written Acquisition Proposal from a third party, in addition, (I) Florida Rock has received an unsolicited bona fide written Acquisition Proposal from a third party and its Board of Directors, after consultation with its outside legal counsel and financial advisors, concludes in good faith that such Acquisition Proposal constitutes a Superior Proposal (as defined below) (after giving effect to all of the proposed revisions to this Agreement which may be offered by Vulcan pursuant to clause (III) below), (II) Florida Rock has notified Vulcan, at least four business days in advance, of its intention to effect a Change in Florida Rock Recommendation, specifying the terms and conditions of such Superior Proposal and the identity of the party making such Superior Proposal, and furnishing to Vulcan a copy of any relevant proposed transaction agreements with the party making such Superior Proposal and any other material documents received by it or its representatives; provided that such four business day notice shall be given again in the event of any significant revision to such Superior Proposal, and (III) prior to effecting such a Change in Florida Rock Recommendation, Florida Rock has, and has caused its financial and legal advisors to, negotiate with Vulcan in good faith to make such adjustments in the terms and conditions of this Agreement such that such Acquisition Proposal would no longer constitute a Superior Proposal; and

(iii) in the case of clause (C) above, in addition, the Board of Directors of Florida Rock, after consultation with outside legal counsel and financial advisors, concludes in good faith that there is a reasonable likelihood that such Acquisition Proposal constitutes or is reasonably likely to result in a Superior Proposal, and prior to providing any information or data to any person in connection with an Acquisition Proposal by any such person, the Board of Directors of Florida Rock receives from such person an executed confidentiality agreement having confidentiality provisions that are no less favorable to the party providing such information than those contained in the Confidentiality Agreement.

(c) Florida Rock shall notify Vulcan as promptly as practicable of any such inquiries, proposals or offers received by, any such information requested from, or any such discussions or negotiations sought to be initiated or continued with, Florida Rock or any of its representatives, indicating, in connection with such notice, the identity of such person and the material terms and conditions of any inquiries, proposals or offers (including a copy thereof if in writing and any related available material documentation or correspondence), and in any event Florida Rock shall provide written notice to Vulcan of such inquiries, proposals, offers, requests for information and initiation of such discussions or negotiations by the end of the business day (New York time) following such event. Florida Rock agrees that it will promptly keep Vulcan apprised of the status and material terms of any such inquiries, proposals or offers (including whether withdrawn or rejected) and the status and nature of all information requested, and in any event Florida Rock shall provide Vulcan with written notice of any material development with respect to any of the foregoing by the end of the business day (New York time) following such development. Florida Rock also agrees to provide Vulcan with any information that it provides to the third party making the request therefor at substantially the same time it provides such information to such third party, unless Vulcan has already been provided with such information.

(d) Florida Rock agrees that (i) it will and will cause its Subsidiaries, and its and their officers, directors, agents, representatives and advisors to, cease immediately and terminate any and all existing activities, discussions or negotiations with any third parties conducted heretofore with respect to any Acquisition Proposal, (ii) it will not release any third party from, or waive any provisions of, any confidentiality or standstill agreement to which it or any of its Subsidiaries is a party with respect to any Acquisition Proposal, (iii) it will use reasonable best efforts to

enforce, to the fullest extent permitted under applicable law, the provisions of any such agreement, including by using reasonable best efforts to obtain injunctions to prevent any breaches of such agreements and to enforce specifically the terms and provisions thereof in any court having jurisdiction, and (iv) it will not take any action to

(x) exempt any person (other than Vulcan, Holdco, Fresno Merger Sub and their respective affiliates) from the restrictions on affiliated transactions contained in Section 901 of the FBCA (or any similar provisions of any other law) or otherwise cause such restrictions not to apply or (y) terminate, amend, modify, make any determination under or waive any provision of the Florida Rock Rights Agreement. Florida Rock agrees that it will use reasonable best efforts to promptly inform its and its Subsidiaries respective directors, officers, key employees, agents and representatives of the obligations undertaken in this Section 5.4. Florida Rock shall, if it has not already done so, promptly request, to the extent it has a contractual right to do so, that each person, if any, that has heretofore executed a confidentiality agreement within the six months prior to the date hereof in connection with its consideration of any Acquisition Proposal to return or destroy all confidential information or data heretofore furnished to any person by or on behalf of it or any of its Subsidiaries.

(e) Nothing in this Section 5.4 shall (x) permit either party to terminate this Agreement or (y) affect any other obligation of the parties under this Agreement. Florida Rock shall not submit to the vote of its shareholders any Acquisition Proposal other than the Florida Rock Merger prior to the termination of this Agreement.

(f) For purposes of this Agreement, Superior Proposal means a bona fide written Acquisition Proposal that the Board of Directors of Florida Rock concludes in good faith, after consultation with its financial advisors and legal advisors, taking into account all legal, financial, regulatory, timing and other aspects of the proposal and the person making the proposal (including any break-up fees, expense reimbursement provisions and conditions to consummation): (i) is more favorable to the shareholders of Florida Rock, from a financial point of view, than the transactions contemplated by this Agreement (after giving effect to any adjustments to the terms and provisions of this Agreement committed to in writing by Florida Rock in response to such Acquisition Proposal), and (ii) is fully financed or reasonably capable of being fully financed, reasonably likely to receive all required governmental approvals on a timely basis and otherwise reasonably capable of being completed on the terms proposed; provided that, for purposes of this definition of Superior Proposal, the term Acquisition Proposal shall have the meaning assigned to such term in Section 5.4(a), except that the reference to 20% or more in the definition of Acquisition Proposal shall be deemed to be a reference to 100% and Acquisition Proposal shall only be deemed to refer to a transaction involving Florida Rock.

(g) Any disclosure (other than a stop, look and listen or similar communication of the type contemplated by Rule 14d-9(f) under the Exchange Act) made pursuant to Section 5.4(b)(A) shall be deemed to be a Change in Florida Rock Recommendation, unless the Board of Directors of the party making such disclosure expressly (i) reaffirms its recommendation to its shareholders in favor of the applicable Merger and (ii) rejects such other Acquisition Proposal.

5.5. *Affiliates*. Each of Florida Rock and Vulcan shall use all reasonable efforts to cause each person who is an affiliate (for purposes of Rule 145 under the Securities Act) to deliver to Holdco, as soon as reasonably practicable and in any event prior to the Florida Rock Shareholders Meeting, a written agreement substantially in the form attached as Exhibit 5.5.

5.6. *Stock Exchange Listing*. Holdco and Vulcan shall use all reasonable efforts to cause (i) the shares of Holdco Common Stock to be issued in the Mergers and (ii) the shares of Holdco Common Stock to be reserved for issuance upon the exercise of Holdco Options, to be approved for listing on NYSE, subject to official notice of issuance, prior to the Closing Date.

5.7. *Employee Benefit Plans*. (a) Following the Effective Time, the employees of Florida Rock and its Subsidiaries who are employed by the Florida Rock Surviving Corporation or its Subsidiaries as of the Effective Time (other than those employed pursuant to a collective bargaining agreement or other labor agreement) (the Covered Employees) will be offered participation and coverage under employee benefit plans (but excluding any defined benefit retirement plans) that are substantially similar, on an aggregate basis, to the plans generally in effect for similarly situated employees of Vulcan and its Subsidiaries (other than any defined benefit retirement plans) (Vulcan Benefit Plans) in

accordance with the terms thereof; provided, that for purposes of the foregoing sentence the employee benefit plans generally provided to employees of Florida Rock and its Subsidiaries as of immediately prior to the Effective Time shall be deemed to be substantially similar, on an aggregate basis, to those provided to similarly situated employees of Vulcan and its Subsidiaries for purposes of this sentence, it being understood that the Covered Employees may commence participating in the Vulcan Benefit Plans on different dates

following the Effective Time with respect to different Vulcan Benefit Plans. Notwithstanding anything contained herein to the contrary, a Covered Employee who is terminated by his or her employer during the period commencing at the Effective Time and ending on the second anniversary thereof in a manner that qualifies for severance payments and benefits under the severance policy described in Section 5.7(a) of the Florida Rock Disclosure Schedule shall be eligible to receive the severance payments and benefits described in Section 5.7(a) of the Florida Rock Disclosure Schedule, subject to the execution, delivery and non-revocation of a release of claims in favor of Holdco, Florida Rock Surviving Corporation and Vulcan Surviving Corporation.

(b) From and after the time that Covered Employees commence coverage under the Vulcan Benefit Plans pursuant to Section 5.7(a), Holdco shall, or shall cause the Florida Rock Surviving Corporation and its Subsidiaries or the Vulcan Surviving Corporation, as applicable, to, (i) provide all Covered Employees with service credit, for all purposes, including for purposes of eligibility, participation, vesting and levels of benefit accruals, under any Vulcan Benefit Plan in which Covered Employees are eligible to participate, for all periods of employment with Florida Rock or any of its Subsidiaries (or their predecessor entities) prior to the Effective Time for which service was recognized by Florida Rock immediately prior to the Effective Time (other than with respect to any newly adopted plan of Holdco, the Vulcan Surviving Corporation or the Florida Rock Surviving Corporation for which past service credit is not granted to its or their employees generally); provided, that such service shall not be recognized for purposes of (x) any defined benefit retirement plan, (y) retiree welfare benefits or (z) any Vulcan Benefit Plan that is a frozen plan, (ii) cause any pre-existing conditions or limitations, eligibility waiting periods or required physical examinations under any healthcare benefit plans of Holdco, the Vulcan Surviving Corporation or the Florida Rock Surviving Corporation or any of its Subsidiaries to be waived with respect to the Covered Employees and their eligible dependents to the extent waived under any similar plans of Florida Rock immediately prior to the Effective Time and (iii) give the Covered Employees and their eligible dependents credit for the plan year in which the Effective Time (or commencement of participation in a Vulcan Benefit Plan) occurs for applicable deductibles and annual out-of-pocket limits for expenses incurred prior to the Effective Time (or the date of commencement of participation in a Vulcan Benefit Plan) to the extent such expenses were credited under any similar plans of Florida Rock immediately prior to the Effective Time.

(c) Notwithstanding anything contained herein to the contrary, employees of Florida Rock and its Subsidiaries who are employed by the Florida Rock Surviving Corporation or any of its Subsidiaries as of the Effective Time pursuant to a collective bargaining agreement or other labor agreement shall be provided the benefits that are required by such collective bargaining agreement as in effect from time to time.

(d) Holdco and Fresno shall take, or shall cause to be taken, all actions set forth on Section 5.7(d) of the Vulcan Disclosure Schedule.

(e) Nothing contained in this Agreement shall (i) constitute or be deemed to be an amendment to any Employee Benefit Plan or Vulcan Benefit Plan or any other compensation or benefit plan, program or arrangement of Holdco, Vulcan Surviving Corporation or Florida Rock Surviving Corporation or any of their Subsidiaries; (ii) prevent the amendment or termination of any Employee Benefit Plan or Vulcan Benefit Plan or interfere with the right or obligation of Holdco, Vulcan Surviving Corporation or Florida Rock Surviving Corporation to make such changes as are necessary to conform with applicable Law (including without limitation Section 409A of the Code); or (iii) limit the right of Holdco, the Vulcan Surviving Corporation, the Florida Rock Surviving Corporation or any of their respective Subsidiaries to terminate the employment of any employee at any time.

(f) The provisions of this Section 5.7 are for the sole benefit of the parties to this Agreement and nothing herein, expressed or implied, is intended or shall be construed to confer upon or give to any person (including for the avoidance of doubt any employees), other than the parties hereto and their respective permitted successors and assigns, any legal or equitable or other rights or remedies (with respect to the matters provided for in this Section 5.7)

under or by reason of any provision of this Agreement.

5.8. *Section 16 Matters*. Assuming that Florida Rock and Vulcan deliver to Holdco the Section 16 Information (as defined below) reasonably in advance of the Effective Time, the Board of Directors of Holdco, or a committee of Non-Employee Directors thereof (as such term is defined for purposes of Rule 16b-3(d) under the Exchange Act), shall reasonably promptly thereafter and in any event prior to the Effective Time adopt a resolution providing that the receipt by the Insiders (as defined below) of Florida Rock and Vulcan of Holdco Common Stock

in exchange for shares of Florida Rock Common Stock (including Restricted Florida Rock Shares) or shares of Vulcan Common Stock, as the case may be, in each case pursuant to the transactions contemplated hereby and to the extent such securities are listed in the Section 16 Information provided by Florida Rock and Vulcan to Holdco prior to the Effective Time, is intended to be exempt from liability pursuant to Section 16(b) under the Exchange Act such that any such receipt shall be so exempt. "Section 16 Information" shall mean information accurate in all material respects regarding the Insiders of a person, the number of shares of the capital stock held by each such Insider, and the number and description of options, stock appreciation rights, restricted shares and other stock-based awards held by each such Insider. "Insiders," with respect to a person, shall mean those officers and directors of such person who are subject to the reporting requirements of Section 16(a) of the Exchange Act and who are listed in the Section 16 Information.

5.9. *Fees and Expenses.* Whether or not the Mergers are consummated, all costs and expenses incurred in connection with this Agreement and the transactions contemplated hereby shall be paid by the party incurring such expense, except as otherwise provided in Section 7.2 hereof and except that (a) if the Mergers are consummated, the surviving corporations in the Mergers shall pay, or cause to be paid, any and all property or transfer Taxes imposed on either party in connection with the Mergers, and (b) expenses incurred in connection with filing, printing and mailing the Proxy Statement/Prospectus and the Form S-4 shall be shared equally by Vulcan and Florida Rock.

5.10. *Governance.* Holdco shall cause the number of directors that will comprise the full Board of Directors of Holdco on the business day immediately following the Closing Date to be 11 and to consist of (x) the directors of Vulcan immediately prior to the Initial Effective Time and (y) John D. Baker II.

5.11. *Indemnification; Directors and Officers Insurance.* (a) From and after the Effective Time, Holdco shall, or shall cause the Florida Rock Surviving Corporation and its Subsidiaries to, to the fullest extent permitted by applicable law, indemnify, defend and hold harmless, and provide advancement of expenses to, each person who is now, or has been at any time prior to the date hereof or who becomes prior to the Effective Time, an officer or director of Florida Rock or any of its Subsidiaries (the "Florida Rock Indemnified Parties") against all losses, claims, damages, costs, expenses, liabilities or judgments or amounts that are paid in settlement of or in connection with any claim, action, suit, proceeding or investigation based in whole or in part on or arising in whole or in part out of the fact that such person is or was a director, officer or employee of Florida Rock or any Subsidiary of Florida Rock, and pertaining to any matter existing or occurring, or any acts or omissions occurring, at or prior to the Effective Time (including with respect to acts or omissions occurring in connection with the approval of this Agreement and the consummation of the transactions contemplated hereby), whether asserted or claimed prior to, or at or after, the Effective Time, in each case to the fullest extent such persons are permitted by applicable law to be indemnified by, or have the right to advancement of expenses from, Florida Rock as of the date hereof.

(b) From and after the Initial Effective Time, Holdco shall, or shall cause the Vulcan Surviving Corporation and its Subsidiaries to, to the fullest extent permitted by applicable law, indemnify, defend and hold harmless, and provide advancement of expenses to, each person who is now, or has been at any time prior to the date hereof or who becomes prior to the Effective Time, an officer or director of Vulcan or any of its Subsidiaries (the "Vulcan Indemnified Parties" and, together with the Florida Rock Indemnified Parties, the "Indemnified Parties") against all losses, claims, damages, costs, expenses, liabilities or judgments or amounts that are paid in settlement of or in connection with any claim, action, suit, proceeding or investigation based in whole or in part on or arising in whole or in part out of the fact that such person is or was a director, officer or employee of Vulcan or any Subsidiary of Vulcan, and pertaining to any matter existing or occurring, or any acts or omissions occurring, at or prior to the Effective Time, whether asserted or claimed prior to, or at or after, the Effective Time, in each case to the fullest extent such persons are permitted by applicable law to be indemnified by, or have the right to advancement of expenses from, Vulcan as of the date hereof.

(c) For a period of six years after the Effective Time, Holdco shall, or shall cause the Florida Rock Surviving Corporation to, maintain in effect, for the benefit of the Florida Rock Indemnified Parties with respect to their acts or

omissions as directors and officers of Florida Rock and its Subsidiaries, as applicable, occurring prior to Effective Time (including with respect to acts or omissions occurring in connection with this Agreement and the consummation of the transactions contemplated hereby), the current policies of directors and officers liability insurance maintained by Florida Rock (the Existing D&O Policy); provided that, (i) Holdco may, or may cause the Florida

Rock Surviving Corporation to, substitute therefore a policy or policies with limits, terms and conditions that are no less advantageous to the insured; (ii) neither Holdco nor the Florida Rock Surviving Corporation shall be required to pay annual premiums for the Existing D&O Policy (or for any substitute policy or policies) in excess of 250% of the annual premium paid by Florida Rock with respect to the Existing D&O Policy (the Insurance Amount), which amount Florida Rock has disclosed to Vulcan prior to the date of this Agreement; and (iii) if such premiums for the such insurance would at any time exceed the Insurance Amount, then Holdco shall maintain, or cause the Florida Rock Surviving Corporation to maintain, policies of insurance that, in Holdco s good faith determination, provide the maximum coverage available at an annual premium equal to the Insurance Amount. In lieu of the foregoing, Florida Rock may, prior to the Closing, and if Florida Rock declines to do so prior to the Closing, promptly following the Closing Holdco may, or may cause the Florida Rock Surviving Corporation to, purchase, from one or more insurers chosen by Florida Rock, a single payment, run-off policy or policies of directors and officers liability insurance covering each Florida Rock Indemnified Person with respect to their acts or omissions as directors and officers of Florida Rock and its Subsidiaries, as applicable, occurring prior to Effective Time (including with respect to acts or omissions occurring in connection with this Agreement and the consummation of the transactions contemplated hereby) on terms and conditions, including limits, not less favorable in the aggregate than the terms and conditions contained in the current policies of directors and officers liability insurance maintained by Vulcan, such policy or policies to become effective at the Effective Time and remain in effect for a period of six years after the Effective Time; provided, however, that the premium for such run-off policy or policies, shall not exceed $2,000,000.

(d) Holdco shall have the right to defend each Indemnified Party in any proceeding which may give rise to the payment of indemnifiable amounts hereunder; provided, however, that Holdco shall notify such Indemnified Party of any such decision to defend within 20 business days of receipt of notice of any such proceeding, and, provided, further, that Holdco shall not, without the prior written consent of such Indemnified Party, consent to the entry of any judgment against such Indemnified Party or enter into any settlement or compromise which (i) includes an admission of fault of such Indemnified Party or (ii) does not include, as an unconditional term thereof, the full release of such Indemnified Party from all liability in respect of such proceeding, which release shall be in form and substance reasonably satisfactory to such Indemnified Party. Notwithstanding the foregoing, if in a proceeding to which an Indemnified Party is a party by reason of the Indemnified Party s service as a director, officer or employee of Florida Rock, Vulcan or any of their respective Subsidiaries, (i) a conflict of interest or potential conflict of interest exists between such Indemnified Party and Holdco (including as a result of the existence of separate defenses or counterclaims that would make such representation inappropriate), or (ii) if Holdco fails to assume the defense of such proceeding in a timely manner, such Indemnified Party shall be entitled to be represented by separate legal counsel of such Indemnified Party s choice at the reasonable expense of Holdco; provided, however, that Holdco shall not be liable for any settlement effected without its prior written consent (which consent shall not be arbitrarily withheld, conditioned or delayed).

(e) Holdco shall pay (as incurred) all expenses, including reasonable fees and expenses of counsel, that an Indemnified Person may incur in enforcing the indemnity and other obligations provided for in this Section 5.11.

(f) If Holdco or any of its successors or assigns (i) consolidates with or merges into any other person and shall not be the continuing or surviving corporation or entity of such consolidation or merger, or (ii) transfers or conveys all or substantially all of its properties and assets to any person, then, and in each such case, to the extent necessary, proper provision shall be made so that the successors and assigns of Holdco, as the case may be, shall assume the obligations set forth in this Section 5.11.

(g) The provisions of this Section 5.11 (i) are intended to be for the benefit of, and shall be enforceable by, each Florida Rock Indemnified Party and Vulcan Indemnified Party and their respective heirs and representatives and (ii) are in addition to, and not in substitution for, any other rights to indemnification or contribution that any such person may have by contract or otherwise.

5.12. *Public Announcements*. Vulcan and Florida Rock shall use reasonable best efforts (i) to develop a joint communications plan, (ii) to ensure that all press releases and other public statements with respect to the transactions contemplated hereby shall be consistent with such joint communications plan, and (iii) except in respect of any announcement required by applicable law or by obligations pursuant to any listing agreement with or

rules of any securities exchange in which it is impracticable to consult with each other as contemplated by this clause (iii), to consult with each other before issuing any press release or, to the extent practical, otherwise making any public statement with respect to this Agreement or the transactions contemplated hereby.

5.13. *Additional Agreements*. In case at any time after the Effective Time any further action is necessary or desirable to carry out the purposes of this Agreement or to vest Holdco or the surviving corporation of the Mergers with full title to all properties, assets, rights, approvals, immunities and franchises of either of the constituent corporations of the Vulcan Merger and the Florida Rock Merger, the proper officers and directors of each party to this Agreement shall take all such necessary action.

ARTICLE VI

CONDITIONS PRECEDENT

6.1. *Conditions to Each Party s Obligation to Effect the Merger*. The respective obligation of each party to effect the applicable Merger shall be subject to the satisfaction prior to the Closing Date of the following conditions:

(a) *Shareholder Approval*. Florida Rock shall have obtained the Required Florida Rock Vote.

(b) *Exchange Listing*. The shares of Holdco Common Stock to be issued in the Mergers and Holdco Common Stock to be reserved for issuance in connection with the Mergers shall have been authorized for listing on NYSE, upon official notice of issuance.

(c) *Requisite Regulatory Approvals*. (i) The waiting period (and any extension thereof) applicable to the Mergers under the HSR Act shall have been terminated or shall have expired, and (ii) except as would not, individually or in the aggregate, reasonably be expected to result in a material adverse effect on the Florida Rock Surviving Corporation, the Vulcan Surviving Corporation or Holdco, (A) all other authorizations, consents, orders or approvals of, or declarations or filings with, and all expirations of waiting periods required from, any Governmental Entity shall have been filed, have occurred or been obtained (all such permits, approvals, filings and consents and the lapse of all such waiting periods, including under the HSR Act, being referred to as the Requisite Regulatory Approvals), and (B) all such Requisite Regulatory Approvals referred to in clause (A) shall be in full force and effect.

(d) *Form S-4*. The Form S-4 shall have become effective under the Securities Act and shall not be the subject of any stop order or proceedings seeking a stop order.

(e) *No Injunctions or Restraints; Illegality*. No temporary restraining order, preliminary or permanent injunction or other order issued by any court of competent jurisdiction or other legal restraint or prohibition (an Injunction) preventing the consummation of the Mergers shall be in effect. There shall not be any action taken, or any law, rule, regulation or order enacted, entered, enforced or deemed applicable to the Mergers, by any Governmental Entity of competent jurisdiction that makes the consummation of either Merger illegal.

6.2. *Conditions to Obligations of Vulcan*. The obligation of Vulcan to effect the Vulcan Merger is subject to the satisfaction of the following conditions unless waived by Vulcan:

(a) *Representations and Warranties*.

(i) The representations and warranties of Florida Rock set forth in Sections 3.1(c)(i), 3.1(l)(ii), 3.1(m) and 3.1(n) shall be true and correct, as of the date hereof and as of the Closing Date as if made at and as of such time (except for representations and warranties made only as of a specified date, which shall be true and correct to the extent required

in this clause (i) only as of the specified date);

(ii) the representations and warranties of Florida Rock set forth in Sections 3.1(b)(i) and 3.1(b)(iii) and 3.1(x) shall be true and correct in all material respects as of the date hereof and as of the Closing Date as if made at and as of such time (except for representations and warranties made only as of a specified date, which shall be true and correct in all material respects only as of the specified date); and

(iii) (A) the other representations and warranties of Florida Rock contained in this Agreement that are qualified as to material adverse effect shall be true and correct and (B) such other representations and

warranties of Florida Rock contained in this Agreement that are not so qualified (disregarding all qualifications and exceptions contained therein regarding materiality) shall be true and correct, in each case as of the date hereof and as of the Closing Date as if made at and as of that time (except for representations and warranties made only as of a specified date, which shall be true and correct as of the specified date), except to the extent where the failures of any such representations and warranties referred to in clause (B) to be so true and correct, in the aggregate, have not had, and would not reasonably be expected to have, a material adverse effect on Florida Rock.

Vulcan shall have received a certificate signed on behalf of Florida Rock by the Chief Executive Officer and Chief Financial Officer of Florida Rock to such effect.

(b) *Performance of Obligations of Florida Rock*. Florida Rock shall have performed in all material respects all obligations required to be performed by it under this Agreement at or prior to the Closing Date, and Vulcan shall have received a certificate signed on behalf of Florida Rock by the Chief Executive Officer and Chief Financial Officer of Florida Rock to such effect.

(c) *Tax Opinion*. Vulcan shall have received the opinion of its counsel, Wachtell, Lipton, Rosen & Katz, in form and substance reasonably satisfactory to Vulcan, dated the Closing Date, to the effect that, on the basis of facts, representations and assumptions set forth or referred to in such opinion, (i) the exchange of Florida Rock Common Stock and Vulcan Common Stock for Holdco Common Stock pursuant to the Mergers, taken together, will be treated for Federal income tax purposes as an exchange described in Section 351 of the Code and (ii) the Vulcan Merger will qualify as a reorganization within the meaning of Section 368(a) of the Code. In rendering such opinion, counsel to Vulcan shall be entitled to rely upon customary representations and assumptions provided by Holdco, Vulcan, Florida Rock and others that counsel to Vulcan reasonably deems relevant.

(d) *Absence of Legal Restraint*. There shall not have been any action with respect to the Mergers taken since the date of this Agreement by any court or other Governmental Entity (which action has not been vacated or reversed), or any law, injunction, order or decree enacted, promulgated or issued with respect to the Mergers by any court or other Governmental Entity (which law, injunction, order or decree remains in effect), other than the application of the waiting period provisions of the HSR Act and the waiting period or similar provisions of applicable antitrust laws, rules, or regulations, in any case that would reasonably be expected to result in a judgment that would have any of the following effects: (i) challenging or seeking to make illegal, to delay materially or otherwise to restrain or prohibit the consummations of the Mergers, (ii) seeking to restrain or prohibit Vulcan s or Holdco s ownership or operation (or that of its respective Subsidiaries or affiliates) of all or any material portion of the business or assets of Florida Rock and its Subsidiaries, taken as a whole, or of Vulcan and its Subsidiaries, taken as a whole, or (iii) seeking to compel Vulcan or Holdco or any of their respective Subsidiaries to sell, hold separate or otherwise disposing of any of its or Florida Rock s business or assets or materially restricting the conduct its or Florida Rock s business if doing so would, individually or in the aggregate, reasonably be expected to result in a material adverse effect on Florida Rock.

6.3. *Conditions to Obligations of Florida Rock*. The obligation of Florida Rock to effect the Florida Rock Merger is subject to the satisfaction of the following conditions unless waived by Florida Rock:

(a) *Representations and Warranties*.

(i) The representations and warranties of Vulcan set forth in Sections 3.2(b)(v), 3.2(c)(i), 3.2(k)(ii) and 3.2(l) shall be true and correct, as of the date hereof and as of the Closing Date as if made at and as of such time (except for representations and warranties made only as of a specified date, which shall be true and correct to the extent required in this clause (i) only as of the specified date, and, with respect to the representations and warranties set forth in Section 3.2(b)(v), other than *de minimis* exceptions, which would not cause the representations and warranties of Fresno set forth in Section 3.1(n) to be untrue and incorrect);

(ii) the representations and warranties of Vulcan set forth in Sections 3.2(b)(i) and 3.2(b)(iii) shall be true and correct in all material respects as of the date hereof and as of the Closing Date as if made at and as of such time (except for representations and warranties made only as of a specified date, which shall be true and correct in all material respects only as of the specified date); and

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(iii) (A) the other representations and warranties of Vulcan contained in this Agreement that are qualified as to material adverse effect shall be true and correct and (B) such other representations and warranties of Vulcan contained in this Agreement that are not so qualified (disregarding all qualifications and exceptions contained therein regarding materiality) shall be true and correct, in each case as of the date hereof and as of the Closing Date as if made at and as of that time (except for representations and warranties made only as of a specified date, which shall be true and correct as of the specified date), except to the extent where the failures of any such representations and warranties referred to in clause (B) to be so true and correct, in the aggregate, have not had, and would not reasonably be expected to have, a material adverse effect on Vulcan.

Florida Rock shall have received a certificate signed on behalf of Vulcan by the Chairman and Chief Executive Officer and by the Chief Financial Officer of Vulcan to such effect.

(b) *Performance of Obligations of Vulcan*. Vulcan shall have performed in all material respects all obligations required to be performed by it under this Agreement at or prior to the Closing Date, and Florida Rock shall have received a certificate signed on behalf of Vulcan by the Chairman and Chief Executive Officer and the Chief Financial Officer of Vulcan to such effect.

(c) *Tax Opinion*. Florida Rock shall have received the opinion of its counsel, Weil, Gotshal & Manges LLP, in form and substance reasonably satisfactory to Florida Rock, dated the Closing Date, to the effect that, on the basis of facts, representations and assumptions set forth or referred to in such opinion, the exchange of Florida Rock Common Stock and Vulcan Common Stock for Holdco Common Stock pursuant to the Mergers, taken together, will be treated for Federal income tax purposes as an exchange described in Section 351 of the Code. In rendering such opinion, counsel to Florida Rock shall be entitled to rely upon customary representations and assumptions provided by Holdco, Vulcan, Florida Rock and others that counsel to Florida Rock reasonably deems relevant.

ARTICLE VII

TERMINATION AND AMENDMENT

7.1. *Termination*. This Agreement may be terminated at any time prior to the Effective Time, by action taken or authorized by the Board of Directors of the terminating party or parties, whether before or after the Required Florida Rock Vote has been obtained:

(a) by mutual consent of Vulcan and Florida Rock in a written instrument;

(b) by either Vulcan or Florida Rock, upon written notice to the other party, if a Governmental Entity of competent jurisdiction that must grant a Requisite Regulatory Approval has denied approval of either Merger and such denial has become final and non-appealable; or any Governmental Entity of competent jurisdiction shall have issued an order, decree or ruling or taken any other action permanently restraining, enjoining or otherwise prohibiting either Merger, and such order, decree, ruling or other action has become final and non-appealable; provided, however, that the right to terminate this Agreement under this Section 7.1(b) shall not be available to any party whose failure to comply with Section 5.3 or any other provision of this Agreement has been the cause of, or resulted in, such action;

(c) by either Vulcan or Florida Rock, upon written notice to the other party, if both Mergers shall not have been consummated on or before November 19, 2007; provided, however, that the right to terminate this Agreement under this Section 7.1(c) shall not be available to any party whose failure to comply with any provision of this Agreement has been the cause of, or resulted in, the failure of the Effective Time to occur on or before such date;

(d) by Vulcan, upon written notice to Florida Rock, if Florida Rock shall have: (i) failed to make the Florida Rock Recommendation or effected a Change in Florida Rock Recommendation (or resolved to take any such action) that is adverse to Vulcan in any material respect, whether or not permitted by the terms hereof, (ii) breached its obligations under this Agreement by reason of a failure to call the Florida Rock Shareholders Meeting in accordance with Section 5.1(b) or a failure to prepare and mail to its shareholders the Proxy

Statement/Prospectus in accordance with Section 5.1(a), or (iii) breached its obligations under Section 5.4 in any material respect;

(e) by either Vulcan or Florida Rock, upon written notice to the other party, if there shall have been a breach by the other party of any of the covenants or agreements, or failure to be true of any of the representations or warranties, set forth in this Agreement on the part of such other party, which breach, or failure to be true, either individually or in the aggregate, would result in, if occurring or continuing on the Closing Date, the failure of the condition set forth in Section 6.2(a) or (b) or Section 6.3(a) or (b), as the case may be, and which breach, or failure to be true, has not been cured within 30 days following written notice thereof to the affected party or, by its nature, cannot be cured within such time period; or

(f) by either Vulcan or Florida Rock, if the Required Florida Rock Vote shall not have been obtained upon a vote taken thereon at the duly convened Florida Rock Shareholders Meeting.

7.2. *Effect of Termination*. (a) In the event of termination of this Agreement by either Florida Rock or Vulcan as provided in Section 7.1, this Agreement shall forthwith become void, and there shall be no liability or obligation on the part of Vulcan or Florida Rock or their respective officers or directors, except with respect to Section 5.2 (Access to Information; Confidentiality), Section 5.9 (Fees and Expenses), this Section 7.2 (Effect of Termination), and Article VIII (General Provisions), which shall survive such termination and except that no party shall be relieved or released from any liabilities or damages arising out of its willful and material breach of this Agreement.

(b) Florida Rock shall pay Vulcan, by wire transfer of immediately available funds to such accounts as Vulcan may designate, the sum of $135.0 million (the Florida Rock Termination Fee) if this Agreement is terminated as follows:

(i) if Vulcan shall terminate this Agreement pursuant to Section 7.1(d)(i) or Section 7.1(d)(ii), then Florida Rock shall pay the Florida Rock Termination Fee on the second business day following such termination;

(ii) if (A) Vulcan shall terminate this Agreement pursuant to Section 7.1(d)(iii) or either party shall terminate this Agreement pursuant to Section 7.1(f) and (B) at any time after the date hereof and at or before the date of the Florida Rock Shareholders Meeting, there shall have been a Public Proposal, and (C) within 12 months of the date of such termination of this Agreement, Florida Rock or any of its Subsidiaries enters into any definitive agreement with respect to, or consummates, any Acquisition Proposal, then Florida Rock shall pay the Florida Rock Termination Fee on the second business day following such execution or consummation; and

(iii) if (A) either party shall terminate this Agreement pursuant to Section 7.1(c) or Vulcan shall terminate this Agreement pursuant to Section 7.1(e) and (B) at any time after the date hereof and before such termination there shall have been a Public Proposal and (C) within 12 months of the date of such termination of this Agreement, Florida Rock or any of its Subsidiaries enters into any definitive agreement with respect to, or consummates, any Acquisition Proposal, then Florida Rock shall pay the Florida Rock Termination Fee on the second business day following such execution or consummation;

Public Proposal shall mean a publicly announced Acquisition Proposal except that the reference to 20% or more in the definition of Acquisition Proposal shall be deemed to be a reference to 50% or more and shall only include an Acquisition Proposal, directly or indirectly, with respect to Florida Rock or its assets.

If Florida Rock fails to pay all amounts due to Vulcan on the dates specified, then Florida Rock shall pay all costs and expenses (including legal fees and expenses) incurred by Vulcan in connection with any action or proceeding (including the filing of any lawsuit) taken by it to collect such unpaid amounts, together with interest on such unpaid amounts at the prime lending rate prevailing at such time, as published in the Wall Street Journal, from the date such

amounts were required to be paid until the date actually received by Vulcan.

7.3. *Amendment*. This Agreement may be amended by the parties, by action taken or authorized by their respective Boards of Directors, at any time before or after approval of the matters presented in connection with this Agreement by the shareholders of Florida Rock, but, after any such approval, no amendment shall be made which by

law requires further approval by such shareholders without such further approval. This Agreement may not be amended except by an instrument in writing signed on behalf of each of the parties.

7.4. *Extension; Waiver*. At any time prior to the Effective Time, the parties, by action taken or authorized by their respective Board of Directors, may, to the extent permitted by applicable law, (a) extend the time for the performance of any of the obligations or other acts of the other party, (b) waive any inaccuracies in the representations and warranties contained herein or in any document delivered pursuant hereto, and (c) waive compliance with any of the agreements or conditions contained herein. Any agreement on the part of a party to any such extension or waiver shall be valid only if set forth in a written instrument signed on behalf of such party. The failure of a party to assert any of its rights under this Agreement or otherwise shall not constitute a waiver of those rights. No single or partial exercise of any right, remedy, power or privilege hereunder shall preclude any other or further exercise thereof or the exercise of any other right, remedy, power or privilege. Any waiver shall be effective only in the specific instance and for the specific purpose for which given and shall not constitute a waiver to any subsequent or other exercise of any right, remedy, power or privilege hereunder.

ARTICLE VIII

GENERAL PROVISIONS

8.1. *Non-survival of Representations, Warranties and Agreements*. None of the representations, warranties, covenants and agreements in this Agreement or in any instrument delivered pursuant to this Agreement, including any rights arising out of any breach of such representations, warranties, covenants and agreements, shall survive the Effective Time, except for those covenants and agreements that by their terms apply or are to be performed in whole or in part after the Effective Time.

8.2. *Notices*. All notices and other communications hereunder shall be in writing and shall be deemed duly given (a) on the date of delivery if delivered personally, or by facsimile, upon confirmation of receipt, (b) on the first business day following the date of dispatch if delivered by a recognized next-day courier service, or (c) on the fifth business day following the date of mailing if delivered by registered or certified mail, return receipt requested, postage prepaid. All notices hereunder shall be delivered as set forth below, or pursuant to such other instructions as may be designated in writing by the party to receive such notice.

(a) if to Vulcan, Holdco, Virginia Merger Sub or Fresno Merger Sub, to

Vulcan Materials Company
1200 Urban Center Drive
Birmingham, Alabama 35242
Attention: General Counsel
Facsimile No.: (205) 298-2960

with a copy to

Wachtell, Lipton, Rosen & Katz
51 West 52nd Street
New York, New York 10019
Attention: Edward D. Herlihy, Esq.
Igor Kirman, Esq.
Facsimile No.: (212) 403-2000

and

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(b) if to Florida Rock, to

Florida Rock Industries, Inc.
155 East 21st Street
Jacksonville, Florida 32206
Attention: General Counsel
Facsimile No.: (904) 791-1810

with a copy to

Weil, Gotshal & Manges LLP
767 Fifth Avenue
New York, New York 10153
Attention: Thomas Roberts, Esq.
Raymond Gietz, Esq.
Facsimile No.: (212) 310-8007

and

McGuire Woods LLP
Bank of America Tower
50 North Laura Street, Suite 3300
Jacksonville, Florida 32202
Attention: Daniel B. Nunn Jr., Esq.
Facsimile No.: (904) 360-6339

8.3. *Interpretation*. When a reference is made in this Agreement to Sections, Exhibits or Schedules, such reference shall be to a Section of or Exhibit or Schedule to this Agreement unless otherwise indicated. The table of contents and headings contained in this Agreement are for reference purposes only and shall not affect in any way the meaning or interpretation of this Agreement. Whenever the words include, includes or including are used in this Agreement, they shall be deemed to be followed by the words without limitation. The phrase made available in this Agreement shall mean that the information referred to has been made available by the party to whom such information is to be made available. The phrases herein, hereof, hereunder and words of similar import shall be deemed to refer to this Agreement as a whole, including the Exhibits and Schedules hereto, and not to any particular provision of this Agreement. The word or shall be inclusive and not exclusive. Any pronoun shall include the corresponding masculine, feminine and neuter forms. The phrases known or knowledge mean, with respect to either party to this Agreement, the actual knowledge of those of such party s executive officers who have been involved in the negotiation of this Agreement. The term affiliate has the meaning given to it in Rule 12b-2 of the Exchange Act, and the term person has the meaning given to it in Sections 3(a)(9) and 13(d)(3) of the Exchange Act.

8.4. *Counterparts*. This Agreement may be executed in counterparts, each of which shall be considered one and the same agreement and this Agreement shall become effective when a counterpart signed by each party shall be delivered to the other party, it being understood that both parties need not sign the same counterpart.

8.5. *Entire Agreement; No Third Party Beneficiaries*. This Agreement (including the documents and the instruments referred to herein) (a) constitutes the entire agreement and supersedes all prior agreements and understandings, both written and oral, between the parties with respect to the subject matter hereof, other than the Confidentiality Agreement, which shall survive the execution and delivery of this Agreement in accordance with their terms and

(b) except as provided in Sections 5.10 and 5.11 (which are intended for the benefit of only the persons specifically named therein), is not intended to confer upon any person other than the parties any rights or remedies hereunder.

8.6. *Governing Law*. This Agreement shall be governed by, and construed in accordance with, the laws of the State of New York, except that the FBCA shall apply to the Florida Rock Merger and NJBCA shall apply to the Vulcan Merger.

8.7. *Severability*. Any term or provision of this Agreement that is invalid or unenforceable in any jurisdiction shall, as to that jurisdiction, be ineffective to the extent of such invalidity or unenforceability and, unless the effect of such invalidity or unenforceability would prevent the parties from realizing the major portion of the economic benefits of the Mergers that they currently anticipate obtaining therefrom, shall not render invalid or unenforceable the remaining terms and provisions of this Agreement or affect the validity or enforceability of any of the terms or provisions of this Agreement in any other jurisdiction. If any provision of this Agreement is so broad as to be unenforceable, the provision shall be interpreted to be only so broad as is enforceable.

8.8. *Assignment*. Neither this Agreement nor any of the rights, interests or obligations of the parties hereunder shall be assigned by either party (whether by operation of law or otherwise) without the prior written consent of the other party, and any attempt to make any such assignment without such consent shall be null and void. Subject to the preceding sentence, this Agreement will be binding upon, inure to the benefit of and be enforceable by the parties and their respective successors and permitted assigns.

8.9. *Submission to Jurisdiction*. Each party irrevocably submits to the jurisdiction of (a) the Supreme Court of the State of New York, New York County, and (b) the United States District Court for the Southern District of New York, for the purposes of any suit, action or other proceeding arising out of this Agreement or any transaction contemplated hereby. Each party agrees to commence any action, suit or proceeding relating hereto either in the United States District Court for the Southern District of New York or, if such suit, action or other proceeding may not be brought in such court for reasons of subject matter jurisdiction, in the Supreme Court of the State of New York, New York County. Each party irrevocably and unconditionally waives any objection to the laying of venue of any action, suit or proceeding arising out of this Agreement or any transaction contemplated hereby in (i) the Supreme Court of the State of New York, New York County, or (ii) the United States District Court for the Southern District of New York, and hereby further irrevocably and unconditionally waives and agrees not to plead or claim in any such court that any such action, suit or proceeding brought in any such court has been brought in an inconvenient forum. Each party further irrevocably consents to the service of process out of any of the aforementioned courts in any such suit, action or other proceeding by the mailing of copies thereof by mail to such party at its address set forth in this Agreement, such service of process to be effective upon acknowledgment of receipt of such registered mail; provided that nothing in this Section 8.9 shall affect the right of any party to serve legal process in any other manner permitted by law. The consent to jurisdiction set forth in this Section 8.9 shall not constitute a general consent to service of process in the State of New York and shall have no effect for any purpose except as provided in this Section 8.9. The parties agree that a final judgment in any such suit, action or proceeding shall be conclusive and may be enforced in other jurisdictions by suit on the judgment or in any other manner provided by law.

8.10. *Enforcement*. The parties agree that irreparable damage would occur in the event that any of the provisions of this Agreement were not performed in accordance with their specific terms on a timely basis or were otherwise breached. It is accordingly agreed that the parties shall be entitled to an injunction or other equitable relief to prevent breaches of this Agreement and to enforce specifically the terms and provisions of this Agreement in any court identified in the Section above, this being in addition to any other remedy to which they are entitled at law or in equity.

8.11. *WAIVER OF JURY TRIAL*. EACH OF THE PARTIES HEREBY WAIVES TRIAL BY JURY IN ANY JUDICIAL PROCEEDING DIRECTLY INVOLVING ANY MATTERS (WHETHER SOUNDING IN TORT, CONTRACT OR OTHERWISE) IN ANY WAY ARISING OUT OF, RELATED TO, OR CONNECTED WITH THIS AGREEMENT OR ANY TRANSACTION CONTEMPLATED HEREBY.

[Remainder of this page intentionally left blank. Signature page follows.]

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IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be signed by their respective officers thereunto duly authorized, all as of the date first set forth above.

VULCAN MATERIALS COMPANY

By: /s/ Donald M. James

Name: Donald M. James

Title: Chairman and Chief Executive Officer

FLORIDA ROCK INDUSTRIES, INC.

By: /s/ John D. Baker, II

Name: John D. Baker, II

Title: President and Chief Executive Officer

VIRGINIA HOLDCO, INC.

By: /s/ Daniel F. Sansone

Name: Daniel F. Sansone

Title: President and Treasurer

VIRGINIA MERGER SUB, INC.

By: /s/ William F. Denson, III

Name: William F. Denson, III

Title: Vice President and Secretary

FRESNO MERGER SUB, INC.

By: /s/ Ejaz A. Khan

Name: Ejaz A. Khan

Title: Chairman

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Annex B

SUPPORT AGREEMENT

February 19, 2007
Vulcan Materials Company
1200 Urban Center Drive
Birmingham, Alabama 35242
Attention: Donald M. James
Chairman and CEO

Ladies and Gentlemen:

The undersigned (the Shareholders, and each a Shareholder) understand that Vulcan Materials Company, a New Jersey corporation (Vulcan), and Florida Rock Industries, Inc., a Florida corporation (Florida Rock), propose to enter into an Agreement and Plan of Merger, dated as of the date hereof (the Merger Agreement), providing for, among other things, the Florida Rock Merger, in which each share of common stock, par value $0.10 per share, of Florida Rock (the Florida Rock Common Stock) (other than Excluded Shares) issued and outstanding immediately prior to the Effective Time will be converted into the right to receive, at the election of the holder thereof and subject to proration in accordance with the Merger Agreement, the Cash Consideration or the Stock Consideration. Capitalized terms used without definition in this letter agreement shall have the meanings ascribed thereto in the Merger Agreement.

Each Shareholder in its capacity as such, is entering into this letter agreement in consideration of, and as a condition to, Vulcan s willingness to enter into the Merger Agreement and to consummate the transactions contemplated thereby.

Each Shareholder confirms its agreement with Vulcan as follows:

1. Each Shareholder represents, warrants and agrees that (a) the total number of shares of Florida Rock Common Stock owned, directly or indirectly, beneficially and of record by the Shareholders, other than the Anne D. Baker Living Trust, in the aggregate is approximately 15.5 million, (b) such Shareholder is, directly or indirectly, the record and beneficial owner of the Specified Shares (as defined below), with sole or shared with a person or entity that is also a party hereto, voting and dispositive power over such Specified Shares, (c) except as set forth on Schedule II, the Specified Shares are owned by such Shareholder free and clear of all Liens and (d) such Shareholder has the power to vote all Specified Shares in the manner contemplated herein and that there have been no proxies heretofore given in respect of any or all of the Specified Shares or if given, have heretofore been revoked. Specified Shares means the number of shares of Florida Rock Common Stock designated as such on Schedule I hereto; provided that if the number of shares designated as Specified Shares on Schedule I hereto would in the aggregate equal 10% or more of the outstanding voting stock of Florida Rock, then Schedule I shall be adjusted so that the number of shares designated as Specified Shares thereon would in the aggregate equal the greatest number that represents less than or equal to 9.9% of the outstanding voting stock of Florida Rock; provided, further, that to the extent any of the Specified Shares are forfeited pursuant to any Lien, Baker Holdings L.P., at Vulcan s request, shall increase the number of its Specified Shares in an amount equal to the number of shares so forfeited.

2. Each Shareholder agrees that it will not, directly or indirectly, sell, transfer, assign, pledge, encumber or otherwise dispose of any of the Specified Shares or enter into any contract, option or other arrangement or understanding with respect thereto (including any voting trust or agreement and the granting of any proxy) other than: (a) pursuant to the Mergers, (b) foreclosures pursuant to pledges or encumbrances described on Schedule I or (c) with the prior written consent of Vulcan, or (d) as set forth on Schedule II. If so requested by Vulcan, each Shareholder agrees that any certificates representing Specified Shares shall bear a legend stating that they are subject to this letter agreement.

3. At every meeting of the shareholders of Florida Rock, called, and at every postponement or adjournment thereof, each Shareholder irrevocably agrees to vote the Specified Shares entitled to be voted

thereat or to cause any such Specified Shares to be voted: (i) in favor of approval of the Merger Agreement, and (ii) against (A) any proposal made in opposition to approval of the Merger Agreement or in competition or inconsistent with the Mergers or any other transaction contemplated by the Merger Agreement, (B) any Acquisition Proposal, (C) any change in the management or board of directors of Florida Rock (other than in connection with the transactions contemplated by the Merger Agreement), (D) any action or agreement that would result in a breach of any representation, warranty, covenant or agreement or any other obligation of Florida Rock under the Merger Agreement or of such Shareholder under this letter agreement and (E) any other action or proposal involving Florida Rock that could reasonably be expected to prevent, impede, interfere with, delay, postpone or adversely affect the Mergers. The obligations of each Shareholder specified in this paragraph 3 shall apply whether or not (x) the Board of Directors of Florida Rock shall have effected a Change in Florida Rock Recommendation, or (y) Florida Rock breaches any of its representations, warranties, agreements or covenants set forth in the Merger Agreement.

4. Each Shareholder agrees to make Stock Elections with respect to the number of Specified Shares set forth on Schedule I hereto.

5. Each Shareholder represents and warrants that there is, as of the date hereof, and as of the Closing Date there will be, no binding commitment or present plan or intention to sell, exchange or otherwise dispose of any of the Holdco Common Stock that such Shareholder will receive pursuant to or in connection with the Florida Rock Merger.

6. Each Shareholder represents and warrants that (a) it has all necessary power and authority to enter into this letter agreement; (b) this letter agreement has been duly authorized, executed and delivered by such Shareholder and is enforceable against such Shareholder in accordance with its terms; and (c) neither the execution or delivery of this Agreement nor the consummation by such Shareholder of the transactions contemplated hereby will violate any provisions of any statute, law, ordinance, regulation, rule, code or other requirement of a Governmental Entity or any order, injunction, decree or judgment applicable to such Shareholder or any contract, agreement or other commitment to which such Shareholder is a party or by which such Shareholder or any of such Shareholder s properties or assets (including such Shares and Derivative Securities) is bound, other than such violations of contracts, agreements or commitments as would not prevent, impede or delay the performance by such Shareholder of its obligations hereunder or impose any liability or obligation on the Company or any Subsidiaries or Affiliates thereof.

7. This letter agreement shall terminate upon the earlier to occur of (a) the termination of the Merger Agreement in accordance with its terms or (b) the Effective Time; provided, that termination shall not prevent any party from seeking remedies against any other party hereto for breach of this letter agreement.

8. This agreement shall be governed by, and construed in accordance with, the laws of the State of New York, without giving effect to principles of conflict of laws. This letter agreement may be executed in counterparts, each of which when executed shall be deemed to be an original but all of which when taken together shall constitute one and the same agreement.

9. Each Shareholder recognizes and acknowledges that a breach by it of any covenants or agreements contained in this letter agreement will cause Vulcan to sustain damages for which it would not have an adequate remedy at law for money damages, and therefore each Shareholder agrees that in the event of any such breach, Vulcan shall be entitled to specific performance of such covenants and agreements and injunctive and other equitable relief in addition to any other remedy to which it may be entitled, at law or in equity.

10. The effectiveness of this letter agreement shall be conditioned upon the execution and delivery of the Merger Agreement by Vulcan and Florida Rock.

11. Each Shareholder agrees that this letter agreement and the obligations hereunder shall attach to the Specified Shares and shall be binding upon any person or entity to which legal or beneficial ownership of the Specified Shares shall pass, whether by operation of law or otherwise. Each Shareholder understands and acknowledges that Vulcan is entering into the Merger Agreement in reliance upon the execution and delivery of this letter agreement by such Shareholder.

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12. No Shareholder makes any agreement or understanding herein in such Shareholder s capacity as a director or officer of Florida Rock. Each Shareholder executes this letter agreement solely in such Shareholder s capacity as a record and beneficial owner of Shares and nothing herein will limit or affect any actions taken by any Shareholder or any designee of a Shareholder in such Shareholder s capacity as an officer or director of Florida Rock or any of its Subsidiaries. Notwithstanding anything to the contrary contained herein, the obligations of each Shareholder specified in this Agreement shall apply whether or not (x) the Board of Directors of Florida Rock shall have effected a Change in Florida Rock Recommendation, or (y) Florida Rock breaches any of its representations, warranties, agreements or covenants set forth in the Merger Agreement.

[SIGNATURE PAGES FOLLOW]

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Please confirm that the foregoing correctly states the understanding between us and you by signing and returning to us a counterpart hereof.

Very truly yours,

BAKER HOLDINGS, L.P.,

By: BAKER INVESTMENT HOLDINGS, INC.,
as general partner

by: /s/ John D. Baker, II

John D. Baker, II, President

EDWARD L. BAKER LIVING TRUST

by: /s/ Edward L. Baker

Edward L. Baker, as trustee

EDWARD L. BAKER

by: /s/ Edward L. Baker

Edward L. Baker

JOHN D. BAKER II LIVING TRUST

by: /s/ John D. Baker, II

John D. Baker II, as trustee

ANNE D. BAKER LIVING TRUST

by: /s/ Anne D. Baker

Anne D. Baker, as trustee

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Confirmed as of the date first above written:

VULCAN MATERIALS COMPANY

By: /s/ Donald M. James
Name: Donald M. James
Title: Chairman and Chief Executive Officer

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SCHEDULE I

Shareholder Name		Specified Shares	Stock Election Shares
1. Baker Holdings, L.P.		2,855,838	2,855,838
2. Edward L. Baker			
a. Edward L. Baker Living Trust	Trustee	326,354	188,644
b. Edward L. Baker		50,934	0
3. John D. Baker II			
a. John D. Baker II Living Trust	Trustee	2,725,181	1,362,591
4. Anne Baker			
a. Anne D. Baker Living Trust		517,657	258,829
Total		**6,475,964**	**4,665,902**

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Annex C

SHAREHOLDERS AGREEMENT

This SHAREHOLDERS AGREEMENT (this Agreement), dated as of February 19, 2007 (this Agreement), is by and among Vulcan Materials Company, a New Jersey corporation (Vulcan), Virginia Holdco, Inc., a New Jersey corporation (Holdco), and Baker Holdings, L.P. and the individual shareholders signatory hereto (the Baker Shareholders).

WHEREAS, Holdco, Vulcan, Florida Rock Industries, Inc., a Florida corporation (Florida Rock), Virginia Merger Sub, Inc., a New Jersey corporation, and Fresno Merger Sub, Inc., a Florida corporation, have entered into an Agreement and Plan of Merger, of even date herewith (the Merger Agreement);

WHEREAS, as a condition to the consummation of Mergers and the other transactions contemplated by the Merger Agreement, Vulcan and Holdco desire that the Baker Shareholders make certain representations, warranties, covenants and agreements as set forth in this Agreement;

WHEREAS, after giving effect to the Mergers and the other transactions contemplated by the Merger Agreement, the Baker Shareholders will Beneficially own certain shares of Holdco Common Stock (the shares of Common Stock acquired in the Mergers being the Common Shares);

NOW, THEREFORE, in consideration of the mutual covenants and agreements contained herein and in the Merger Agreement, and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties hereby agree as follows:

ARTICLE I

Definitions

1.1. *Definitions*. Capitalized terms used and not defined herein shall have the meanings ascribed to them in the Merger Agreement. The following terms, as used herein, have the following meanings:

Beneficially own has the meaning set forth in Rule 13d-3 under the Exchange Act.

Control (including its correlative meanings, controlled by and under common control with) means the possession, directly or indirectly, of the power to direct or cause the direction of management or policies (whether through ownership of securities or partnership or other ownership interests, by contract or otherwise).

Effective Date means the Closing Date.

Permitted Transferee means, with respect to each Baker Shareholder, (a) Baker Investment Holdings, Inc. or such Baker Shareholder s spouse or lineal descendant (whether natural or adopted), sibling, parent, heir, executor, administrator, testamentary trustee, legatee or beneficiary, (b) in the case of Baker Holdings, L.P., any other Baker Shareholder, Sally Porter, or the spouse or lineal descendant (whether natural or adopted), sibling, parent, heir, executor, administrator, testamentary trustee, legatee or beneficiary of any other Baker Shareholder or Sally Porter, (c) any trust, the beneficiaries of which (or any corporation, limited liability company or partnership, the stockholders, members or general or limited partners of which) include only the Persons named in clauses (a) or (b), or (c) a foundation or similar entity established by such Baker Shareholder for the purpose of serving charitable goals; provided that the Baker Shareholder effecting such transfer retains control over the voting and disposition of such

Common Shares in the hands of such Person, and provided that such transferee has executed and delivered to Holdco such documentation as is reasonably requested by Holdco to reflect that such transferee is fully bound under this Agreement.

Person means an individual, corporation, partnership, limited liability company, association, trust and any other entity or organization, including a government or political subdivision or any agency or instrumentality thereof.

Restrictive Period means the period beginning on the Effective Date and ending on the third anniversary of the Effective Date; provided that solely with respect to John D. Baker II, Restrictive Period means the period beginning on the Effective Date and ending on the later of (x) the third anniversary of the Effective Date and (y) the date that John Baker ceases to be a member of the Board of Directors of Holdco; provided, further that the Restrictive Period shall terminate with respect to each Baker Shareholder upon the occurrence of a change of control of Holdco (as such term is defined in the stock option plan of Holdco); provided, further, that solely with respect to Edward L. Baker the Restrictive Period shall terminate upon his death.

transfer means any direct or indirect sale, assignment, gift, pledge, the imposition of any other encumbrance or any other disposition or any agreement or obligation to do any of the foregoing.

ARTICLE II

Transfer Restrictions; Other Covenants

2.1. (a) During the Restrictive Period applicable to it, each Baker Shareholder will not transfer any Common Shares, except for transfers to Permitted Transferees.

(b) For a period of five years following the expiration of the Restrictive Period with respect to a Baker Shareholder, no transfer of any Common Shares otherwise permitted under this Agreement shall be made by such shareholder unless such transfer (i) complies with the Securities Act and any other applicable securities laws and (ii) is an Approved Transfer; provided, that such five year period shall terminate earlier at any time that the Baker Shareholders and their affiliates own less than 1% of the outstanding shares of Holdco (or successor thereto).

Approved Transfer means (i) a transfer to a Permitted Transferee, (ii) a sale of Common Shares (x) made through a broker or bank in an open market transaction (subject to volume restrictions (the Volume Restrictions) applicable to sales by an affiliate under Rule 144 under the Securities Act, whether or not such rule applies to the selling Baker Shareholder), and (y) with respect to which the Baker Shareholder has complied with Section 2.3, or (iii) with respect to Edward L. Baker or Baker Holdings, L.P., a transfer approved by Holdco following such Baker Shareholder s request, it being understood that Holdco may deny any such transfer request in its sole discretion.

2.2. From and after the Effective Time and until the end of the Restrictive Period applicable to it, each Baker Shareholder irrevocably agrees, at every meeting of the shareholders of Holdco called, and at every postponement or adjournment thereof, and with respect to any written consent solicited, to vote its Common Shares consistent with the recommendations of Holdco s Board of Directors and (y) not tender its Common Shares to any Person if such tender is opposed by Holdco s Board of Directors.

2.3. (a) From and after the end of the Restrictive Period applicable to it, each Baker Shareholder (or transferee or successor thereof) (the ROFR Offeror) may sell all or any portion of the Common Shares beneficially owned by such ROFR Offeror through a broker or bank in an open market transaction, subject to the Volume Restrictions, provided, that the ROFR Offeror shall first offer to sell such Common Shares and give prompt written notice (the ROFR Notice) to Holdco (the ROFR Offeree), stating that it desires to make such sale, referring to this Section 2.3, and specifying the number of Common Shares proposed to be sold (the ROFR Offer Shares).

(b) ROFR Election. The ROFR Offeree shall have three business days from the date of receipt of the ROFR Notice to deliver to the ROFR Offeror a written notice (the ROFR Election) stating whether the ROFR Offeree elects to purchase a portion of the ROFR Offer Shares. Within 10 business days of receipt of the ROFR Election and receipt of any approval required under, or expiration of any waiting period pursuant to, applicable law, the ROFR Offeror shall

sell to the ROFR Offeree such ROFR Offer Shares for the ROFR Price.

(c) In the event that the ROFR Offeree does not purchase all of the ROFR Offer Shares that are the subject of a ROFR Notice pursuant to and in the time periods specified in the foregoing paragraphs (a) and (b), then (i) the ROFR Offeror may then sell such ROFR Offer Shares through a broker or bank in an open market transaction, subject to the Volume Limitations. In the event such sale is not completed within the 10 Business Days provided in Section 2.3(b), then the ROFR Offeror shall not sell any Common Shares pursuant to Section 2.1(b)(y) without re-complying anew with the provisions of this Section 2.3, including delivery of a new ROFR Notice.

ROFR Price means, with respect to the applicable ROFR Offer Shares, the mean of the opening and closing prices of the Common Shares, in each case as quoted by the New York Stock Exchange, on the date of delivery of the ROFR Notice.

ARTICLE III

Miscellaneous

3.1. Authority. Each party hereto represents and warrants as follows: (a) such party has all requisite corporate, trust or other applicable power and authority to enter into this Agreement and to perform its agreements set forth herein, (b) the execution and delivery of this Agreement and the consummation of the transactions contemplated hereby have been duly authorized by all necessary corporate, trust or other applicable action on the part of such party, and (c) this Agreement has been duly executed and delivered by such party and constitutes a valid and binding obligation of such party, enforceable against such party in accordance with its terms, subject to bankruptcy, insolvency, fraudulent transfer, reorganization, moratorium and similar laws of general applicability relating to or affecting creditors rights and to general equitable principles.

3.2. *Governing Law; Jurisdiction; Waiver of Jury Trial.*

(a) This Agreement shall be governed in all respects by the Laws of the State of New Jersey. Any disagreement, issue, dispute, claim, demand or controversy arising out of or relating to this Agreement (each, a Dispute) shall be brought in the United States District Court for the District of New Jersey in New Jersey or any court in the state of New Jersey, so long as one of such courts shall have subject matter jurisdiction over such Dispute. Each of the parties hereby irrevocably consents to the jurisdiction of such courts (and of the appropriate appellate courts therefrom) in any such Dispute and irrevocably waives, to the fullest extent permitted by Law, any objection that it may now or hereafter have to the laying of the venue of any such Dispute in any such court and that any such Dispute which is brought in any such court has been brought in an inconvenient forum. Process in any such Dispute may be served on any party anywhere in the world, whether within or without the jurisdiction of any such court. Without limiting the foregoing, each party agrees that service of process on such party as provided in Section 3.7 shall be deemed effective service of process on such party.

(b) EACH OF THE PARTIES HERETO HEREBY IRREVOCABLY WAIVES ANY AND ALL RIGHT TO TRIAL BY JURY IN ANY LEGAL PROCEEDING ARISING OUT OF OR RELATED TO THIS AGREEMENT OR THE TRANSACTIONS CONTEMPLATED HEREBY.

3.3. *Binding Effect.* This Agreement shall inure to the benefit of and be legally binding upon all heirs, personal representatives, executors, legal representatives, successors and assigns of the parties. This Agreement may not be assigned without the prior written consent of the parties hereto and this Agreement is not made for the benefit of any person not a party hereto. No assignment of this Agreement will relieve the assigning party of its obligations hereunder.

3.4. *Entire Agreement; Amendment.* This Agreement constitutes the entire understanding of the parties and supersedes all prior discussions, negotiations, agreements and understandings, whether oral or written, with respect to its subject matter. This Agreement may be modified only by a written instrument properly executed by all parties to this Agreement.

3.5. *Severability.* If any one or more of the provisions of this Agreement is held invalid, illegal or unenforceable, the remaining provisions of this Agreement shall be unimpaired, and the invalid, illegal or unenforceable provision shall

be replaced by a mutually acceptable valid, legal and enforceable provision which comes closest to the intent of the parties.

3.6. *Waiver; Remedies*. No failure or delay on the part of any party hereto in exercising any right, power or privilege under this Agreement will operate as a waiver thereof, nor will any waiver on the part any party hereto of any right, power or privilege under this Agreement operate as a waiver of any other right, power or privilege under this Agreement, nor will any single or partial exercise of any right, power or privilege thereunder preclude any other or further exercise thereof or the exercise of any other right, power or privilege under this Agreement. The rights and

remedies herein provided are cumulative and are not exclusive of any rights or remedies which the parties may otherwise have at law or in equity.

3.7. *Notices*. All notices, requests, claims, demands and other communications required or permitted to be given under this Agreement will be in writing and will be delivered by hand or telecopied, e-mailed or sent, postage prepaid, by registered, certified or express mail or UPS or Federal Express next-day air and will be deemed given when so delivered (if on a business day before 5:00 P.M. or, if not, then on the next business day) by hand or telecopied, when e-mail confirmation is received (delivery receipt) if delivered by e-mail (if on a business day before 5:00 P.M. or, if not, then on the next business day), or three business days after being so mailed (one business day in the case of express mail or UPS or Federal Express next-day air). All such notices, requests, claims, demands and other communications will be addressed as set forth below, or pursuant to such other instructions as may be designated in writing by the party to receive such notice in accordance with this Agreement.

Notices given under this Agreement shall be to those addresses set forth below:

If to Vulcan:

Vulcan Materials Company
1200 Urban Center Drive
Birmingham, Alabama 35242
Attn: General Counsel
Facsimile: (205) 298-2960

If to Holdco:

Virginia Holdco, Inc.
c/o Vulcan Materials Company
1200 Urban Center Drive
Birmingham, Alabama 35242
Attn: General Counsel
Facsimile: (205) 298-2960

If to a Baker Shareholder:

c/o Baker Holdings, L.P.
155 East 21st Street
Jacksonville, Florida 32206
Attention: John D. Baker II
Facsimile: (904) 791-1810

with a copy (which shall not constitute notice) to:

Word & Word PLC
1802 Bayberry Court
Suite 410
Richmond, Virginia 23226
Attention: Thomas S. Word, Jr., Esq.
Facsimile: (804) 673-1790

3.8. *Counterparts*. This Agreement may be executed in separate counterparts, each such counterpart being deemed to be an original instrument, and all such counterparts will together constitute the same agreement.

3.9. *Specific Performance*. In the event of any actual or threatened default in, or breach of, any of the terms or provisions of this Agreement, the party who is or is to be thereby aggrieved will have the right of specific performance and injunctive relief giving effect to its rights under this Agreement, in addition to any and all other rights and remedies at law or in equity, and all such rights and remedies will be cumulative. The parties agree that any such default or breach or threatened default or breach would cause irreparable injury, that the remedies at law for any such default or breach or threatened default or breach, including monetary damages, are inadequate

compensation for any loss and that any defense in any action for specific performance that a remedy at law would be adequate is waived.

3.10. *Effective Date; Termination.* This Agreement shall become effective immediately upon the occurrence of the Effective Time. In the event that the Merger Agreement is terminated as set forth in Article VII of the Merger Agreement, this Agreement shall automatically terminate and be of no further force or effect. The term of this Agreement shall expire upon the expiration of the term of the last of the covenants applicable to any Baker Shareholder.

[Remainder of Page Intentionally Left Blank. Signature Page Follows.]

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IN WITNESS WHEREOF, this Agreement has been executed as of the date first written above.

VULCAN MATERIALS COMPANY

by: /s/ Donald M. James

Name: Donald M. James
Title: Chairman and Chief Executive Officer

VIRGINIA HOLDCO, INC.

by: /s/ Daniel F. Sansone

Name: Daniel F. Sansone
Title: President and Treasurer

BAKER HOLDINGS, L.P.,

by: BAKER INVESTMENT HOLDINGS, INC.,
as general partner

by: /s/ John D. Baker, II

John D. Baker, II, President

EDWARD L. BAKER LIVING TRUST

by: /s/ Edward L. Baker

Edward L. Baker, as trustee

EDWARD L. BAKER

by: /s/ Edward L. Baker

Edward L. Baker

JOHN D. BAKER II LIVING TRUST

by: /s/ John D. Baker, II

John D. Baker, II, as trustee

ANNE D. BAKER LIVING TRUST

by: /s/ Anne D. Baker

Anne D. Baker, as trustee

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Annex D

February 19, 2007
The Board of Directors
Florida Rock Industries, Inc.
155 East 21st Street
Jacksonville, Florida 32206

Dear Members of the Board:

We understand that Florida Rock Industries, Inc. (Florida Rock), Vulcan Materials Company (Vulcan), Virginia Holdco, Inc., a wholly-owned subsidiary of Vulcan (Holdco), Fresno Merger Sub, Inc., a wholly-owned subsidiary of Holdco (Fresno Merger Sub), and Virginia Merger Sub, Inc., a wholly-owned subsidiary of Holdco (Virginia Merger Sub), intend to enter into an Agreement and Plan of Merger (the Agreement), pursuant to which Virginia Merger Sub will merge with and into Vulcan, with Vulcan continuing as the surviving corporation and a wholly-owned subsidiary of Holdco (the Vulcan Merger), and Fresno Merger Sub will merge with and into Florida Rock, with Florida Rock continuing as the surviving corporation and a wholly-owned subsidiary of Holdco (the Florida Rock Merger and together with the Vulcan Merger, the Mergers). Pursuant to the Agreement, (i) each common share, $0.10 par value per share, of Florida Rock (the Florida Rock Common Stock), issued and outstanding immediately prior to the effective time of the Florida Rock Merger, other than all shares of Florida Rock Common Stock owned by Florida Rock or Fresno Merger Sub, will be converted into the right to receive, at the holder s election, $67.00 in cash without interest, or 0.63 shares of common stock of Holdco (Holdco Common Stock), subject to proration as set forth in the Agreement (the Merger Consideration) and (ii) each share of common stock, $1.00 par value per share, of Vulcan (the Vulcan Common Stock), issued and outstanding immediately prior to the effective time of the Vulcan Merger, other than all shares of Vulcan Common Stock owned by Vulcan, will be converted into the right to receive one share of Holdco Common Stock. The terms and conditions of the Mergers are more fully set forth in the Agreement.

You have requested our opinion as of the date hereof as to the fairness, from a financial point of view, to the holders of Florida Rock Common Stock (other than Vulcan and any of its direct or indirect wholly-owned subsidiaries) of the Merger Consideration to be paid to such holders in the Florida Rock Merger. In connection with this opinion, we have:

(i) Reviewed the financial terms and conditions of the Agreement;

(ii) Analyzed certain publicly available historical business and financial information relating to Florida Rock and Vulcan;

(iii) Reviewed various internal financial forecasts and other data provided to us by the management of Florida Rock relating to the business of Florida Rock, various internal financial forecasts and other data

provided to us by the management of Vulcan relating to the business of Vulcan and the anticipated synergies from the Mergers provided to us by the managements of Florida Rock and Vulcan;

(iv) Held discussions with members of the senior management of Florida Rock with respect to the business and prospects of Florida Rock;

(v) Held discussions with members of senior management of Vulcan with respect to the business and prospects of Vulcan;

(vi) Reviewed public information with respect to certain other companies in lines of businesses we believe to be generally comparable to the businesses of Florida Rock and Vulcan;

(vii) Reviewed the financial terms of certain business combinations involving companies in lines of businesses we believe to be generally comparable to the businesses of Florida Rock and Vulcan;

(viii) Reviewed the historical stock prices and trading volumes of Florida Rock Common Stock and Vulcan Common Stock; and

(ix) Conducted such other financial studies, analyses and investigations as we deemed appropriate.

We have relied upon the accuracy and completeness of the foregoing information and have not assumed any responsibility for any independent verification of such information or any independent valuation or appraisal of any of the assets or liabilities of Florida Rock or Vulcan, or concerning the solvency or fair value of Florida Rock or Vulcan. With respect to financial forecasts of Florida Rock and Vulcan, we have assumed that they have been reasonably prepared on bases reflecting the best currently available estimates and judgments of management of Florida Rock and Vulcan, respectively, as to the future financial performance and results of operation of Florida Rock and Vulcan, respectively. We assume no responsibility for and express no view as to such forecasts or the assumptions on which they are based.

Further, our opinion is necessarily based on economic, monetary, market and other conditions as in effect on, and the information made available to us as of, the date hereof. We assume no responsibility for advising any person of any change in any matter affecting this opinion or for updating or revising our opinion based on circumstances or events occurring after the date hereof. We do not express any opinion as to any tax or other consequences that might result from the Mergers, nor does our opinion address any legal, tax, regulatory or accounting matters, as to which we understand that Florida Rock has obtained such advice as it deemed necessary from qualified professionals. We do not express any opinion as to the price at which shares of Florida Rock Common Stock or Vulcan Common Stock may trade at any time subsequent to the announcement of the Mergers.

In connection with the preparation of this opinion, we have not been authorized by Florida Rock or the Board of Directors to solicit, nor have we solicited, third-party indications of interest for the acquisition of all or any part of Florida Rock.

In rendering our opinion, we have assumed that the Mergers will be consummated on the terms described in the Agreement and without any waiver, amendment or modification of any material terms or conditions of the Agreement and the receipt of the necessary regulatory approvals for the Mergers in the time frame contemplated by the Agreement.

Lazard Fréres & Co. LLC (Lazard) is acting as investment banker to Florida Rock in connection with the Mergers and will receive a fee for our services, a significant portion of which is contingent upon the consummation of the Mergers.

In addition, in the ordinary course of their respective businesses, affiliates of Lazard and LFCM Holdings LLC (an entity owned indirectly in large part by managing directors of Lazard) may actively trade securities of Florida Rock or Vulcan for their own accounts and for the accounts of their customers and, accordingly, may at any time hold a long or short position in such securities.

Our engagement and the opinion expressed herein are for the benefit of Florida Rock s Board of Directors in connection with its consideration of the Mergers. Our opinion does not address the merits of the underlying decision by Florida Rock to engage in the Mergers or the relative merits of the Mergers as compared to other business strategies or transactions that might be available to Florida Rock. We express no opinion or recommendation as to

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how the holders of Florida Rock Common Stock should vote at any shareholders meeting to be held in connection with the Mergers. It is understood that other than its inclusion in its entirety in material that may be provided to the stockholders of Florida Rock and filed with the Securities and Exchange Commission, this opinion may not be disclosed or otherwise referred to, in whole or in part, without our prior written consent.

Based on and subject to the foregoing, we are of the opinion that as of the date hereof the Merger Consideration to be paid to the holders of Florida Rock Common Stock (other than Vulcan and any of its direct or indirect wholly-owned subsidiaries) is fair, from a financial point of view, to such holders.

Very truly yours,

LAZARD FRERES & CO. LLC

By: /s/ Michael J. Biondi

Michael J. Biondi
Managing Director and Co-Chairman
of Investment Banking

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Annex E

Form of Holdco Amended and Restated Certificate of Incorporation

[to be filed by amendment]

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Annex F

Form of Holdco Amended and Restated By-Laws

[to be filed by amendment]

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Annex G

UNITED STATES SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

Form 10-K

ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d)
OF THE SECURITIES EXCHANGE ACT OF 1934

For the Fiscal Year Ended December 31, 2006

Commission file number: 1-4033

VULCAN MATERIALS COMPANY
(Exact name of registrant as specified in its charter)

New Jersey	**63-0366371**
(State or other jurisdiction of incorporation or organization)	*(I.R.S. Employer Identification No.)*

1200 Urban Center Drive, Birmingham, Alabama 35242
(Address, including zip code, of registrant s principal executive offices)

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

Securities registered pursuant to Section 12(b) of the Act:

Title of Each Class	**Name of Each Exchange on Which Registered**
Common Stock, $1 par value	**New York Stock Exchange**

Securities registered pursuant to Section 12(g) of the Act:
None

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes þ No o

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act. Yes o No þ

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 þ No o

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K is not contained herein, and will not be contained, to the best of registrant s knowledge, in definitive proxy or information statements incorporated by referenced in Part III of this Form 10-K or any amendment to this Form 10-K. o

Indicate by check mark whether registrant is a large accelerated filer, an accelerated filer, or a non-accelerated filer.
Large accelerated filer þ Accelerated filer o Non-accelerated filer o

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

Aggregate market value of voting stock held by non-affiliates as of June 30, 2006:	**$ 7,468,430,143**
Number of shares of common stock, $1.00 par value, outstanding as of February 16, 2007:	**95,011,123**

DOCUMENTS INCORPORATED BY REFERENCE

(1) Portions of the registrant s 2006 Annual Report to Shareholders are incorporated by reference into Parts I, II and IV of this Annual Report on Form 10-K.

(2) Portions of the registrant s annual proxy statement for the annual meeting of its shareholders to be held on May 11, 2007, are incorporated by reference into Part III of this Annual Report on Form 10-K.

VULCAN MATERIALS COMPANY

Annual Report on Form 10-K
Fiscal Year Ended December 31, 2006

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PART I

Item 1. *Business*

Vulcan Materials Company, a New Jersey corporation incorporated in 1956 (the Company, Vulcan, we or our), is t nation s largest producer of construction aggregates and a major producer of asphalt mix and concrete.

Our business consists of the production, distribution and sale of construction aggregates and other construction materials and related services. Construction aggregates include crushed stone, sand and gravel, rock asphalt and recrushed asphalt and concrete. Aggregates are employed in virtually all types of construction, including highway construction and maintenance, and in the production of asphaltic and portland cement concrete mixes. Aggregates also are widely used as railroad track ballast. Construction aggregates constituted approximately 70% of the dollar volume of our 2006 net sales, as compared to 72% in 2005 and 73% in 2004. The remaining sales in our business result primarily from other products and services including asphalt mix and related products, concrete, trucking services, and water transportation services.

Each type of aggregate is sold in competition with producers of other types of aggregates, as well as the same type of aggregate. Because of the relatively high transportation costs inherent in the business, competition generally is limited to areas in proximity to production facilities. Noteworthy exceptions are areas where there are no economically viable deposits of aggregates. These areas include sections of the Mississippi, Tennessee-Tombigbee and James River systems, and the Gulf Coast and South Atlantic Coast, which are served from remote quarries by barge, oceangoing vessels or railroad. During 2006, we served markets in 21 states, the District of Columbia and Mexico with a full line of aggregates, and 5 additional states with railroad ballast. Shipments of all construction aggregates totaled approximately 255 million tons in 2006.

In 2006, we spent approximately $20.5 million on acquisitions. These acquisitions included an aggregates production facility and asphalt mix plant in Indiana, an aggregates production facility in North Carolina, and an aggregates production facility in Virginia.

At the end of 2006, we operated 221 aggregates production facilities, including recrushed asphalt and concrete plants, located in 17 states and Mexico. These aggregates facilities included 166 crushed stone plants, 37 sand and gravel plants and 18 plants producing other aggregates (principally recycled concrete). Reserves largely determine the ongoing viability of an aggregates business. For a discussion of our estimated proven and probable aggregates reserves as of the end of 2006, see Item 2 Properties on page 7. We believe that our reserves of aggregates, the key raw material of our business, are sufficient for predicted production levels for the foreseeable future. We do not anticipate any material difficulties in the availability of raw materials in the near future.

In addition to our aggregates production facilities, we operated 66 truck, rail and water distribution yards, located in select market areas, for the sale of aggregates products. Our other facilities included 46 asphalt mix plants; 22 concrete plants; and another 17 operations related to service and repair, landfill and transportation operations.

The key end-use customers for our aggregates products include heavy construction and paving contractors; commercial building contractors; concrete products manufacturers; residential building contractors; state, county and municipal governments; railroads; and electric utilities. We serve our customers by truck, rail and water distribution networks.

Zoning and permitting regulations have made it increasingly difficult for the construction aggregates industry to expand existing quarries or to develop new quarries in some markets. Although we cannot predict what governmental policies will be adopted in the future that affect the construction materials industry, we believe that future zoning and permitting costs will not have a materially adverse effect on our business. However, future land use restrictions in some markets could make zoning and permitting more difficult. Any such restrictions, while potentially curtailing expansion in certain areas, could also enhance the value of our reserves at existing locations.

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We strive to maintain a sufficient level of aggregates inventory to meet delivery requirements of our customers. We generally provide our customers with 30-day payment terms, similar to those customary for the construction aggregates industry.

Agreement to Acquire Florida Rock Industries, Inc.

On February 19, 2007, we signed a definitive agreement to acquire 100% of the stock of Florida Rock Industries, Inc. (Florida Rock), a leading producer of construction aggregates, cement, concrete and concrete products in the Southeast and Mid-Atlantic states, in exchange for cash and stock valued at approximately $4.6 billion based on the February 16, 2007 closing price of Vulcan common stock. Under the terms of the agreement, Vulcan shareholders will receive one share of common stock in a new holding company (whose subsidiaries will be Vulcan and Florida Rock) for each Vulcan share. Florida Rock shareholders can elect to receive either 0.63 shares of the new holding company or $67.00 in cash for each Florida Rock share, subject to proration to ensure that in the aggregate 70% of Florida Rock shares will be converted into cash and 30% of Florida Rock shares will be converted into stock. We intend to finance the transaction with approximately $3.2 billion in debt and approximately $1.4 billion in stock based on the February 16, 2007 closing price of Vulcan common stock. We have received a firm commitment from Goldman, Sachs & Co. to provide bridge financing for the transaction. The transaction is intended to be non-taxable for Vulcan shareholders and non-taxable for Florida Rock shareholders to the extent they receive stock. The acquisition has been unanimously approved by the Boards of Directors of each company and is subject to approval by a majority of Florida Rock shareholders, regulatory approvals and customary closing conditions. The transaction is expected to close in mid-year 2007.

Divestiture of Chemicals Business

On June 7, 2005, we sold our Chemicals business, known as Vulcan Chemicals, to Basic Chemicals, a subsidiary of Occidental Chemical Corporation. The sale of assets included our chloralkali facilities in Wichita, Kansas; Geismar, Louisiana and Port Edwards, Wisconsin; and the facilities of our Chloralkali joint venture located in Geismar.

Financial Results

Net sales, total revenues, earnings from continuing operations, earnings from continuing operations per common share, total assets, long-term obligations and cash dividends declared per common share for the five years ended December 31, 2006, are reported under Item 6, Selected Financial Data.

Competition and Customers

All of our products are marketed under highly competitive conditions, including competition in price, service and product performance. In most of the markets we serve, there are a substantial number of competitors.

We are the largest construction aggregates producer in the United States. We estimate that the 10 largest aggregates producers in the nation supply approximately one-third of the total national market, resulting in highly fragmented markets in some areas. Therefore, depending on the market, we may compete with a number of large regional and small local producers. Since construction aggregates are expensive to transport relative to their value, an important competitive factor in the construction aggregates business is the transportation cost necessary to deliver product to the location where it is used. We focus on serving metropolitan areas that demographers expect will experience the largest absolute growth in population in the future. We have facilities located on waterways and rail lines which substantially increase our geographic market reach through the availability of rail and water transportation. We sell a relatively small amount of construction aggregates outside of the United States. Non-domestic net sales were $20,595,000 in

2006, $13,490,000 in 2005, and $7,580,000 in 2004. Long-lived assets outside the United States are reported in Note 15 to the Consolidated Financial Statements on page 68 of our 2006 Annual Report to Shareholders and is hereby incorporated by reference.

No material part of our business is dependent upon one or a few customers, the loss of which would have a material adverse effect on our business. In 2006, our top five customers accounted for less than 10% of our total sales, and no single customer accounted for more than 3% of our total sales. Our products are sold principally to

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private industry. Although historically over 40% of our sales have gone into public works projects, such as highways, airports and government buildings, relatively insignificant sales are made directly to federal, state, county or municipal governments/agencies. Therefore, although reductions in state and federal funding of public works projects can curtail construction spending, our business is not subject to renegotiation of profits or termination of contracts as a result of state or federal government elections.

Research and Development Costs

We conduct research and development and technical service activities at our facility in Birmingham, Alabama. In general, our research and development efforts are directed toward new and more efficient uses of our products. We spent approximately $1,704,000 in 2006, $1,554,000 in 2005, and $1,341,000 in 2004 on research and development activities.

Environmental Costs and Governmental Regulation

Our operations are subject to federal, state and local laws and regulations relating to the environment and to health and safety, including noise, water discharge, air quality, dust control, zoning and permitting. We estimate that capital expenditures for environmental control facilities in 2007 and 2008 will be approximately $16,559,000 and $7,949,000, respectively.

Vulcan is frequently required by state or local regulations or contractual obligations to reclaim its former mining sites. These reclamation liabilities are recorded in our financial statements as a liability at the time the obligation arises. The fair value of such obligations is capitalized and depreciated over the estimated useful life of the owned or leased site. The liability is accreted through charges to operating expenses. To determine the fair value, we estimate the cost of a third party performing the reclamation, adjusted for inflation and risk. All reclamation obligations are reviewed at least annually. See Notes 1 and 17 to the Consolidated Financial Statements on pages 49 and 69, respectively, of the 2006 Annual Report to Shareholders. Reclaimed quarries often have potential for use in commercial or residential development or as reservoirs or landfills. However, no projected cash flows from these anticipated uses have been factored in to offset or reduce the estimated reclamation liability.

Patents and Trademarks

As of February 26, 2007, we do not own or have a license or other rights under any patents that are material to our business.

Other Information Regarding Vulcan

Our principal sources of energy are electricity, natural gas and diesel fuel. We do not anticipate any difficulty in obtaining sources of energy required for our operations.

In 2006, we employed an average of 7,983 people.

Our financial results for any individual quarter are not necessarily indicative of results to be expected for the year, due primarily to the effect that seasonal changes and other weather-related conditions can have on the production and sales volume of our products. Normally, the highest sales and earnings are attained in the third quarter and the lowest are realized in the first quarter. Our sales and earnings are sensitive to national, regional and local economic conditions and particularly to cyclical swings in construction spending. These cyclical swings are further affected by fluctuations in interest rates and demographic and population fluctuations.

We do not consider our backlog of orders to be material to, or a significant factor in, evaluating and understanding our business.

Investor Information

We make available on our website, *www.vulcanmaterials.com*, free of charge, copies of our Annual Report on Form 10-K, Quarterly Reports on Form 10-Q, Current Reports on Form 8-K and amendments to those reports filed with or furnished to, the Securities and Exchange Commission (the SEC) pursuant to Section 13(a) or 15(d) of the

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Securities Exchange Act of 1934 as well as all Forms 3, 4 and 5 filed with the SEC by our executive officers and directors, as soon as the filings are made publicly available by the SEC on its EDGAR database *(http://www.sec.gov).* In addition to accessing copies of our reports online, you may request a copy of our Annual Report on Form 10-K, including financial statements, by writing to William F. Denson, III, Secretary, Vulcan Materials Company, 1200 Urban Center Drive, Birmingham, Alabama 35242.

We have a Business Conduct Policy applicable to all employees. Additionally, we have adopted a Code of Ethics for the CEO and Senior Financial Officers. Copies of the Business Conduct Policy and the Code of Ethics are available on our website under the heading Corporate Governance. If we make any amendment to, or waiver of, any provision of the Code of Ethics, we will disclose such information on our website as well as through filings with the SEC. Our Board of Directors has also adopted Corporate Governance Guidelines and charters for our Audit Committee, Compensation Committee, and Governance Committee that are designed to meet all applicable SEC and New York Stock Exchange regulatory requirements. Each of these documents is available on our website under the heading, Corporate Governance, or you may request a copy of any of these documents by writing to William F. Denson, III, Secretary, Vulcan Materials Company, 1200 Urban Center Drive, Birmingham, Alabama 35242.

Item 1A. ***Risk Factors***

An investment in our common stock or debt securities involves risks and uncertainties. These risks and uncertainties could cause our actual results to differ materially from our historical results or the results contemplated by any forward-looking statements contained in this Form 10-K or that we make in other filings with the SEC under the Securities Act of 1933, the Securities and Exchange Act of 1934 or in other public statements. You should consider the following factors carefully, in addition to the other information contained in this Form 10-K, before deciding to purchase, sell or hold our securities:

A decline in public sector construction work and reductions in governmental funding could adversely affect our operations and results. In 2006, approximately 44% of our sales of construction aggregates were made to contractors on public work projects. If, as a result of a loss of funding or a significant reduction in state or federal budgets, spending on public sector projects were to be reduced significantly, our earnings and cash flows could be negatively affected.

Weather can materially affect our quarterly results. Almost all of our products are used in the public or private construction industry, and our production and distribution facilities are located outdoors. Inclement weather affects both our ability to produce and distribute our products and affects our customers short-term demand since their work also can be hampered by weather. Therefore, our results can be negatively affected by inclement weather.

Within our local markets, we operate in a highly competitive industry. The construction aggregates industry is highly fragmented with a large number of independent local producers in a number of our markets. However, in most markets, we also compete against large private and public companies. This results in intense competition in a number of markets in which we operate. Significant competition could lead to lower prices, lower sales volumes and higher costs in some markets, negatively affecting our earnings and cash flows.

Our long-term success is dependent upon securing and permitting aggregates reserves in strategically located areas. Construction aggregates are bulky and heavy and, therefore, difficult to transport efficiently. Because of the nature of the products, the freight costs can quickly surpass the production costs. Therefore, except for geographic regions that do not possess commercially viable deposits of aggregates and are served by rail, barge or ship, the markets for our products tend to be very localized around our quarry sites. New quarry sites often take a number of years to develop, so our strategic planning and new site development efforts must stay ahead of actual growth. Additionally, in a number of urban and suburban areas in which we operate, it is increasingly difficult to permit new

sites or expand existing sites due to community resistance. Therefore, our future success is dependent, in part, on our ability to accurately forecast future areas of high growth to locate facility sites and on our ability to secure operating and environmental permits to operate at those sites.

We use large amounts of electricity, diesel fuel, liquid asphalt and other petroleum-based resources that are subject to potential supply constraints and significant price fluctuation. In our production and

distribution processes, we consume significant amounts of electricity, diesel fuel, liquid asphalt and other petroleum-based resources. The availability and pricing of these resources are subject to market forces that are beyond our control. Our suppliers contract separately for the purchase of such resources and our sources of supply could be interrupted should our suppliers not be able to obtain these materials due to higher demand or other factors interrupting their availability. Variability in the supply and prices of these resources could materially affect our operating results from period to period and rising costs could erode our profitability.

We use estimates in accounting for a number of significant items. Changes in our estimates could affect our future financial results. As discussed more fully in Critical Accounting Policies under Management s Discussion and Analysis of Financial Condition and Results of Operations, on pages 32 through 36 of our 2006 Annual Report to Shareholders, we use significant judgment in accounting for our ECU (electrochemical unit) earn-out; impairment of long-lived assets excluding goodwill; reclamation costs; pension and other postretirement benefits; environmental compliance; claims and litigation including self-insurance; and income taxes. Although we believe we have sufficient experience and procedures to enable us to make appropriate assumptions and formulate reasonable estimates, these assumptions and estimates could change significantly in the future and could result in a material adverse effect on our consolidated financial position, results of operations, or cash flows.

We are involved in a number of legal proceedings. We cannot predict the outcome of litigation and other contingencies with certainty. We are involved in several class action and complex litigation proceedings, some arising from our previous ownership and operation of our Chemicals business. Although we divested our Chemicals business in June 2005, we retained certain liabilities related to the business. As required by generally accepted accounting principles, we establish reserves when a loss is determined to be probable and the amount can be reasonably estimated. Our assessment of probability and loss estimates are based on the facts and circumstances known to us at a particular point in time. Subsequent developments in legal proceedings may affect our assessment and estimates of a loss contingency. Furthermore, unfavorable results in one or more of these actions could result in an adverse effect on our consolidated financial position, results of operations, or cash flows. For a description of our current legal proceedings see Item 3, Legal Proceedings on pages 10 through 11 of this Form 10-K and Note 12, Other Commitments and Contingencies, on pages 65 through 67 to the Consolidated Financial Statements.

The costs of providing pension and healthcare benefits to our employees have risen in recent years. Continuing increases in such costs could negatively affect our earnings. The costs of providing pension and healthcare benefits to our employees have increased substantially over the past several years. We have instituted measures to help slow the rate of increase. However, if these costs continue to rise, this could have an adverse effect on our consolidated financial position, results of operations, or cash flows.

Our industry is capital intensive, resulting in significant fixed and semi-fixed costs. Therefore, our earnings are highly sensitive to changes in volume. Due to the high levels of fixed capital required for the extraction and production of construction aggregates, profitability as measured in absolute dollars and as a percentage of net sales (margins) can be greatly impacted due to changes in volume.

Our products generally must be transported by rail, truck, barge or ship, usually by third party providers. Significant delays or increased costs affecting these transportation methods could materially affect our operations and earnings. Our products are distributed either by truck to local markets or by rail, barge or oceangoing vessel to remote markets. Costs of transporting our products could be negatively affected by factors outside of our control, including rail service interruptions or rate increases, tariffs, rising fuel costs and capacity constraints. Additionally, inclement weather, including hurricanes, tornadoes and other weather events, can negatively impact our distribution network.

We have acquired, and expect to continue to acquire, other businesses. Failure to manage and successfully integrate them could adversely affect our business. We continually evaluate opportunities for growth through strategic acquisitions. We believe that there are risks related to acquiring businesses including overpaying for acquisitions, losing key employees of the acquired business, unanticipated costs associated with the acquisitions, diversion of management time and resources, increased legal and compliance costs and unanticipated liabilities of an acquired company. Failure to manage and successfully integrate

acquisitions could have a material adverse effect on our consolidated financial position, results of operations, or cash flows.

Our future success depends greatly upon attracting and retaining qualified personnel, particularly in sales and operations. A significant factor in our future profitability is our ability to attract, develop and retain qualified personnel. Our success in attracting qualified personnel, particularly in the areas of sales and operations, is affected by changing demographics of the available pool of workers with the training and skills necessary to fill the available positions, the impact on the labor supply due to general economic conditions, and our ability to offer competitive compensation and benefit packages.

Item 1B. ***Unresolved Staff Comments***

None.

Item 2. ***Properties***

We have 202 locations in the United States and 1 in Mexico at which we engage in the extraction of stone, sand and gravel. The following map shows the locations of our aggregates production facilities.

Our current estimate of approximately 11.4 billion tons of zoned and permitted aggregates reserves reflects an increase of 371 million tons from the estimate at the end of 2005. We believe that the quantities of zoned and permitted reserves at our aggregates facilities are sufficient to result in an average life of approximately 44 years at present operating levels. In calculating the average life of 44 years, we assumed an annual aggregates production rate of 258 million tons. See Note 1 to the following table for a description of our method employed for estimating

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the life of reserves. This table presents, by regional division, the estimated aggregates reserve life and the percentage of aggregates reserves by rock type.

	Estimated Years of Life(1)	Percentage of Aggregates Reserves by Rock Type			
		Limestone	Granite	Sand & Gravel	Other(2)
By Regional Division:					
Mideast	57	18.1%	33.5%	1.1%	47.3%
Midsouth	62	98.8%		1.2%	
Midwest	42	97.8%		2.2%	
Southeast	45	7.5%	92.5%		
Southern and Gulf Coast	39	99.7%		0.3%	
Southwest	43	92.5%		1.2%	6.3%
Western	18		8.0%	79.0%	13.0%
Total	44	53.4%	26.7%	5.6%	14.3%

(1) Estimated years of life of aggregates reserves are based on the average annual rate of production of each regional division for the most recent three-year period, except that if reserves are acquired or if production has been reactivated during that period, the estimated years of life are based on the annual rate of production from the date of such acquisition or reactivation. Revisions may be necessitated by such occurrences as changes in zoning laws governing facility properties, changes in aggregates specifications required by major customers and passage of government regulations applicable to aggregates operations. Estimates also are revised when and if additional geological evidence indicates that a revision is necessary. For 2006, the total three-year average annual rate of production was 258 million tons based on annual rates of production as follows: 2006 263 million tons, 2005 265 million tons, and 2004 247 million tons.

(2) Other: amphibolite, argillite, basalt, diabase, diorite, gabbro, gneiss, latite, quartzite, rock asphalt, and traprock.

The foregoing estimates of reserves are of recoverable stone, sand and gravel of suitable quality for economic extraction, based on drilling and studies by our geologists and engineers, recognizing reasonable economic and operating restraints as to maximum depth of overburden and stone excavation.

Of the 203 permanent reserve-supplied aggregates production facilities which we operate, 72 (representing 46% of total reserves) are located on owned land, 39 (representing 21% of total reserves) are on land owned in part and leased in part, and 92 (representing 33% of total reserves) are on leased land. While some of our leases run until reserves at the leased sites are exhausted, generally our leases have definite expiration dates, which range from 2007 to 2159. Most of our leases have options to extend them well beyond their current terms by renewals at our discretion.

Due to transportation costs, the market areas for most aggregates facilities in the construction aggregates industry are limited, often consisting of a single metropolitan area or one or more counties or portions thereof when transportation is by truck only. The following table provides specific information regarding our 10 largest active

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aggregates facilities determined on the basis of the quantity of aggregates reserves. None of the listed aggregates facilities contributes more than 5% to our net sales.

Name of Quarry (nearest major metropolitan area)	Product	Average Annual Production Rate (millions of tons)	Estimated Years of Life At Average Rate of Production(1)	Nature of Interest	Lease Expiration Date, if Applicable	Distribution Method
Sactun (Cancun), Mexico	Limestone	8.1	85.1	Owned		oceangoing vessels, truck
Hanover (Harrisburg), Pennsylvania	Limestone	4.1	Over 100	Owned		truck, rail
McCook (Chicago), Illinois	Limestone	7.6	65.4	Owned		truck
Grayson (Atlanta), Georgia	Granite	1.9	Over 100	Owned		truck
Rockingham (Charlotte), North Carolina	Granite	4.8	55.0	28% Leased 72% Owned	(2)	truck, rail
Gray Court (Greenville), South Carolina	Granite	1.2	Over 100	Owned		truck
Gold Hill (Charlotte), North Carolina	Argillite	1.3	Over 100	34% Leased 66% Owned	(3)	truck
Geronimo (San Antonio), Texas	Limestone	0.5	Over 100	Leased	(4)	truck
Grand Rivers (Paducah), Kentucky	Limestone	7.6	26.4	Leased	(5)	truck, rail, barge
Jack (Richmond), Virginia	Granite	2.5	69.0	87% Leased 13% Owned	(6)	truck, rail, barge

(1) Estimated years of life of aggregates reserves are based on the average annual rate of production of the facility for the most recent three-year period, except that if reserves are acquired or if production has been reactivated during that period, the estimated years of life are based on the annual rate of production from the date of such acquisition or reactivation. Revisions may be necessitated by such occurrences as changes in zoning laws governing facility properties, changes in aggregates specifications required by major customers and passage of government regulations applicable to aggregates operations. Estimates also are revised when and if additional geological evidence indicates that a revision is necessary.

(2) Leases expire as follows: 82% in 2025 and 18% in 2027.

(3) Leases expire as follows: 74% in 2058 and 26% in 2044.

(4) Lease renewable by us through 2044.

(5) Lease does not expire until reserves are exhausted. The surface rights are owned by us.

(6) Lease renewable by us through 2159.

Other Properties

Our headquarters are located in an office complex in Birmingham, Alabama. The office space is leased through December 31, 2013, with a five-year renewal period, and consists of approximately 184,125 square feet. The annual rental costs for the current term and the five-year renewal period are $3.2 million and $3.4 million, respectively.

Item 3. ***Legal Proceedings***

We are subject to occasional governmental proceedings and orders pertaining to occupational safety and health or to protection of the environment, such as proceedings or orders relating to noise abatement, air emissions or water

discharges. As part of our continuing program of stewardship in safety, health and environmental matters, we have been able to resolve such proceedings and to comply with such orders without any material adverse effects on our business.

We are a defendant in various lawsuits in the ordinary course of business. It is not possible to determine with precision the outcome of, or the amount of liability, if any, under these lawsuits, especially where the cases involve possible jury trials with as yet undetermined jury panels. In our opinion, the disposition of these lawsuits will not adversely affect our consolidated financial position, results of operations or cash flows to a material extent. In addition to those lawsuits in which we are involved in the ordinary course of business, certain other legal proceedings are more specifically described below. Although the ultimate outcome is uncertain, it is our opinion that the disposition of these described lawsuits will not adversely affect our consolidated financial position, results of operations or cash flows to a material extent.

In November 1998, we were named one of several defendants in a claim filed by the city of Modesto in state court in San Francisco, California. The plaintiff sought to recover costs to investigate and clean up low levels of soil and groundwater contamination in Modesto, including a small number of municipal water wells, from a dry cleaning compound, perchloroethylene. This product was produced by several manufacturers, including our former Chemicals business, which was sold in June 2005. The defendants included other chemical and equipment manufacturers, distributors and dry cleaners. The trial of this case began during the first quarter of 2006. On June 9, 2006, the jury returned a joint and several verdict against six defendants, including Vulcan, for compensatory damages of $3.1 million, constituting the costs to filter two wells and pay for certain past investigation costs. On June 13, 2006, the jury returned separate punitive damages awards against three defendants, including $100 million against Vulcan. On August 1, 2006, the trial judge entered an order reducing the punitive damage verdict against Vulcan to $7.25 million and upholding the jury s findings on compensatory damages. Although the compensatory damages verdict was upheld by the court, we believe our share of the compensatory damages after setoffs from other settlements will not be material to our consolidated financial statements. Accordingly, we have not accrued any amounts related to the compensatory damages verdict. We believe that the punitive damage verdict is contrary to the evidence presented at trial, and we are continuing to review potential legal remedies. While it is not possible to predict with certainty the ultimate outcome of this litigation, pursuant to SFAS No. 5, Accounting for Contingencies, we have recorded a contingent liability related to the punitive damages claim of $7.25 million as of December 31, 2006.

As part of the first trial, the court on February 14, 2007, entered a Final Statement of Decision ruling in favor of the city of Modesto and against Vulcan and other defendants on certain claims not submitted to the jury relating to the California Polanco Act. The judge awarded additional joint and several damages of $438,000 against Vulcan and the other five defendants. In addition, the city of Modesto will be allowed to seek attorney fees against these six defendants, and Vulcan could also be required to pay a portion of future remediation costs at one of the four sites at issue in the trial. As of December 31, 2006, we have recorded a contingent liability related to this ruling in the amount of $100,000, representing a best estimate of our potential share of the $438,000 awarded. At this time, we cannot determine the likelihood or reasonably estimate the range of potential attorney fees or future remediation costs that Vulcan may have to pay.

In this same lawsuit, the plaintiff seeks a second trial for soil and groundwater contamination at other locations in Modesto that were not part of the first trial, and the timing of the second trial has not been set by the court. No municipal water wells are part of the second trial. At this time, we cannot determine the likelihood or reasonably estimate a range of loss resulting from the remaining phases of the trial.

We have been named as a defendant in multiple lawsuits filed in 2001 in state court and federal district court in Louisiana. The lawsuits claim damages for various personal injuries allegedly resulting from releases of chemicals at our former Geismar, Louisiana plant in 2001. A trial for the issues of causation and damages for ten plaintiffs was

held in July 2004. Five of these plaintiffs were dismissed during the trial. A jury awarded the remaining five plaintiffs an aggregate award of $201,000. In November 2006, the trial court approved a settlement class with most of the remaining plaintiffs in the matter. A court-appointed special master is overseeing the settlement process of the November 2006 approved settlement class. A second settlement class was agreed to in principle in January 2007 for those plaintiffs who opted out of the November 2006 approved settlement class. The details of the second settlement class are currently in negotiation. We anticipate all of these matters being resolved in 2007. We have previously recorded a charge for the self-insured portion of these losses, and Vulcan s insurers are responding to amounts in excess of the self-insured retention.

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In September 2001, we were named a defendant in a suit brought by the Illinois Department of Transportation (IDOT), in the Circuit Court of Cook County, Chancery Division, Illinois, alleging damage to a 0.9-mile section of Joliet Road that bisects our McCook Quarry in McCook, Illinois, a Chicago suburb. IDOT seeks damages to repair, restore, and maintain the road or, in the alternative, judgment for the cost to improve and maintain other roadways to accommodate vehicles that previously used the road. The complaint also requests that the court enjoin any McCook Quarry operations that will further damage the road. Discovery is ongoing.

We produced and marketed industrial sand from 1988 to 1994. Since July 1993, we have been sued in numerous suits in a number of states by plaintiffs alleging that they contracted silicosis or incurred personal injuries as a result of exposure to, or use of, industrial sand used for abrasive blasting. As of February 15, 2007, the number of suits totaled 101, involving an aggregate of 567 plaintiffs. Of the pending suits, 52 with 495 plaintiffs are filed in Texas. The balance of the suits have been brought by plaintiffs in state courts in California, Florida, Louisiana and Mississippi. We are seeking dismissal of all suits on the ground that plaintiffs were not exposed to our product. To date, we have been successful in getting dismissals from cases involving almost 17,000 plaintiffs.

Note 12, Other Commitments and Contingencies on pages 65 through 67 to the Consolidated Financial Statements is hereby incorporated by reference.

Safe Harbor Statement under the Private Securities Litigation Reform Act of 1995

Certain of the matters and statements made herein or incorporated by reference into this Annual Report on Form 10-K constitute forward-looking statements within the meaning of Section 21E of the Securities Exchange Act of 1934. All such statements are made pursuant to the safe harbor provisions of the Private Securities Litigation Reform Act of 1995. These statements reflect our intent, belief or current expectation. Often, forward-looking statements can be identified by the use of words such as anticipate, may, believe, estimate, project, expect, intend and words import. In addition to the statements included in this Annual Report on Form 10-K, we may from time to time make other oral or written forward-looking statements in other filings under the Securities Exchange Act of 1934 or in other public disclosures. Forward-looking statements are not guarantees of future performance, and actual results could differ materially from those indicated by the forward-looking statements. All forward-looking statements involve certain assumptions, risks and uncertainties that could cause actual results to differ materially from those included in or contemplated by the statements. These assumptions, risks and uncertainties include, but are not limited to:

general economic and business conditions;

changes in interest rates;

the timing and amount of federal, state and local funding for infrastructure;

changes in the level of spending for residential and private nonresidential construction;

the highly competitive nature of the construction materials industry;

pricing;

weather and other natural phenomena;

energy costs;

costs of hydrocarbon-based raw materials;

increasing healthcare costs;

our ability to manage and successfully integrate acquisitions;

the timing and amount of any future payments to be received under two earn-outs contained in the agreement for the divestiture of our Chemicals business;

the risks set forth in Item 1A Risk Factors, and Item 3 Legal Proceedings ; in Management s Discussion and Analysis of Financial Condition and Results of Operations, set forth in the 2006 Annual Report to Shareholders, which is incorporated by reference in Item 7 and Item 7A; and in Note 12 Other

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Commitments and Contingencies to the Consolidated Financial Statements set forth in the 2006 Annual Report to Shareholders, which is incorporated by reference in Item 8; and

other risks and uncertainties

All forward-looking statements are made as of the date of filing or publication. We undertake no obligation to publicly update any forward-looking statements, whether as a result of new information, future events or otherwise. Investors are advised, however, to consult any of our future disclosures in filings made with the Securities and Exchange Commission and our press releases with regard to our business and consolidated financial position, results of operations and cash flows.

Item 4. ***Submission of Matters to a Vote of Security Holders***

No matter was submitted to our security holders through the solicitation of proxies or otherwise during the fourth quarter of 2006.

Executive Officers of Registrant

The names, positions and ages, as of March 1, 2007, of our executive officers are as follows:

Name	Position	Age
Donald M. James	Chairman and Chief Executive Officer	58
Guy M. Badgett, III	Senior Vice President, Construction Materials Group	58
William F. Denson, III	Senior Vice President, General Counsel and Secretary	63
Ronald G. McAbee	Senior Vice President, Construction Materials-West	59
Daniel F. Sansone	Senior Vice President and Chief Financial Officer	54
Danny R. Shepherd	Senior Vice President, Construction Materials-East	55
Robert A. Wason IV	Senior Vice President, Corporate Development	55
Ejaz A. Khan	Vice President, Controller and Chief Information Officer	49

The principal occupations of the executive officers during the past five years are set forth below:

Donald M. James was named Chief Executive Officer and Chairman of the Board of Directors in 1997.

Guy M. Badgett, III, was elected Senior Vice President, Construction Materials Group in February 1999.

William F. Denson, III, was elected Senior Vice President and General Counsel in May 1999. He has also served as Secretary since April 1981.

Ronald G. McAbee was elected Senior Vice President, Construction Materials-West in February 2007. Prior to that date, he served as President, Western Division.

Daniel F. Sansone was elected Senior Vice President and Chief Financial Officer in May 2005. Prior to that date, he served as President, Southern and Gulf Coast Division.

Danny R. Shepherd was elected Senior Vice President, Construction Materials-East in February 2007. Prior to that date, he served as President, Southeast Division.

Robert A. Wason IV was elected Senior Vice President, Corporate Development in December 1998.

Ejaz A. Khan was elected Vice President and Controller in February 1999. He was appointed Chief Information Officer in February 2000.

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PART II

Item 5. ***Market for the Registrant s Common Equity, Related Stockholder Matters and Issuer Purchases of Equity Securities***

Our Common Stock is traded on the New York Stock Exchange (ticker symbol VMC). As of February 16, 2007, the number of shareholders of record was 3,255. The prices in the following table represent the high and low sales prices for our Common Stock as reported on the New York Stock Exchange and the quarterly dividends declared by our Board of Directors in 2006 and 2005.

	Common Stock Prices		
2006	**High**	**Low**	**Dividends Declared**
First Quarter	$ 89.16	$ 66.98	$ .37
Second Quarter	93.85	70.44	.37
Third Quarter	80.18	65.85	.37
Fourth Quarter	92.00	76.81	.37
2005	**High**	**Low**	
First Quarter	$ 59.67	$ 52.36	$ .29
Second Quarter	65.99	52.36	.29
Third Quarter	74.55	64.04	.29
Fourth Quarter	76.31	60.72	.29

Our policy is to pay out a reasonable share of net cash provided by operating activities as dividends, consistent on average with the payout record of past years, while maintaining debt ratios within what we believe to be prudent and generally acceptable limits. The future payment of dividends, however, will be within the discretion of our Board of Directors and depends on our profitability, capital requirements, financial condition, growth, business opportunities and other factors which our Board of Directors may deem relevant. We are not a party to any contracts or agreements that currently materially limit, or are likely to limit in the future, our ability to pay dividends.

Issuer Purchases of Equity Securities

The following table presents a summary of share repurchases we made during the quarter ended December 31, 2006.

	Total Number of Shares	**Average Price Paid per**	**Total Number of Shares Purchased as Part of Publicly Announced**	**Maximum Number of Shares that May Yet be Purchased Under the**

Period	Purchased	Share(1)	Plans or Programs	Plans or Programs(2)
October 1 - 31, 2006	11,100	$ 77.45	11,100	3,455,539
November 1 - 30, 2006				3,455,539
December 1 - 31, 2006				3,455,539
Total	11,100	$ 77.45	11,100	

(1) The average price paid per share includes commission costs.

(2) On February 10, 2006, the Board of Directors authorized the Company to repurchase up to 10,000,000 shares. Through December 31, 2006, a total of 6,544,461 shares had been repurchased pursuant to this authorization. We may make share repurchases from time to time in the open market or through privately negotiated transactions, depending upon market, business, legal and other conditions.

We did not have any unregistered sales of equity securities during the fourth quarter of 2006.

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Item 6. ***Selected Financial Data***

The selected statement of earnings, per share data and balance sheet data for each of the five years ended December 31, 2006, set forth below have been derived from our audited consolidated financial statements. The following data should be read in conjunction with our consolidated financial statements and notes to consolidated financial statements on pages 40 through 43 and 44 through 70, respectively, of our 2006 Annual Report to Shareholders, which are incorporated by reference under Item 8 Financial Statements and Supplementary Data below.

	Years Ended December 31,				
	2006	2005	2004	2003	2002
	(Amounts in millions, except per share data)				
Net sales	$ 3,041.1	$ 2,615.0	$ 2,213.2	$ 2,086.9	$ 1,980.6
Total revenues	$ 3,342.5	$ 2,895.3	$ 2,454.3	$ 2,309.6	$ 2,175.8
Earnings from continuing operations before cumulative effect of accounting changes	$ 477.5	$ 343.8	$ 261.2	$ 237.5	$ 233.2
Earnings (loss) on discontinued operations, net of tax(1)	(10.0)	44.9	26.2	(23.7)	(42.8)
Cumulative effect of accounting changes(2)				(18.8)	(20.5)
Net earnings	$ 467.5	$ 388.7	$ 287.4	$ 195.0	$ 169.9
Basic per share:					
Earnings from continuing operations before cumulative effect of accounting changes	$ 4.89	$ 3.37	$ 2.55	$ 2.33	$ 2.29
Discontinued operations	(0.10)	0.43	0.26	(0.23)	(0.42)
Cumulative effect of accounting changes				(0.19)	(0.20)
Net earnings	$ 4.79	$ 3.80	$ 2.81	$ 1.91	$ 1.67
Diluted per share:					
Earnings from continuing operations before cumulative effect of accounting changes	$ 4.79	$ 3.30	$ 2.52	$ 2.31	$ 2.28
Discontinued operations	(0.10)	0.43	0.25	(0.23)	(0.42)
Cumulative effect of accounting changes				(0.18)	(0.20)
Net earnings	$ 4.69	$ 3.73	$ 2.77	$ 1.90	$ 1.66
Pro forma assuming FAS 143 applied retroactively:					
Net earnings					$ 168.4
Net earnings per share, basic					$ 1.66
Net earnings per share, diluted					$ 1.64
Total assets	$ 3,424.2	$ 3,588.9	$ 3,665.1	$ 3,636.9	$ 3.448.2
Long-term obligations	$ 322.1	$ 323.4	$ 604.5	$ 607.7	$ 857.8
Shareholders equity	$ 2,001.1	$ 2,126.5	$ 2,014.0	$ 1,802.8	$ 1,697.0
Cash dividends declared per share	$ 1.48	$ 1.16	$ 1.04	$ 0.98	$ 0.94

(1) Discontinued operations includes the results from operations attributable to our former Chloralkali and Performance Chemicals businesses, divested in 2005 and 2003, respectively.

(2) The 2003 accounting change relates to our adoption of FAS 143, Asset Retirement Obligations. The $18.8 million net-of-tax cumulative effect adjustment represents the impact of recording asset retirement obligations, at estimated fair value, for which we have legal obligations for land reclamation. The 2002 accounting change relates to our adoption of FAS 142, Goodwill and Other Intangible Assets. The $20.5 million net-of-tax cumulative effect adjustment represents the full impairment of goodwill in the Performance Chemicals reporting unit.

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Item 7. ***Management s Discussion and Analysis of Financial Condition and Results of Operations***

Management s Discussion and Analysis of Financial Condition and Results of Operations on pages 22 through 36 and Financial Terminology (Unaudited) on page 71 of our 2006 Annual Report to Shareholders are incorporated herein by reference, except that the information contained under the caption 2007 Outlook on page 26 of our 2006 Annual Report is not incorporated herein by reference.

Item 7A. ***Quantitative and Qualitative Disclosures About Market Risk***

Section entitled Market Risk in Management s Discussion and Analysis of Financial Condition and Results of Operations on pages 30 through 31 of our 2006 Annual Report to Shareholders is incorporated herein by reference.

Item 8. ***Financial Statements and Supplementary Data***

The following information relative to this item is included in our 2006 Annual Report to Shareholders on the pages shown below, which are incorporated herein by reference:

	Page
Consolidated Financial Statements	40-43
Notes to Consolidated Financial Statements	44-70
Management s Report on Internal Control Over Financial Reporting	37
Report of Independent Registered Public Accounting Firm on Consolidated Financial Statements	39
Net Sales, Total Revenues, Net Earnings and Earnings Per Share Quarterly Financial Data for Each of the 2 Years Ended December 31, 2006 and 2005 (Unaudited)	78

The following table sets forth gross profit by quarter for 2006 and 2005:

Gross Profit	**2006**	**2005**
	(Amounts in millions)	
First quarter	$ 163.7	$ 92.2
Second quarter	257.7	210.4
Third quarter	273.3	227.3
Fourth quarter	237.3	178.6
Total	$ 932.0	$ 708.5

Item 9. ***Changes in and Disagreements with Accountants on Accounting and Financial Disclosure***

None.

Item 9A. ***Controls and Procedures***

We maintain a system of controls and procedures designed to ensure that information required to be disclosed in reports we file with the SEC is recorded, processed, summarized and reported within the time periods specified by the SEC s rules and forms. These disclosure controls and procedures include, without limitation, controls and procedures designed to ensure that information is accumulated and communicated to our management, including our Chief Executive Officer and Chief Financial Officer, to allow timely decisions regarding required disclosure. Our Chief Executive Officer and Chief Financial Officer, with the participation of other management officials, evaluated the effectiveness of the design and operation of the disclosure controls and procedures as of December 31, 2006. Based upon that evaluation, our Chief Executive Officer and Chief Financial Officer concluded that our disclosure controls and procedures are effective. No changes were made to our internal controls over financial reporting or other factors that could affect these controls during the fourth quarter of 2006, including any corrective actions with regard to significant deficiencies and material weaknesses.

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The information under the headings Management s Report on Internal Control Over Financial Reporting on page 37 of our 2006 Annual Report to Shareholders, Report of Independent Registered Public Accounting Firm-Internal Control Over Financial Reporting on page 38 of our 2006 Annual Report to Shareholders and Consolidated Financial Statements on pages 40 through 43 of our 2006 Annual Report to Shareholders, is hereby incorporated by reference.

Item 9B. ***Other Information***

None.

PART III

Item 10. ***Directors, Executive Officers and Corporate Governance***

On or before April 9, 2007, we expect to file a definitive proxy statement with the Securities and Exchange Commission pursuant to Regulation 14A (our 2007 Proxy Statement). The information under the headings Election of Directors, Nominees for Election to the Board of Directors, Directors Continuing in Office, Board of Directors and Committees Audit Committee, and Section 16(a) Beneficial Ownership Reporting Compliance included in the 2007 Proxy Statement is incorporated herein by reference. See also the information set forth under the headings Investor Information and Executive Officers of Registrant set forth above in Part I of this report.

Item 11. ***Executive Compensation***

The information under the headings Compensation Discussion and Analysis, Director Compensation, Summary Compensation Table, Outstanding Equity Awards at Fiscal Year-End, Nonqualified Deferred Compensation, Grants of Plan-Based Awards, Option Exercises and Stock Vested, Shareholder Return Performance Presentation, Pension Benefits, and Change of Control Employment Agreements included in our 2007 Proxy Statement is incorporated herein by reference.

Item 12. ***Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters***

The information under the headings Stock Ownership of Certain Beneficial Owners, Stock Ownership of Management, and the Equity Compensation Plans included in our 2007 Proxy Statement is incorporated herein by reference.

Item 13. ***Certain Relationships and Related Transactions and Director Independence***

The information under the heading Certain Relationships and Related Transactions included in our 2007 Proxy Statement is hereby incorporated by reference.

Item 14. ***Principal Accountant Fees and Services***

The information required by this section is incorporated by reference from the information in the section entitled Independent Auditors in our 2007 Proxy Statement.

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PART IV

Item 15. ***Exhibits and Financial Statement Schedules***

(a) (1) *Financial Statements*

The following financial statements are included in our 2006 Annual Report to Shareholders on the pages shown below and are incorporated herein by reference:

	Page
Consolidated Statements of Earnings	40
Consolidated Balance Sheets	41
Consolidated Statements of Cash Flows	42
Consolidated Statements of Shareholders Equity	43
Notes to Consolidated Financial Statements	44-70
Management s Report on Internal Control Over Financial Reporting	37
Report of Independent Registered Public Accounting Firm on Consolidated Financial Statements	39
Net Sales, Total Revenues, Net Earnings and Earnings Per Share Quarterly Financial Data for Each of the 2 Years Ended December 31, 2006 and 2005 (Unaudited)	78

(a) (2) *Financial Statement Schedules*

The following financial statement schedule for the years ended December 31, 2006, 2005, and 2004 is included in Part IV of this report on the indicated page:

Schedule II	Valuation and Qualifying Accounts and Reserves	18

Other schedules are omitted because of the absence of conditions under which they are required or because the required information is provided in the financial statements or notes thereto.

Financial statements (and summarized financial information) of 50% or less owned entities accounted for by the equity method have been omitted because they do not, considered individually or in the aggregate, constitute a significant subsidiary.

(a) (3) *Exhibits*

The exhibits required by Item 601 of Regulation S-K are either incorporated by reference herein or accompany this report. See the Index to Exhibits which is on pages 22 through 24 of this report.

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REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Board of Directors and Stockholders of
Vulcan Materials Company
Birmingham, Alabama

We have audited the consolidated financial statements of Vulcan Materials Company and subsidiary companies (the Company) as of December 31, 2006, 2005, and 2004, and for the years then ended, management s assessment of the effectiveness of the Company s internal control over financial reporting as of December 31, 2006, and the effectiveness of the Company s internal control over financial reporting as of December 31, 2006, and have issued our reports thereon dated February 26, 2007 (which report on the consolidated financial statements expresses an unqualified opinion and includes an explanatory paragraph related to the adoption of SFAS 123(R), Share-Based Payment; SFAS 158, Employer s Accounting for Defined Benefit Pension and Other Postretirement Plans, an amendment of FASB Statements No. 87, 88, 106, and 132(R); and EITF Issue No. 04-6, Accounting for Stripping Costs Incurred during Production in the Mining Industry); such consolidated financial statements and reports are included in your 2006 Annual Report to Stockholders and are incorporated herein by reference. Our audits also included the consolidated financial statement schedule of the Company listed in Item 15. This consolidated financial statement schedule is the responsibility of the Company s management. Our responsibility is to express an opinion based on our audits. In our opinion, such consolidated financial statement schedule, when considered in relation to the basic consolidated financial statements taken as a whole, present fairly, in all material respects, the information set forth therein.

/s/ DELOITTE & TOUCHE LLP
DELOITTE & TOUCHE LLP

Birmingham, Alabama
February 26, 2007

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Schedule II

VULCAN MATERIALS COMPANY AND SUBSIDIARY COMPANIES
VALUATION AND QUALIFYING ACCOUNTS AND RESERVES
For the Years Ended December 31, 2006, 2005, and 2004

Column A Description	Column B Balance at Beginning of Period	Column C Additions Charged to Costs and Expenses	Column D Additions Charged to Other Accounts	Column E Deductions	Column F Balance at End of Period
			Amounts in thousands		
2006					
Accrued Environmental Costs	$ 9,544	$ 3,937		$ 87	$ 13,394
Asset Retirement Obligations	105,774	5,499	$ 20,362(2)	16,806(1)	114,829
Doubtful Receivables	4,359	1,338		2,342(3)	3,355
Self-Insurance Reserves	42,508	24,950		22,261(4)	45,197
All Other(6)	10,769	5,560		9,561(5)	6,768
2005					
Accrued Environmental Costs	$ 20,126	$ 3,278		$ 13,860	$ 9,544
Asset Retirement Obligations	108,408	5,273	$ 4,658(2)	12,565(1)	105,774
Doubtful Receivables	7,545	676		3,862(3)	4,359
Self-Insurance Reserves	45,557	18,774		21,823(4)	42,508
All Other(6)	13,260	5,203		7,694(5)	10,769
2004					
Accrued Environmental Costs	$ 21,149	$ 2,456		$ 3,479	$ 20,126
Asset Retirement Obligations	107,683	5,375	$ 4,402(2)	9,052(1)	108,408
Doubtful Receivables	8,718	1,815		2,988(3)	7,545
Self-Insurance Reserves	38,809	49,720		42,972(4)	45,557
All Other(6)	11,906	6,400		5,046(5)	13,260

(1) Expenditures on environmental remediation projects. Additionally, the 2005 amount includes a deduction of $10,282,000 related to certain environmental liabilities included in the sale of our former Chemicals business.

(2) New liabilities incurred and net up/down revisions to asset retirement obligations. Additionally, the 2005 amount includes a reduction of $17,949,000 due to the sale of our former Chemicals business.

(3) Expenditures and liability reductions related to settlements of asset retirement obligations.

(4) Write-offs of uncollected accounts and worthless notes, less recoveries. Additionally, the 2005 amount includes a deduction of $1,206,000 related to certain doubtful receivables included in the sale of our former Chemicals business.

(5) Expenditures on self-insurance reserves.

(6) Valuation and qualifying accounts and reserves for which additions, deductions and balances are individually insignificant.

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SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized on February 26, 2007.

VULCAN MATERIALS COMPANY

By /s/ Donald M. James
Donald M. James
Chairman and Chief Executive Officer

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the registrant and in the capacities and on the dates indicated.

Signature	Title	Date
/s/ Donald M. James Donald M. James	Chairman, Chief Executive Officer and Director (Principal Executive Officer)	February 26, 2007
/s/ Daniel F. Sansone Daniel F. Sansone	Senior Vice President and Chief Financial Officer (Principal Financial Officer)	February 26, 2007
/s/ Ejaz A. Khan Ejaz A. Khan	Vice President, Controller and Chief Information Officer (Principal Accounting Officer)	February 26, 2007

The following directors:

Philip J. Carroll, Jr.	Director
Livio D. DeSimone	Director
Phillip W. Farmer	Director
H. Allen Franklin	Director
Douglas J. McGregor	Director
James V. Napier	Director
Donald B. Rice	Director
Orin R. Smith	Director

Vincent J. Trosino		Director	
By	/s/ By William F. Denson, III William F. Denson, III Attorney-in-Fact		February 26, 2007

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EXHIBIT INDEX

Exhibit (3)(a)	Certificate of Incorporation (Restated 1988) as amended in 1989 and 1999 filed as Exhibit 3(a) to the Company s Annual Report on Form 10-K for the year ended December 31, 1989 filed on March 30, 1990 and Exhibit 3(i) to the Company s Annual Report on Form 10-K for the year ended December 31, 1999 filed on March 28, 2000.(1)
Exhibit (3)(b)	By-laws, as restated February 2, 1990, and as last amended October 14, 2005, filed as Exhibit 3(a) to the Company s Quarterly Report on Form 10-Q for the quarter ended September 30, 2005 filed October 28, 2005.(1)
Exhibit (4)(a)	Distribution Agreement dated as of May 14, 1991, by and among the Company, Goldman, Sachs & Co., Lehman Brothers and Salomon Brothers Inc., filed as Exhibit 1 to the Form S-3 filed on May 2, 1991 (Registration No. 33-40284).(1)
Exhibit (4)(b)	Indenture dated as of May 1, 1991, by and between the Company and First Trust of New York (as successor trustee to Morgan Guaranty Trust Company of New York) filed as Exhibit 4 to the Form S-3 on May 2, 1991 (Registration No. 33-40284).(1)
Exhibit (4)(c)	Senior Debt Indenture between the Company and The Bank of New York as trustee, dated as of August 31, 2001 filed as Exhibit 4.1 to the Company s Registration Statement on Form S-3A filed on September 5, 2001 (Registration No. 333-67586).(1)
Exhibit (4)(d)	Subordinated Debt Indenture between the Company and The Bank of New York as trustee, dated August 31, 2001 filed as Exhibit 4.3 to the Company s Registration Statement on Form S-3A filed on September 5, 2001 (Registration No. 333-67586).(1)
Exhibit (10)(a)	The Management Incentive Plan of the Company, as amended filed as Exhibit 10(a) to the Company s Annual Report on Form 10-K for the year ended December 31, 2002 filed on March 28, 2003.(1,2)
Exhibit (10)(b)	The Unfunded Supplemental Benefit Plan for Salaried Employees filed as Exhibit 10(d) to the Company s Annual Report on Form 10-K for the year ended December 31, 1989 filed on March 30, 1990.(1,2)
Exhibit (10)(c)	Amendment to the Unfunded Supplemental Benefit Plan for Salaried Employees filed as Exhibit 10(c) to the Company s Annual Report on Form 10-K for the year ended December 31, 2001 filed on March 27, 2002.(1,2)
Exhibit (10)(d)	The Amendment and Restatement of the Deferred Compensation Plan for Directors Who Are Not Employees of the Company filed as Exhibit 10(d) to the Company s Annual Report on Form 10-K for the year ended December 31, 2001 filed on March 27, 2002.(1,2)
Exhibit (10)(e)	The 2006 Omnibus Long-Term Incentive Plan of the Company filed as Appendix C to the Company s 2006 Proxy Statement on Schedule 14A filed on April 13, 2006.(1,2)
Exhibit (10)(f)	The Deferred Stock Plan for Nonemployee Directors of the Company filed as Exhibit 10(f) to the Company s Annual Report on Form 10-K for the year ended December 31, 2001 filed on March 27, 2002.(1,2)
Exhibit (10)(g)	The Restricted Stock Plan for Nonemployee Directors of the Company, as amended and restated filed as Appendix C to the Company s 2004 Proxy Statement on Schedule 14A filed on April 14, 2004.(1,2)
Exhibit (10)(h)	Executive Deferred Compensation Plan, as amended filed as Exhibit 10(h) to the Company s Annual Report on Form 10-K for the year ended December 31, 2002 filed on March 28, 2003.(1,2)
Exhibit (10)(i)	Change of Control Employment Agreement Form filed as Exhibit 10(a) to the Company s Quarterly Report on Form 10-Q for the quarter ended June 30, 2004 filed on July 30, 2004.(1,2)
Exhibit (10)(j)	Change of Control Employment Agreement Form filed as Exhibit 10(j) to the Company s Annual Report on Form 10-K for the year ended December 31, 2002 filed on March 28, 2003.(1,2)

Exhibit (10)(k)	Executive Incentive Plan of the Company filed as Exhibit 10(n) to the Company s Annual Report on Form 10-K for the year ended December 31, 2000 filed on March 30, 2001.(1,2)
Exhibit (10)(l)	Supplemental Executive Retirement Agreement filed as Exhibit 10 to the Company s Quarterly Report on Form 10-Q for the quarter ended September 30, 2001 filed on November 2, 2001.(1,2)

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Exhibit (10)(m)	Rights Agent Agreement dated October 19, 1998 between Vulcan Materials Company and The Bank of New York, as amended July 15, 2002, filed as Exhibit 10(m) to the Company s Annual Report on Form 10-K for the year ended December 31, 2002 filed on March 28, 2003.(1)
Exhibit (10)(n)	Form Stock Option Award Agreement filed as Exhibit 10(o) to the Company s Report on Form 8-K filed December 20, 2005.(1,2)
Exhibit (10)(o)	Form Director Stock Unit Award Agreement filed as Exhibit 10(p) to the Company s Form 8-K filed July 21, 2006.(1,2)
Exhibit (10)(p)	Form Performance Share Unit Award Agreement.(2)
Exhibit (10)(q)	Form Stock Only Stock Appreciation Rights Agreement.(2)
Exhibit (10)(r)	Form Employee Deferred Stock Unit Award Amended Agreement.(2)
Exhibit (10)(s)	2007 Compensation Arrangements.(2)
Exhibit (10)(t)	Asset Purchase Agreement dated October 11, 2004 among Vulcan Materials Company, Vulcan Chloralkali, LLC and Basic Chemicals Company, LLC, as amended, filed as Exhibit 99.1 to the Company s Current Report on Form 8-K dated October 15, 2004.(1)
Exhibit (12)	Computation of Ratio of Earnings to Fixed Charges for the five years ended December 31, 2006.
Exhibit (13)	The Company s 2006 Annual Report to Shareholders, portions of which are incorporated by reference in this Form 10-K. Those portions of the 2006 Annual Report to Shareholders that are not incorporated by reference shall not be deemed to be filed as part of this report.
Exhibit (18)	Letter dated February 28, 2006 of Deloitte & Touche LLP, Independent Registered Public Accounting Firm for Vulcan Materials Company and its subsidiary companies regarding a change in accounting principles, filed as Exhibit 18 to the Company s 2005 Form 10-K Annual Report filed on February 28, 2006.(1)
Exhibit (21)	List of the Company s subsidiaries as of December 31, 2006.
Exhibit (23)	Consent of Deloitte & Touche LLP, Independent Registered Public Accounting Firm.
Exhibit (24)	Powers of Attorney.
Exhibit (31)(a)	Certification of Chief Executive Officer pursuant to Section 302 of the Sarbanes-Oxley Act.
Exhibit (31)(b)	Certification of Chief Financial Officer pursuant to Section 302 of the Sarbanes-Oxley Act.
Exhibit (32)(a)	Certification of Chief Executive Officer pursuant to Section 906 of the Sarbanes-Oxley Act.
Exhibit (32)(b)	Certification of Chief Financial Officer pursuant to Section 906 of the Sarbanes-Oxley Act.

(1) Incorporated by reference.

(2) Management contract or compensatory plan.

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Annex H

April 11, 2007

Dear Fellow Shareholder:

You are cordially invited to attend the Annual Meeting of the Shareholders of Vulcan Materials Company, which will be held at The Wynfrey Hotel in Birmingham, Alabama, on Friday, May 11, 2007, at 9:00 a.m., Central Daylight Time. The formal Notice of the annual meeting, the proxy statement and a proxy accompany this letter.

We hope that you will attend the meeting. However, whether or not you plan to attend the meeting, we encourage you to vote by proxy. For your convenience, you can also vote your proxy in one of the following ways:

Use the Internet at the web address shown on your proxy card;

Use the touch-tone telephone number shown on your proxy card; or

Complete, sign, date and return the enclosed proxy card in the postage-paid envelope provided.

Instructions regarding each method of voting are contained in the proxy statement and on the enclosed proxy card. If you attend the Annual Meeting and desire to vote your shares personally rather than by proxy, you may withdraw your proxy at any time before it is exercised. **Your vote is important. Whether you own one share or many, your prompt vote is greatly appreciated.**

Our Annual Report to Shareholders for 2006 is enclosed. We trust you will find it interesting and informative.

Sincerely yours,

DONALD M. JAMES
Chairman and
Chief Executive Officer

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NOTICE OF ANNUAL MEETING OF SHAREHOLDERS
TO BE HELD MAY 11, 2007

To our Shareholders:

NOTICE IS HEREBY GIVEN that the Annual Meeting of the Shareholders of Vulcan Materials Company will be held at The Wynfrey Hotel, 1000 Riverchase Galleria, Birmingham, Alabama, on Friday, May 11, 2007, at 9:00 a.m., Central Daylight Time, for the following purposes:

1. To elect three directors to serve three-year terms;

2. To ratify the appointment of Deloitte & Touche LLP as our independent registered public accounting firm for 2007; and

3. To conduct such other business as may properly come before the meeting or any postponements thereof.

Shareholders who owned stock at the close of business on March 16, 2007 can vote at the meeting.

By Order of the Board of Directors,

WILLIAM F. DENSON, III
Secretary

1200 Urban Center Drive
Birmingham, Alabama 35242
April 11, 2007

NOTE WHETHER OR NOT YOU PLAN TO ATTEND THE MEETING IN PERSON, TO ASSURE THE PRESENCE OF A QUORUM, PLEASE VOTE YOUR PROXY BY INTERNET, TELEPHONE OR BY COMPLETING, DATING, SIGNING AND MAILING THE ENCLOSED PROXY AS SOON AS POSSIBLE.

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VULCAN MATERIALS COMPANY
1200 URBAN CENTER DRIVE, BIRMINGHAM, ALABAMA 35242

PROXY STATEMENT FOR
ANNUAL MEETING OF SHAREHOLDERS
MAY 11, 2007

GENERAL INFORMATION ABOUT THE ANNUAL MEETING AND VOTING

Why am I receiving these materials?

This proxy statement is being sent to all shareholders of record as of the close of business on March 16, 2007 in connection with the solicitation of proxies by Vulcan Materials Company (the company or Vulcan) for use at the Annual Meeting of Shareholders. This proxy statement, the enclosed proxy card and Vulcan s 2006 Annual Report to Shareholders are being first mailed to our shareholders on or about April 11, 2007. The meeting will be held at The Wynfrey Hotel, 1000 Riverchase Galleria, Birmingham, Alabama on May 11, 2007, at 9:00 a.m., Central Daylight Time.

Who can attend the Annual Meeting?

Only shareholders of our company as of the record date, March 16, 2007, their authorized representatives and invited guests of our company will be able to attend the annual meeting.

Who is entitled to vote?

All Vulcan shareholders as of the record date, March 16, 2007, will be entitled to vote at the 2007 annual meeting. On the record date there were 94,921,132 shares outstanding. Each share is entitled to one vote on each matter properly brought before the meeting.

What is the difference between a registered shareholder and a beneficial holder of shares?

If your common stock is registered directly in your name with our transfer agent, The Bank of New York, you are considered a registered shareholder with respect to those shares. If this is the case, the proxy materials have been sent or provided directly to you by our company.

If your common stock is held in a stock brokerage account or by a bank or other nominee, you are considered the beneficial holder of the shares held for you in what is known as street name. If this is the case, the proxy materials have been forwarded to you by your brokerage firm, bank or other nominee, or their agent which is considered the shareholder of record with respect to these shares.

How do I vote if I am a registered shareholder?

Proxies are solicited to give all shareholders who are entitled to vote on the matters that come before the meeting the opportunity to vote their shares whether or not they attend the meeting in person. You can vote in one of the following manners:

Via Internet;

By telephone;

By mail; or

In person at the annual meeting.

Shareholders are encouraged to vote their proxies by Internet, telephone or completing, signing, dating and returning the enclosed proxy card, but not by more than one method. Choosing to vote via the Internet or calling the toll-free number listed on the proxy card will save our company expense. Internet and telephone voting information is provided on the proxy card. A control number, located on the upper right of the proxy card, is used to verify your

identity when voting via the Internet or by telephone. If you vote via the Internet or by telephone, please do not return a signed proxy card. If you vote by more than one method, only the last vote that is submitted will be counted, and each previous vote will be disregarded.

If you choose to vote by mail, mark your proxy card enclosed with the proxy statement, date and sign it, and mail it in the postage-paid envelope.

If you wish to vote in person, you can do so by ballot at the meeting.

How do I specify how I want my shares voted?

You can specify how you want your shares voted on each proposal by marking the appropriate boxes on the proxy card or indicating your vote on each proposal via the telephone or Internet. Please review the voting instructions on the proxy card and read the entire text concerning the proposals in this proxy statement prior to voting. If your signed proxy card or your telephone or Internet instructions do not specify how your shares are to be voted on a proposal, your shares will be voted (a) FOR the election of the nominees for directors described in the proxy statement, (b) FOR ratification of the appointment of Deloitte & Touche LLP as our independent registered public accounting firm and (c) in accordance with the recommendation of our Board of Directors on any other proposal that may properly come before the meeting or any postponement or adjournment thereof.

How do I vote if I am a beneficial shareholder?

If you are a beneficial shareholder, meaning you hold your Vulcan shares in street name, you have the right to direct your bank, broker or nominee on how to vote the shares. You should complete a voting instruction card provided to you by your bank, broker or nominee or provide your voting instructions by Internet or telephone, if made available by your bank, broker or other nominee. If you wish to vote in person at the meeting, you must first obtain from the holder of record a proxy issued in your name.

How are my shares voted if I am a beneficial holder and I do not return voting instructions?

Your shares may be voted if they are held in the name of a brokerage firm, even if you do not provide the brokerage firm with voting instructions. Brokerage firms have the authority, under the listing standards of the New York Stock Exchange, to vote shares on certain routine matters for which their customers do not provide voting instructions by the tenth day before the meeting. The election of directors and the ratification of the independent registered public accounting firm are considered routine matters.

What items will be voted upon at the Annual Meeting?

There are two proposals that will be presented at the meeting:

election of three directors to serve three-year terms; and

ratification of appointment of Deloitte & Touche LLP as our independent registered public accounting firm for 2007.

These proposals have been submitted on behalf of Vulcan s Board of Directors. We know of no other matters that may be brought before the meeting. However, if any other matters are properly presented for action, it is the intention of the proxies named on the proxy card to vote on them according to their best judgment.

What are the Board of Directors voting recommendations?

For the reasons set forth in more detail later in this proxy statement, the Board recommends a vote FOR the election of each of the director nominees and FOR the ratification of the appointment of Deloitte & Touche LLP as our independent registered public accounting firm for 2007.

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What constitutes a quorum for the Annual Meeting?

A majority of the shares of Common Stock entitled to vote, represented in person or by proxy, is required to constitute a quorum. If a quorum is not present at the time of the Annual Meeting of Shareholders, the shareholders entitled to vote, present in person or by proxy, shall have the power to adjourn the Annual Meeting until a quorum shall be present or represented by proxy.

How many votes are needed to have the proposals pass?

The affirmative vote of a majority of the votes cast is required to elect each of the director nominees and to ratify the appointment of Deloitte & Touche LLP. Director nominees who do not receive the required majority are required to tender their resignations to the Board for consideration.

How are the votes counted?

For purposes of determining the number of votes cast with respect to a particular matter, only those cast For or Against and, with respect to the election of directors, Withheld are included. Abstentions and broker non-votes are counted only for purposes of determining whether a quorum is present at the meeting, are not considered votes cast, and thus will not affect the outcome of the vote.

How can I revoke my Proxy?

You may revoke your proxy at any time before it is voted at the meeting by taking one of the following actions:

by giving timely written notice of the revocation to the Secretary of our company;

by executing and delivering a proxy with a later date;

by voting by telephone or via Internet at a later date (in which case only the last vote is counted); or

by voting in person at the annual meeting.

If you vote by more than one method, only the last vote that is submitted will be counted, and each previous vote will be disregarded.

Who counts the votes?

Tabulation of the votes cast at the meeting is conducted by The Bank of New York, independent inspectors of election.

Is my vote confidential?

All proxies are held in confidence, unless (i) the shareholder writes comments or requests disclosure on the proxy card, (ii) disclosure may be required by law, or (iii) where the proxy solicitation is made by a party other than the Board.

Who will pay for the costs involved in the solicitation of proxies?

Our company will pay all costs of preparing, assembling, printing and distributing the proxy materials. Management has retained Georgeson Shareholder Communications Inc. to assist in soliciting proxies for a fee of $7,000.00, plus reasonable out-of-pocket expenses. Our company will, upon request, reimburse brokerage firms and others for their reasonable expenses incurred for forwarding this proxy material to beneficial owners of such shares.

What is householding and how does it affect me?

Some banks and brokers may be participating in the practice of householding proxy statements and annual reports. This means that only one copy of this proxy statement or our Annual Report to Shareholders may have been sent to multiple shareholders in your household. We will promptly deliver a separate copy of either or both

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documents to you if you write or call us at the following address or phone number: Vulcan Materials Company, P.O. Box 385014, Birmingham, Alabama 35238-5014, Attention: Mark D. Warren, Director, Investor Relations, phone: (205) 298-3220. If you want to receive separate copies of our Annual Report to Shareholders and proxy statement in the future, or if you are receiving multiple copies and would like to receive only one copy for your household, you should contact your bank or broker, or you may contact us at the above address and phone number.

Can I view the Proxy Statement and Annual Report over the Internet instead of receiving them in the mail?

You also may access our company s proxy statement and Annual Report on Form 10-K for the year ended December 31, 2006, which includes our annual report to shareholders, via the Internet at *www.vulcanmaterials.com* under the heading Investor Relations. For next year s shareholders meeting, you can help us save significant printing and mailing expenses by consenting to access the proxy statement, proxy card and annual report to shareholders electronically over the Internet. If you hold your shares in your own name (instead of through a bank, broker or other nominee), you can choose this option by following the instructions at the Internet voting website at *https://www.proxypush.com/vmc*, which has been established for you to vote your shares for the meeting. If you choose to receive your proxy materials and annual report to shareholders electronically, then prior to next year s shareholders meeting you will receive an e-mail notification when the proxy materials and annual report to shareholders are available for on-line review over the Internet, as well as the instructions for voting electronically over the Internet. Your choice for electronic distribution will remain in effect for subsequent meetings unless you revoke it prior to future meetings by sending a written request to: Secretary, Vulcan Materials Company, 1200 Urban Center Drive, Birmingham, Alabama 35242 or revoking your request online.

A copy of our Annual Report on Form 10-K for the year ended December 31, 2006 will be provided to you without charge (except for exhibits) upon written request to Mark D. Warren, Director, Investor Relations, Vulcan Materials Company, 1200 Urban Center Drive, Birmingham, Alabama 35242.

PROPOSAL 1. ELECTION OF DIRECTORS

Our company s Board is divided into three classes for purposes of election. One class is elected at each annual meeting to serve a three-year term.

The Board has nominated three persons for election as directors to serve three-year terms expiring in 2010. Unless otherwise directed, proxies will be voted in favor of these three nominees. Should any of the nominees be unable to accept election, the proxies will be voted for the election of such other person or persons who is nominated by the Board on the recommendation of the Governance Committee. Each of the nominees has consented to serve if elected, and the Board has no reason to believe that any of the persons nominated will be unable to serve as a director.

NOMINEES FOR ELECTION TO THE BOARD OF DIRECTORS

Douglas J. McGregor
Age: 66. Director since 1992.
Blue Point Capital Partners, Cleveland, Ohio (a national private equity firm), since January 2003; retired President and Chief Operating Officer, Burlington Industries, Inc., Greensboro, North Carolina (a leading soft goods manufacturer with interests in apparel, home fashions, carpets and rugs), from June 2000 until December 2002.

Committee memberships: Audit; Finance and Pension Funds; Safety, Health and Environmental Affairs.

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Donald B. Rice
Age: 67. Director since 1986.(*)
Chairman (since 2002), President and Chief Executive Officer of Agensys, Inc., Santa Monica, California (a biotechnology company developing monoclonal antibody therapeutics for cancer), since 1996.

Committee memberships: Audit; Executive; Finance and Pension Funds; Governance.
(*)Dr. Rice was first elected a director in 1986, and served until May 1989, when he was appointed Secretary of the Air Force. He was reelected a director of Vulcan by the Board of Directors on February 12, 1993.
Vincent J. Trosino
Age: 66. Director since 2003.
Retired President, Vice Chairman of the Board and Chief Operating Officer of State Farm Mutual Automobile Insurance Company, Bloomington, Illinois (a mutual insurance company), from 1998 until December 2006.

Committee memberships: Finance and Pension Funds; Safety, Health and Environmental Affairs.

The Board of Directors of our company recommends a vote FOR each of the nominees named above.

DIRECTORS CONTINUING IN OFFICE

TERM EXPIRING IN 2008

Philip J. Carroll, Jr.
Age: 69. Director since 1999.
Retired Chairman and Chief Executive Officer of Fluor Corporation, Aliso Viejo, California (an engineering, construction and diversified services company), from July 1998 to February 2002.

Other directorships: BAE Systems; Texas Medical Center; Envirofuels, LLC.

Committee memberships: Compensation; Executive; Governance; Safety, Health and Environmental Affairs.
Donald M. James
Age: 58. Director since 1996.
Chairman and Chief Executive Officer of Vulcan since May 1997.

Other directorships: The Southern Company; Wachovia Corporation.

Committee memberships: Executive.
Orin R. Smith
Age: 71. Director since 1983.
Retired Chairman and Chief Executive Officer of Engelhard Corporation, Iselin, New Jersey (provider of environmental technologies, performance products, engineered

materials and related services), from January 1995 to December 2000.

Other directorships: Applera Corporation; Ingersoll-Rand Company.

Committee memberships: Compensation; Executive; Governance; Safety, Health and Environmental Affairs.

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TERMS EXPIRING IN 2009

Phillip W. Farmer
Age: 68. Director since 1999.
Retired Chairman of the Board of Harris Corporation, Melbourne, Florida (an international communications equipment company) from February 2003 until June 2003; Chairman and Chief Executive Officer from July 1995 to February 2003.

Other directorships: George Weston, Limited.

Committee memberships: Audit; Finance and Pension Funds; Governance.

H. Allen Franklin
Age: 62. Director since 2001.
Retired Chairman and Chief Executive Officer of Southern Company, Atlanta, Georgia (a super-regional energy company in the Southeast and a leading U.S. producer of energy) from April 2004 until July 2004; Chairman, President and Chief Executive Officer from April 2001 to March 2004.

Committee memberships: Audit; Compensation; Safety, Health and Environmental Affairs.

James V. Napier
Age: 70. Director since 1983.
Retired Chairman of the Board of Scientific-Atlanta, Inc., Atlanta, Georgia (a manufacturer and designer of telecommunication systems, satellite-based communications networks, and instrumentation for industrial, telecommunications and government applications) from 1992 to 2000.

Other directorships: Intelligent Systems, Inc.; McKesson Corporation; WABTEC, Corp.

Committee memberships: Audit; Compensation; Executive; Finance and Pension Funds.

Mr. Livio D. DeSimone has served as a director since 1987. His current term ends May 11, 2007, and he has decided not to stand for re-election.

CORPORATE GOVERNANCE OF OUR COMPANY AND PRACTICES OF THE BOARD OF DIRECTORS

Our company takes its corporate governance responsibilities very seriously and has adopted Corporate Governance Guidelines which provide a framework for the governance of our company. The Guidelines build on practices which we have followed for many years and, we believe, demonstrate our continuing commitment to corporate governance excellence.

In addition, we have a Business Conduct Policy that applies to all of our employees and deals with a variety of corporate compliance issues, including conflicts of interest, compliance with laws, confidentiality of company information, fair dealing and use of company assets. All employees are required to fill out a questionnaire annually regarding their personal compliance with the Business Conduct Policy and are encouraged to report any illegal or unethical behavior of which they become aware.

The Board has adopted a Code of Ethics for the Chief Executive Officer and Senior Financial Officers. The Code of Ethics defines Senior Financial Officers to include the Chief Financial Officer, Controller and principal accounting officer. The Code of Ethics covers such topics as financial reporting, conflicts of interest and compliance with laws. If we make any amendment to, or waiver of, any provision of the Code of Ethics, we will disclose such information on our website. As discussed in this proxy statement, our Governance Committee regularly reviews corporate governance developments and adopts appropriate practices as warranted. You can access our by-laws, Corporate Governance Guidelines, Business Conduct Policy and Code of Ethics at our website

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www.vulcanmaterials.com or you can obtain a printed copy free of charge by writing to us at: Corporate Secretary, Vulcan Materials Company, 1200 Urban Center Drive, Birmingham, Alabama 35242. Please note that the information contained on our website is not incorporated by reference in, nor considered to be a part of, this proxy statement.

Board of Directors and Committees

Director Independence

The Board believes that all of the non-management directors are independent under the New York Stock Exchange listing standards, the Board s Director Independence Criteria, and the applicable Securities and Exchange rules and regulations. The New York Stock Exchange listing standards provide that a director does not qualify as independent unless the Board affirmatively determines that the director has no material relationship with our company (either directly or as a partner, shareholder or officer of an organization that has a relationship with our company). The New York Stock Exchange rules require a board to consider all of the relevant facts and circumstances in determining the materiality of a director s relationship with our company and permit the Board to adopt and disclose standards to assist the Board in making determinations of independence. Accordingly, the Board has adopted the Director Independence Criteria to assist the Board in determining whether a director has a material relationship with our company.

In February 2007, the Board conducted an evaluation of director independence, based on the Director Independence Criteria, the New York Stock Exchange listing standards and applicable Securities and Exchange Commission rules and regulations. In connection with this review, the Board evaluated commercial, charitable, consulting, familial or other relationships with each director or immediate family member and their related interests and Vulcan and its subsidiaries, including those relationships described under Other Matters Relating to Executive Officers and Directors.

As a result of this evaluation, the Board affirmatively determined that Messrs. Carroll, DeSimone, Farmer, Franklin, McGregor, Napier, Rice, Smith and Trosino are independent directors under the Board s Director Independence Criteria, the New York Stock Exchange listing standards and the applicable Securities and Exchange Commission rules and regulations.

Director Nomination Process

The Governance Committee described in detail below considers director candidates recommended by shareholders. Any shareholder wishing to recommend a candidate for election at the 2008 Annual Meeting must submit that recommendation in writing, addressed to the committee, in care of the Secretary of our company, at 1200 Urban Center Drive, Birmingham, Alabama 35242, by December 13, 2007. The notice should include the following:

The name and address of the shareholder who intends to make the nomination(s) and of the person or persons to be nominated;

A representation that the shareholder is a holder of record or a beneficial holder of stock entitled to vote at the meeting (including the number of shares the shareholder owns) and intends to appear in person or by proxy at the meeting to nominate the person or persons specified in the notice;

A description of all arrangements and understandings between the shareholder and each nominee and any other person or persons (naming such person or persons) pursuant to which the nomination or nominations are to be made by the shareholder;

Such other information regarding each nominee proposed by such shareholder as would have been required to be included in a proxy statement filed pursuant to the proxy rules of the Securities and Exchange Commission

(whether or not such rules are applicable) had each nominee been nominated, or intended to be nominated, by the Board of Directors, including the candidate s name, biographical information, and qualifications; and

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The written consent of each nominee to serve as a director if so elected, with such written consent attached thereto.

The Governance Committee will identify nominees by first evaluating the current members of the Board willing to continue service. Current members of the Board with skills and experience that are relevant to our business and who are willing to continue in service are considered for re-nomination, balancing the value of continuity of service by existing members of the Board with that of obtaining new Board members. If any member of the Board does not wish to continue in service or if the Governance Committee or the Board decides not to re-nominate a current Board member for reelection, the Governance Committee may identify the desired skills and experience for a new nominee in light of the above criteria. Directors and members of management may also suggest candidates for director. Timely recommendations by shareholders will receive equal consideration by the Governance Committee. In some cases, the committee engages, for a fee, the services of a third party executive search firm to assist it in identifying and evaluating nominees for director.

Meetings and Attendance

Our Board held nine meetings in 2006. In 2006, each director attended more than 75% of the total number of meetings of the Board and meetings of the committees of which he was a member.

Annual Meeting Policy

Our directors are expected to attend the Annual Meeting of Shareholders. In furtherance of this policy, our Board holds a regularly scheduled Board meeting on the same day as the Annual Meeting of Shareholders. In 2006, all of the Board members attended the Annual Meeting.

Non-Management Executive Sessions and Presiding Director

Our Board of Directors has adopted a policy relating to non-management executive sessions. Under this policy, the Board of Directors must meet at each regularly scheduled Board meeting in executive sessions in which management directors and other members of management do not participate. During 2006, the non-management directors met in executive session five times.

Each year at the May Board meeting, the Board designates a non-management presiding director, a position which is filled by rotation among the chairs of the Board committees. The duties of the presiding director are delineated in our Corporate Governance Guidelines, which are available on our website at www.vulcanmaterials.com. The Chairman of the Safety, Health and Environmental Affairs Committee, Mr. Carroll, served as the presiding director at the executive sessions after the annual meeting in 2006. Mr. Napier, Chairman of the Audit Committee, will serve as the presiding director following the 2007 Annual Meeting. We encourage constructive communications from our shareholders. Shareholders and other parties interested in communicating directly with the presiding director or with the non-management directors as a group, may do so by writing to Presiding Director, c/o Corporate Secretary, Vulcan Materials Company, P. O. Box 385014, Birmingham, Alabama, 35238-5014. The shareholder communications will be forwarded to the Board in accordance with the Policy on Shareholder Communications with the Board, adopted by the independent directors in February 2004.

Committees of the Board of Directors

Our Board of Directors has established six standing committees as follows:

Executive Committee;

Audit Committee;

Compensation Committee;

Governance Committee;

Safety, Health and Environmental Affairs Committee; and

Finance and Pension Funds Committee.

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The charters of the audit, governance and compensation committees are available on our website at *www.vulcanmaterials.com*, or you can obtain a printed copy free of charge by writing to us at: Corporate Secretary, Vulcan Materials Company, 1200 Urban Center Drive, Birmingham, Alabama 35242.

Each committee, except the Executive Committee, is comprised entirely of independent, non-management directors.

Executive Committee

The Executive Committee has the same powers as our Board of Directors, except as limited by the New Jersey Business Corporation Act. In practice, the powers of the Executive Committee are exercised only for matters that arise between meetings of the Board. Members of the Executive Committee are Messrs. James (Chair), Carroll, DeSimone, Napier, Rice and Smith. The Executive Committee did not meet in 2006.

Audit Committee

The Audit Committee advises the Board and management from time to time with respect to internal controls, financial systems and procedures, accounting policies and other significant aspects of our company s financial management. Pursuant to its charter, the Audit Committee selects our company s independent registered public accounting firm and oversees the arrangements for, and approves the scope of, the audits to be performed by the independent registered public accounting firm. The Audit Committee s primary responsibilities under its written charter include the following:

Hire, evaluate and, when appropriate, replace the independent registered public accounting firm, whose duty it is to audit our books and accounts for the fiscal year in which it is appointed;

Determine the compensation to be paid to the independent registered public accounting firm and, in its sole discretion, approve all audit and engagement fees and terms and pre-approve all auditing and non-auditing services of such firm, other than certain de minimis non-audit services;

Review and discuss with management the independent registered public accounting firm and internal auditors our internal reporting, audit procedures and the adequacy and effectiveness of our disclosure controls and procedures;

Review and discuss with management and the independent registered public accounting firm the audited financial statements to be included in our Annual Report on Form 10-K, the quarterly financial statements to be included in our Quarterly Reports on Form 10-Q, our disclosures under Management s Discussion and Analysis of Financial Condition and Results of Operations, and the selection, application and disclosure of accounting policies used in our financial statements;

Review and discuss with management with quarterly earnings press releases and financial information and earnings guidance provided to analysts and rating agencies;

Review and discuss with management all existing related-party transactions and approve any proposed related-party transactions to ensure that they are in our best interest; and

Review and reassess the adequacy of the Audit Committee Charter adopted by the Board of Directors, and recommend proposed changes to the Board of Directors.

The members of the Audit Committee are Messrs. Napier (Chair), Farmer, Franklin, McGregor and Rice. All members of our Audit Committee are non-management directors. Our Board of Directors has determined that each is independent and financially literate within the meaning of the listing standards of the New York Stock Exchange, Securities and Exchange Commission rules and regulations, and the Director Independence Criteria adopted by our Board of Directors and posted on our website at www.vulcanmaterials.com under Investor Relations . In addition, our Board has determined that Mr. Napier is an audit committee financial expert within the meaning of that term as defined by rules adopted by the Securities and Exchange Commission. He has served on our company s Board since 1983 and on its Audit Committee since 1987. The Audit Committee met seven times

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during 2006. Further detail about the role of the Audit Committee may be found in the Report of the Audit Committee on page 35 of this proxy statement.

Compensation Committee

The Compensation Committee is responsible for, among other things: determining and setting the amount of compensation paid to each of our executive officers, including the Chief Executive Officer, senior officers and Division presidents; reviewing compensation plans relating to officers; interpreting and administering the Executive Incentive Plan, Management Incentive Plan, and the 2006 Omnibus Long-Term Incentive Plan; and making recommendations to the Board with respect to compensation paid by our company to any director. The Compensation Committee also reviews and discusses with management the Compensation Discussion and Analysis required by Securities and Exchange Commission Regulation S-K, Item 402(b).

During the year, the Compensation Committee works with Compensation Strategies, a consultant retained by management, which provides market data regarding executive compensation programs and amounts. The Compensation Committee obtains specific data and reports from Compensation Strategies on an annual basis and at other times upon request. The Compensation Committee invites representatives of Compensation Strategies to attend meetings of the Compensation Committee from time to time. The Compensation Committee also meets with the Chief Executive Officer to consider recommendations for the compensation arrangements for executives other than the Chief Executive Officer. For more information on these meetings, please refer to the section entitled Compensation Discussion and Analysis in this proxy statement.

The members of the Compensation Committee are Messrs. Smith (Chair), Carroll, DeSimone, Franklin and Napier. The Committee is comprised solely of non-management directors who are independent within the meaning of the listing standards of the New York Stock Exchange and the Board s Director Independence Criteria. The Compensation Committee met six times during 2006.

Governance Committee

The Governance Committee is responsible for reviewing and assessing our policies and practices relating to corporate governance, including our Corporate Governance Guidelines. The committee also plans for the succession of the Chief Executive Officer and other senior executives. In addition, the committee serves as the nominating committee and as such it is responsible for identifying and assessing candidates, including making recommendations to the Board regarding such candidates. In fulfilling its responsibilities, the Governance Committee, among other things:

identifies individuals qualified to become Board members consistent with criteria established in its charter;

recommends to the Board director nominees for the next annual meeting of shareholders; and

evaluates individuals suggested by shareholders as director nominees.

In recommending director candidates to the Board, the Governance Committee Charter requires the committee to select individuals who, at a minimum, possess high ethical standards, integrity and sound business judgment. In its assessment of each potential candidate, the Governance Committee will review the candidate s experience, potential conflicts of interest, understanding of our company s industry or related industries, financial acumen and such other factors the Committee determines are pertinent in light of the current needs of the Board. The committee may also take into account the contribution of the candidate to the diversity of the Board, the ability of a candidate if elected a director to devote the time and effort necessary to fulfill his or her responsibilities as a Board member, and the needs of our company given the range of talent and experience represented on the Board. The Governance Committee

believes it appropriate for at least one, and preferably several, members of the Board to meet the criteria for an audit committee financial expert as defined by the Securities and Exchange Commission rules, and that a substantial majority of the members of the Board meet the definition of independence as defined by the listing standards of the New York Stock Exchange and the Board s Director Independence Criteria.

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The Governance Committee also reviews the Board s committee structure and recommends to the Board, for its approval, directors to serve as members of each committee. The Committee also is responsible for overseeing the evaluations of the Board and its committees.

Members of the Governance Committee are Messrs. DeSimone (Chair), Carroll, Farmer, Rice and Smith. This Committee is comprised solely of non-management directors who are independent within the meaning of the listing standards of the New York Stock Exchange and the Board s Director Independence Criteria. The Governance Committee met three times during 2006.

Safety, Health and Environmental Affairs Committee

The Safety, Health and Environmental Affairs Committee has the responsibility for reviewing our policies, practices and programs with respect to the management of safety, health and environmental affairs and monitoring our compliance with safety, health and environmental laws and regulations. Members of the Safety, Health and Environmental Affairs Committee are Messrs. Carroll (Chair), Franklin, McGregor, Smith and Trosino. The Committee met two times during 2006.

Finance and Pension Funds Committee

The Finance and Pension Funds Committee has responsibility for overseeing our financial policies and recommending to the Board financial policies and actions to accommodate our goals and operating strategies while maintaining a sound financial condition. Its functions include keeping informed about our financial condition, recommending a dividend policy, reviewing and recommending changes in the quarterly dividend payments, and evaluating and making recommendations concerning the appropriate mix of debt and equity, incurrence of long-term debt, and changes in the authorized limit of short-term debt. The Finance and Pension Funds Committee is also responsible for overseeing the funding and management of assets for pension plans sponsored by our company. To fulfill these functions, it establishes funding policies and methods consistent with pension plan objectives and the Employee Retirement Income Security Act of 1974, selects and removes investment managers, and appoints trustees for the pension plans. Members of the Finance and Pension Funds Committee are Messrs. Rice (Chair), Farmer, McGregor, Napier and Trosino. The Finance and Pension Funds Committee met two times in 2006.

Transactions with Related Persons

The brother-in-law of Mr. Donald James, Chairman and Chief Executive Officer, and the son of Mr. Philip Carroll, Jr., a member of the Board of Directors, are both partners in a large law firm which provides legal services to Vulcan. In determining that this is not a material relationship involving Mr. James or Mr. Carroll, the Board determined that payments made by Vulcan to the firm represented less than 2% of the firm s consolidated gross revenues, and the revenues from Vulcan received by Mr. James brother-in-law and Mr. Carroll s son as a result of their status as partners were not material. Additionally the Board made the assessment that Mr. Carroll was independent and that this was not a material relationship. Neither Mr. James brother-in-law nor Mr. Carroll s son were directly involved in providing significant legal services to Vulcan. Vulcan is not aware of any other material relationships or related transactions which are required to be disclosed pursuant to applicable Securities and Exchange Commission rules or regulations.

Security Holder Communication with the Board of Directors

The Board has established a process for shareholders and other interested parties to communicate directly with the presiding director or with the non-management directors individually or as a group. Any shareholder or other

interested party who desires to contact one or more of our non-management directors, including the Board s presiding director, may send correspondence to the following address:

Board of Directors (or presiding director or name of individual director)
c/o Corporate Secretary
Vulcan Materials Company
1200 Urban Center Drive
Birmingham, Alabama 35242

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All such communications will be forwarded to the appropriate director or directors specified in such communications as soon as practicable.

Policy on Reporting of Concerns Regarding Accounting Matters

As provided on our website at www.vulcanmaterials.com under the heading Investor Relations under the subheading Corporate Governance Contact the Board of Directors, any shareholder or interested party who has any concerns or complaints relating to accounting, internal accounting controls or auditing matters, may contact the Audit Committee by writing to the following address:

Vulcan Audit Committee
c/o Corporate Secretary
Vulcan Materials Company
1200 Urban Center Drive
Birmingham, Alabama 35242

SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS

The following is information regarding persons known to us to have beneficial ownership of more than 5% of the outstanding common stock of our company, which is our only outstanding class of voting securities.

Name and Address of Beneficial Owner	Amount and Nature of Beneficial Ownership	Percent of Class
State Farm Mutual Automobile Insurance Company and Affiliates One State Farm Plaza Bloomington, Illinois 61710	11,072,672 shares(1)	11.72%
Davis Selected Advisors, L.P. 2949 East Elvira Road, Suite 101 Tucson, Arizona 85706	8,234,304 shares(2)(4)	8.72%
Regions Financial Corporation 1900 Fifth Avenue North Birmingham, Alabama 35203	5,772,762 shares(3)(4)	6.11%

(1) Based on information contained in the Schedule 13G/A, dated February 3, 2007, filed with the Securities and Exchange Commission. According to this Schedule 13G/A, the total includes the following shares over which the listed entities have sole or share either or both voting and dispositive power:

Affiliate	Shares
State Farm Mutual Automobile Insurance Company	8,399,798
State Farm Life Insurance Company	3,635
State Farm Fire and Casualty Company	3,216
State Farm Growth Fund	1,039,200
State Farm Balanced Fund	160,200

State Farm Variable Product Trust	4,615
State Farm Insurance Companies Employee Retirement Trust	2,808
State Farm Insurance Companies Savings and Thrift Plan for U.S. Employees	
-Equities Account	1,208,400
-Balanced Account	250,800

(2) Based on information contained in the Schedule 13G/A, dated February 3, 2007, filed with the Securities and Exchange Commission. According to this Schedule 13G/A, the total includes the following shares over which the listed entities have sole

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(3) Based on information contained in a Schedule 13G dated February 14, 2007, filed with the Securities and Exchange Commission.

(4) Has sole voting and investment power over these shares.

SECURITY OWNERSHIP OF MANAGEMENT

The following table sets forth information, unless otherwise indicated, as of March 1, 2007, regarding beneficial ownership of our company s common stock, the company s only outstanding class of equity securities, by each of the directors, the executive officers named in the Summary Compensation Table below, and the directors and executive officers as a group. This table indicates that the named individual s financial interest is aligned with the interests of our shareholders, because the value of the individual s total holdings will increase or decrease in line with the price of our common stock.

Name	Amount and Nature of Stock-Based Ownership	Percent of Class
Directors(1)		
Philip J. Carroll, Jr.	19,555	*
Livio D. DeSimone	65,754	*
Phillip W. Farmer(2)	20,619	*
H. Allen Franklin	14,043	*
Douglas J. McGregor(3)	53,533	*
James V. Napier	22,249	*
Donald B. Rice	39,460	*
Orin R. Smith	64,134	*
Vincent J. Trosino	13,001	*
Chief Executive Officer and other Executive Officers(4)		
Donald M. James	1,629,152	1.7%
Guy M. Badgett, III	314,015	*
James W. Smack	246,823	*
Daniel F. Sansone	234,304	*
Ronald G. McAbee	156,191	*
All Directors and Executive Officers as a group (17 persons)	3,345,948	3.5%

* Less than 1% of issued and outstanding shares of our company s common stock.

(1) Beneficial ownership for the directors includes all shares held of record or in street name, and, if noted, by trusts or family members. The amounts also include restricted shares granted under our Restricted Stock Plan for Nonemployee Directors and phantom shares settled in stock accrued under the Directors Deferred Compensation Plan, and the Deferred Stock Plan for Nonemployee Directors, as follows:

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	Shares Owned Directly or Indirectly	Restricted Shares	Phantom Shares Held Pursuant to Plans
Philip J. Carroll, Jr.	0	5,950	13,605
Livio D. DeSimone	25,303	6,185	34,266
Phillip W. Farmer	1,000	5,550	13,055
H. Allen Franklin	0	4,000	10,043
Douglas J. McGregor	1,350	6,185	45,998
James V. Napier	3,550	6,185	12,514
Donald B. Rice	21,950	6,185	11,325
Orin R. Smith	3,150	6,185	54,799
Vincent J. Trosino	5,500	2,000	5,501

(2) Held in a trust of which Mr. Farmer is the trustee.

(3) Includes 1,350 shares held in a trust of which Mr. McGregor is the trustee.

(4) Beneficial ownership for the executive officers includes shares held of record or in street name. The amounts also include shares that may be acquired upon the exercise of options which are presently exercisable or that will become exercisable on or before May 1, 2007, and shares credited to the executives accounts under our Thrift Plan for Salaried Employees (Thrift Plan) as follows:

	Shares Owned Directly or Indirectly	Exercisable Options	Thrift Plan
Donald M. James	111,843	1,490,200	18,790
Guy M. Badgett, III	24,003	250,250	38,362
James W. Smack	5,055	203,255	38,374
Daniel F. Sansone	28,611	188,400	16,456
Ronald G. McAbee	3,465	129,825	22,079

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EQUITY COMPENSATION PLANS

The table below sets forth information regarding the number of shares of our common stock authorized for issuance under all of our equity compensation plans as of December 31, 2006.

Equity Compensation Plan Information

Plan Category	Number of securities to be issued upon exercise of outstanding options, warrants and rights (a)	Weighted-average exercise price of outstanding options, warrants and rights (b)	Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a)) (c)
Equity compensation plans approved by security holders(1)			
1996 Long Term Incentive Plan (For Employees)			
Stock Options	6,768,562	$ 48.76	
Performance Share Units	376,800		
Deferred Stock Units	304,338		
Employees Total	7,449,700		(2)
Deferred Stock Plan for Non-employee Directors	13,281		(2)
Restricted Stock Plan for Non-employee Directors	54,384		(2)
2006 Long-Term Incentive Plan Employees			
Stock Only Stock Appreciation Rights	0		
PSUs	0		
Deferred Stock Units for Non-employee Directors	16,427		
Total	16,427		5,383,573
	None		None

Equity compensation plans not approved by security holders			
Total	7,533,792	48.76	5,383,573

(1) All of our company s equity compensation plans have been approved by the shareholders of our company. Column (a) sets forth the number of shares of common stock issuable upon the exercise of options, warrants or rights outstanding under the 2006 Omnibus Long-Term Incentive Plan (2006 LTIP), the 1996 Long-Term Incentive Plan (1996 LTIP), the Deferred Stock Plan for Nonemployee Directors and the Restricted Stock Plan for Nonemployee Directors. The weighted-average exercise price of outstanding stock options is shown in Column (b). The remaining number of shares that may be issued under the 2006 LTIP are shown in Column (c).

(2) Future grants will not be made under these plans. The plans will be used only for the administration and payment of grants that were outstanding when the 2006 LTIP was approved.

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COMPENSATION COMMITTEE REPORT

The Compensation Committee has reviewed and discussed the Compensation Discussion and Analysis as set forth below with management and, based on such review and discussions, recommended to the Board of Directors that the Compensation Discussion and Analysis be included in this Proxy Statement.

The Compensation Committee
Orin R. Smith, Chair
Philip J. Carroll, Jr.
Livio D. DeSimone
H. Allen Franklin
James V. Napier

COMPENSATION DISCUSSION AND ANALYSIS

Overview of Compensation Philosophy and Program

Our Corporate Mission Statement states that our success is dependent upon the talent, dedication and performance of all employees. Without the dedication and performance of our employees, we will be unable to accomplish our corporate goals. Therefore, our compensation program for executive officers is designed to fulfill this mission by:

- Keeping our salary and benefits competitive with industrial companies of similar size so that we are able to hire officers of high caliber and keep our current management team from seeking more attractive employment opportunities from competing companies;

- Linking a meaningful portion of the executive officers compensation to the company s performance, and their ability to create shareholder value, over the short term and the long term;

- Motivating, recognizing and rewarding individual excellence;

- Paying a meaningful portion of an executive s total compensation in our company s common stock, to facilitate the accumulation of significant ownership of our stock by the executive officers in order to align the interests of management with the interests of our shareholders; and

- Motivating the officers to achieve our strategic goals and operational plans.

The Compensation Committee, which is comprised entirely of independent directors, administers our executive compensation program. The role of the Committee is to:

- Oversee the design and development of compensation and benefit plans and policies;

- Administer cash bonus and stock plans;

- Review compensation recommendations made by the Chief Executive Officer for other executive officers; and

- Determine and set all elements of compensation for the Chief Executive Officer and other executive officers.

The components of our compensation program for the named executive officers, all of which are discussed in greater detail below, include:

- base salary
- short-term cash bonus
- long-term incentive awards
- deferred compensation

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perquisites and other benefits

retirement and pension benefits

The Compensation Committee uses tally sheets showing the total compensation of the Chief Executive Officer and the other named executive officers when making executive compensation decisions.

We employ Compensation Strategies as our compensation consultant. Compensation Strategies:

Conducts an annual study of and recommends levels for Board compensation;

Advises management and the Compensation Committee regarding competitive practice, the design of new programs, and new rules and regulations relating to executive compensation; and

Conducts periodic comprehensive studies of executive compensation and makes recommendations regarding the components of executive compensation.

Additionally, we do our own executive compensation research using survey results from other executive compensation consulting firms.

Measuring Performance Economic Profit

We are committed to excellence in our performance, both financially and operationally, and to earning superior returns for our shareholders. In order to fulfill this commitment, we need dedicated and talented executive officers. To encourage and reward superior performance, we have linked a substantial portion of the named executive officers compensation to company performance as measured by a standard referred to as Economic Profit.

In 1996, we adopted Economic Profit, or EP, as the quantifiable financial performance measurement against which company performance is measured for short term and some long-term incentives. EP is a measure of performance which incorporates both operating earnings and the cost of capital. EP essentially measures the extent to which our operating earnings exceed the cost of capital utilized by our company. Various studies have concluded that changes in EP correlate with changes in shareholder value better than other commonly used financial performance measures.

EP is used not only as a measure for incentive compensation, it pervades every aspect of the management process including planning, capital budgeting, evaluating acquisitions and other growth initiatives. It also is used by management to measure the financial performance of our company and its business units. We believe EP is the best measuring stick for setting financial goals for executive compensation.

Benchmarking Total Compensation

To ensure that our compensation program is competitive, our total direct compensation paid to our Chief Executive Officer and other named executive officers is benchmarked annually against a composite group of general industrial companies with revenue between $1-6 billion, roughly the size of our revenues, and market capitalization similar to that of Vulcan.

The total direct compensation for each named executive is reviewed annually to ensure it is appropriate based on:

individual performance

recent and long-term company performance

competitive or market levels

Tax and Accounting Considerations

In administering the compensation program for executive officers, we consider the applicability of Section 162(m) and the effect of accounting and tax consequences of our various compensation vehicles.

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Compliance with Internal Revenue Code Section 162(m). Section 162(m) prohibits public companies from taking a tax deduction for compensation that is paid to employees in excess of $1 million, unless the compensation qualifies as performance-based compensation within the meaning of the IRS rules. It is our understanding that bonus payments made pursuant to the Executive Incentive Plan, and all grants of long-term incentives under our current and previous long-term incentive plans, except for deferred stock units, qualify as qualified performance-based compensation.

Expensing of Stock Options. When appropriate, we have modified the type of incentive compensation paid to our named executive officers due to accounting rule changes and pronouncements. For example, in 2005, in anticipation of a change in accounting rules for expensing options, we made a grant of stock options to named executive officers in December in addition to the annual grant of stock options in February. This additional grant was made in lieu of a stock option grant in 2006 to take advantage of a favorable accounting treatment of stock options.

While we consider the tax and accounting implications to our company in allocating awards among various compensation vehicles, we do not consider the personal tax status of the named executive officers when making awards. For example, we have never issued incentive stock options (ISOs) even though such an award might be more favorable, from a tax standpoint, to the named executive officers.

Role of the Named Executive Officers in Setting Compensation

The Chief Executive Officer is responsible for conducting an annual performance evaluation of each executive officer, including the other named executive officers. The evaluations take into account such items as the performance of the business unit or function for which the executive officer is responsible, safety, health and environmental performance and effective management of our company s natural resources, among other items. These evaluations, along with the Chief Executive Officer s recommendations for compensation, are given to the Compensation Committee, which is responsible for approving and setting all elements of compensation for the named executive officers.

The Compensation Committee sets the Chief Executive Officer s compensation. The compensation amount is then ratified by the entire Board of Directors. The Chief Executive Officer and the Senior Vice President of Human Resources review and comment on all compensation recommendations.

Overall Compensation Goals

In creating and administering our compensation program, we seek to reward employees for:

- superior performance in generating increasing levels of EP;
- behavior that compliments our strategic goals; and
- adherence to our high ethical business standards.

As discussed in more detail below, the overall compensation program strives to achieve a balance between cash and noncash compensation allowing us to encourage ownership of our stock. The program also strives to achieve a balance between the goals of rewarding the achievement of short-term goals and, through the use of long-term awards, providing an employee retention element to the compensation program. Each element of our compensation program is set forth below, with an explanation of the factors considered in making awards of each element.

We do not target a specified percentage of total compensation for base pay, short-term or long-term incentives. The amounts realized in prior years did not serve to increase or decrease 2006 compensation amounts. We position each

element of compensation at the competitive market level, resulting in a total compensation program positioned at that level. Award percentages for long-term and short-term compensation vary by position and level of responsibility. The greater the responsibility, the larger the percentage of total compensation at risk through higher levels of short-term bonus participation and equity awards, the magnitude of which vary with performance.

We do not currently have employment agreements with executives, except for agreements which specify compensation treatment with respect to a change in control.

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Elements of Compensation

Base Pay

The base pay, or salary, element of our compensation program is designed to be competitive in the market for compensation paid to similarly-situated executives who are competent and skilled.

Salaries of the named executive officers are reviewed on an annual basis, as well as at the time of a promotion or change in responsibilities. To ensure the salaries paid to our named executive officers are competitive relative to the marketplace, we conduct benchmarking, as described below for the Chief Executive Officer s salary, and review periodic market surveys, conducted by compensation consultants, for the other named executive officers. In both cases, we target the 50th percentile of the benchmark group and the general market. We believe the 50th percentile is an appropriate level of compensation to attract and retain competent executives. Increases in salaries are based on the nature and responsibilities of the position, individual performance, changes in the market compensation levels and other factors.

To further our goal of aligning the executives interests to those of our shareholders, we reward superior performance through our bonus program and long-term incentive awards.

The benchmark group used in setting the Chief Executive s salary is a composite group of general industrial companies with revenues between $1-6 billion and market capitalization similar to that of our company, the same group of companies used to benchmark total compensation as discussed above. As a reflection of Mr. James experience, performance and tenure in his position, his salary is set somewhat above the 50th percentile of the benchmark group.

For Mr. McAbee, a 25% cost of living increase is added to his base and short-term cash bonus to compensate him for the higher cost of living in California as compared to North Carolina, where he lived before he transferred to California. This adjustment is included in the information shown for Mr. McAbee in the following tables and will remain in effect for as long as he continues to reside in California.

The salaries paid to our named executive officers for 2006 are set forth in the Summary Compensation Table in the Salary column.

Short-Term Bonus

Our short-term incentive program is designed to motivate our executives, including the named executive officers, and reward them with cash payments for achieving quantifiable near term business results. The goal of this program is to directly link performance and payment, and reward behaviors that create value for our shareholders, by comparing financial results to pre-established objective performance targets. Payment of the bonus is based on both the performance of our company, specific divisions or business units or a combination of these, as applicable, and the performance of the named executive officer individually.

We set the target levels for average annual bonuses at competitive market levels. By doing so we reinforce the idea that average performance will yield an average bonus. We then provide significant upside opportunity and downside risk to actual bonus payments based on actual operating results. Payments are determined principally by annual financial performance measured against our internally established EP goal for the year. Our method for establishing the EP goal each year is discussed below.

Economic Profit Methodology

EP goals are established by the Compensation Committee annually at its February meeting based on the average of the previous year s actual EP and the previous year s EP goal for our company as well as each of its divisions. Goals are then adjusted to reflect the short-term impact of significant strategic and growth initiatives. These adjustments are applied in order to provide appropriate incentives and rewards for the pursuit of such initiatives. An EP goal represents the amount of EP that must be earned in order for an average bonus to be paid. The average bonus is expressed as a percentage of base salary and established for each named executive officer based on market surveys of similar-sized industrial companies. In the case of the Chief Executive Officer, the

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average bonus is equal to 100% of base salary. For example, if the corporate EP goal is met, the Chief Executive Officer would be eligible to receive a cash bonus equal to 100% of his salary.

If actual EP is higher or lower than the EP goal (for our company or its business units), then the executive s bonus would be increased or reduced in accordance with a predetermined scale. Further, in the case of named executive officers other than the Chief Executive Officer, the Chief Executive Officer may adjust the recommended bonus to be paid to the executive, up or down based on the Chief Executive Officer s review of the executive s performance, taking into account specifically,

the named executive officer s individual performance;

the safety, health and environmental performance record of our company and its Divisions;

consistent above target performance for the most recent 3 years; and

successful implementation of our strategic objectives.

The Compensation Committee considers the Chief Executive Officer s recommendations and the performance assessments in setting the bonus paid to each executive. The Compensation Committee likewise determines the actual bonus payable to the Chief Executive Officer based on our company s EP performance and his performance, in the areas mentioned above.

Short-term cash bonuses are paid to the named executive officers pursuant to either the Executive Incentive Plan (EIP) or Management Incentive Plan (MIP). The EIP, approved by our shareholders in 2001, and the MIP, approved by our shareholders in 1973, are similar in structure and administration. However, the MIP does not meet all of the requirements of Section 162(m). The maximum amount available for payment under the EIP is set at 4% of the consolidated net earnings in excess of 6% of the net capital for the prior year. Total payments under the MIP, which include awards to middle management as well as senior executives, cannot exceed 10% of the consolidated net earnings in excess of 6% of the net capital for the prior year. Of the named executive officers, in 2006 Messrs. James, Sansone, Badgett and Smack participated in the EIP, and Mr. McAbee participated in the MIP. No executive may receive a payment from both EIP and MIP for the same year. The awards made for 2006 performance constituted 39.8% of the maximum amount payable under the EIP and 47.8% of the maximum amount payable under the MIP.

Annually at its February meeting, the Compensation Committee establishes the maximum percentage (the 162(m) Cap) of the amount available for payment under the EIP for each participant in the EIP, such that when such percentage is multiplied by the aggregate 162(m) Cap allowed under the plan, it establishes the maximum award payable for each EIP participant for that year in accordance with Section 162(m). Once the maximum amount payable is established for each participant, the Compensation Committee may exercise only downward discretion in determining the actual award. In 2006, 40% of the 162(m) Cap amount was allocated to the Chief Executive Officer and 15% of the 162(m) Cap amount was allocated to each of the other participants.

In 2006, the short-term bonuses paid to the named executive officers as expressed as a percentage of their average annual bonus were as follows:

	Amount of Average Annual Bonus expressed	**% of**	**Average**

	as a percentage of base salary	Annual Bonus Paid
Donald M. James	100%	275.6%
Guy M. Badgett	60%	271.5%
James W. Smack	60%	272.7%
Daniel F. Sansone	60%	258.4%
Ronald G. McAbee	55%	284.3%

For actual short-term bonus amounts paid to each named executive officer in 2006, refer to the column headed Non-Equity Incentive Plan Compensation in the Summary Compensation Table.

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Long-Term Equity Based Incentives

Our long-term incentive compensation program, which currently consists of awards of stock options and performance shares, is designed to reward the named executive officers based on the performance of our company or its divisions, as applicable, over a period of years, and to provide potentially significant payments based on the creation of value for our shareholders, as measured by total shareholder return and EP performance. The goals of the long-term incentive program are:

to motivate financial performance over the long-term;

to recognize and reward superior financial performance;

to provide a retention element to our compensation program;

to help executive officers accumulate shares of Vulcan stock to ensure congruence with our shareholders interest; and

to promote compliance with the stock ownership guidelines for executives.

The amount awarded to each executive is based on the long-term incentive target established by the Compensation Committee. The target value of long-term awards is established by the Compensation Committee based principally on benchmark data of target awards for similar positions in similar-sized companies, at the 50th percentile. The award value of the long-term incentive grant for each executive is determined by multiplying the applicable long-term target percentage by the base salary of each named executive officer. Subject to the limitations under our 2006 Omnibus Long-Term Incentive Plan, which was approved by our shareholders last year (the Omnibus Plan), the Compensation Committee may adjust the award value to reflect our company s past performance relative to total shareholder return, or other quantifiable financial measures deemed appropriate by the Compensation Committee. The Omnibus Plan provides that the Compensation Committee, in its discretion, may grant long-term awards in the form of a variety of instruments, including, among others, stock options, stock-only stock appreciation rights, performance share units, and restricted stock. The Compensation Committee has chosen in recent years to grant awards in the form of stock options and performance share units in an effort to achieve balance in bonus incentives based on general market performance (stock price) and Vulcan s performance as compared to predetermined internal goals.

2006 Long Term Incentive Grants. Other than a grant of stock options to Mr. James in January 2006, as described below, the Compensation Committee made no long-term incentive awards in 2006 to named executive officers, because in December 2005, the Compensation Committee awarded a second grant of stock options for that year in lieu of a grant of long-term incentive grants in 2006. This additional grant was made in 2005 so these options would not be subject to new accounting standards that require the expensing of options that became effective in 2006. Since the December 2005 grant to Mr. James, when aggregated with the earlier February 2005 grant would have exceeded the individual yearly limitation set forth in the 1996 LTIP, the portion of the December 2005 award in excess of the limit was rescinded and he received a grant of stock options in January 2006 replacing that portion of the December 2005 grant that could not be made in 2005. The exercise price for the options granted to Mr. James in January 2006 was set at the average of the high and low price of the company s stock on the date of grant.

Timing of Equity-Based Incentive Compensation. In recent years, the Compensation Committee has set performance targets for long-term incentive grants for the year at its February meeting. Payments, if any, pursuant to previously set performance targets are also authorized at the February meeting. As discussed above, with the exception of Mr. James in 2006, the Compensation Committee did not make long-term grants to the named executive officers since an award

in lieu of a 2006 award was made in December 2005. The establishment of incentive compensation goals and the granting of stock options have not been timed with the release of non-public material information. Instead, with the exception of 2005, goals and awards consistently have been established at the February meeting. Additional stock options or other equity based incentive grants have been made to executive officers only upon hire or promotion at various times throughout the year.

Stock Ownership Guidelines. In order to align the interest of the named executive officers with our shareholders, and to promote a long-term focus for the officers, our company has executive stock ownership

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guidelines for the officers of our company and its subsidiaries. All of the named executive officers currently meet or exceed by the ownership guidelines.

The guidelines for the named executive officers are expressed as a multiple of base salary as per the table below:

Name	Multiple of Salary Ownership Guidelines(1)
D.M. James	7x
G.M. Badgett	3x
J.W. Smack	3x
D.F. Sansone	3x
R.G. McAbee	3x

(1) Types of ownership counted toward the guidelines include the following:

Stock-based thrift plan holdings;

Direct holdings;

Indirect holdings, such as shares owned by a family member, shares held in trust for the benefit of the named executive officer or family member, or shares for which such officer is trustee;

Stock-based holdings in the excess benefit plans;

Vested in-the-money options represented by the spread between the exercise price and the fair market value of options; and

Vested deferred stock units.

Newly elected officers have five years to meet the applicable ownership requirement. Compliance with the ownership guidelines is reviewed yearly by the Chief Executive Officer.

Benefits and Perquisites

Executives participate in each of the benefit plans or arrangements that are made available to all salaried employees generally, including medical and dental benefits, life, accidental death and disability insurance, and pension and savings plans. With respect to disability benefits, our company pays 100% of the premiums for individual long term disability policies that insure base pay and target bonus in excess of that insured under the group contract up to $500,000 in total. In addition, the named executive officers participate in the Unfunded Supplemental Benefit Plan and have Change of Control Employment Agreements (as described below). The Chief Executive Officer also has a Supplemental Executive Retirement Agreement which is discussed in more detail below.

We provide company-owned cars to the named executives for their use. Additionally, we pay for the insurance, maintenance and fuel for such vehicles. Executives pay a charge for personal use. We also make the company-owned aircraft available to the Chief Executive Officer and senior executives for business travel. Although the aircraft is

available to the Chief Executive Officer and the named executives for personal use at the expense of the executive, there was no personal use of the aircraft in 2006.

We do not provide other perquisites to the named executive officers such as club memberships or financial planning services, except that Mr. McAbee is the designated company representative for a company-paid dining club membership used for business purposes at the Western Division.

Change in Control Protections

Each of our named executive officers has a change-in-control employment agreement that provides for severance payments and accelerated vesting or payment of equity-based incentive awards. We provide such protections upon a change in control in order to minimize disruptions during a pending or anticipated change in

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control. For more detailed information, see the discussion under the heading Payments Upon Termination or Change In Control below.

Retirement and Pension Benefits

Our company provides the following retirement and pension benefits to its named executive officers as follows:

Benefit	Reason for Providing Benefit
Retirement Income Plan	This pension plan is available to all salaried employees of our company.
Unfunded Supplemental Benefit Plan	The Unfunded Supplemental Benefit Plan counts pay ineligible to be counted under the Pension Plan and the 401(k) plan due to Internal Revenue rules. This plan is designed to provide retirement income benefits, as a percentage of pay, which are similar for all employees regardless of compensation levels. The Unfunded Supplemental Plan eliminates the effect of tax limitations on the payment of retirement benefits, except to the extent that it is an unfunded plan and a general obligation of our company.
Supplemental Executive Retirement Agreement	Only Mr. James has a SERA. The effect of the SERA is to give Mr. James 1.2 years of service credit for every year he participates in the Retirement Income Plan. The purpose of the SERA is to provide an incentive and retention device. The Plan will provide Mr. James with a full career pension in the event that he works until age 65.

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A discussion of all retirement benefits provided to the named executive officers is set forth under the heading Retirement and Pension Benefits below.

The following table sets forth the grants of plan-based awards in 2006 to the named executive officers:

GRANTS OF PLAN-BASED AWARDS

		Estimated Future Payouts Under Non-Equity Incentive Plan Awards			Estimated Future Payouts Under Equity Incentive Plan Awards			All Other Stock Awards: Number of Shares of	All Other Option Awards: Number of Securities	Exercise or Base Price of	Closing Market	Grant da fair value
me	Grant Date	Threshold ($)	Target ($)	Maximum ($)	Threshold (#)	Target (#)	Maximum (#)	Stock or Units (#)	Underlying Options (#)	Option Awards ($/Sh) (1)	Price of Underlying Security	stock an option awards ($/Sh) (2
I. James	1/24/06	$ 0	$ 1,125,000	$ 5,770,000					169,800	$ 69.31	$ 69.35	$ 2,843,4
I. Badgett		$ 0	$ 267,005	$ 2,164,000								
. Smack		$ 0	$ 264,002	$ 2,164,000								
. Sansone		$ 0	$ 267,005	$ 2,164,000								
. McAbee		$ 0	$ 226,875	N/A(3)								

(1) Exercise price was determined using the high/low average price of the common stock on the grant date as per the 1996 LTIP.

(2) Reflects nonqualified options granted pursuant to the 1996 LTIP . Grant date present values for these options was calculated using a Black-Scholes pricing model. For the January 24, 2006 grant, the assumptions used to determine the value of the options include: an expected volatility of 26.18% (derived using the daily closing stock prices for the five years preceding the grant date, a dividend yield of 2.16%, and interest rate of 4.34% (the rate of a U.S. Treasury note with a maturity date on five years from the grant date), and an expected time of exercise of five years from grant date.

(3) No individual maximum is applicable since this payment was made under MIP plan, which has no individual cap.

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Summary Compensation Table

The following table sets forth information concerning the compensation of our principal executive officer, principal financial officer, and our three other most highly compensated executive officers employed as of December 31, 2006, determined on the basis of their total compensation for 2006.

In accordance with Securities and Exchange Commission rules, this table reflects compensation of the named executive officers only for the most recently completed fiscal year. Information for years prior to the most recently completed fiscal year presented under previous Securities and Exchange Commission rules is available in our previous filings, which can be obtained from the SEC s website at www.sec.gov.

and pal Position	Year	Salary ($)	Bonus ($)	Stock Awards (1) ($)	Option Awards (1) ($)	Non-Equity Incentive Plan Compensation (2) ($)	Change in Pension Value And Nonqualified Deferred Compensation Earnings ($)(3)	All Other Compensation ($)(4)	Tota ($)
d M. James nan and Executive r	2006	$ 1,114,168	$ 0	$ 3,406,064	$ 4,366,486	$ 3,100,000	$ 3,703,312	$ 332,457	$ 16,022
I. Badgett, III Vice ent, uction als Group	2006	$ 441,674	$ 0	$ 538,936	$ 268,281	$ 725,000	$ 287,749	$ 73,296	$ 2,334
W. Smack Vice ent, uction als Group	2006	$ 437,504	$ 0	$ 354,298	$ 195,823	$ 720,000	$ (85,148)	$ 63,814	$ 1,686
F. Sansone Vice ent and Chief ial Officer	2006	$ 442,508	$ 0	$ 353,528	$ 184,008	$ 690,000	$ 360,514	$ 67,137	$ 2,097
l G. McAbee Vice ent, uction als Group	2006	$ 409,376	$ 0	$ 309,339	$ 140,689	$ 645,000	$ 539,357	$ 57,205	$ 2,100

(1) These columns represent the dollar amount of the 2006 accounting expense recognized for these awards granted in 2006 and prior years. Therefore, the values shown here are not representative of the amounts that may eventually be realized by an executive. The sum of the amounts shown for Mr. James is $7,772,550, of which $4,929,069 is referable to prior year awards.

Pursuant to the rules of the Securities and Exchange Commission, we have provided a grant date fair value for Stock Awards and Option Awards in accordance with the provisions of Statement of Financial Accounting Standards No. 123(R), Share-based Payments. For Option Awards, the fair value is estimated as of the date of grant using the Black-Scholes option pricing model, which requires the use of certain assumptions, including the risk-free interest rate, dividend yield, volatility and expected term. The risk-free interest rate is based on the yield at the date of grant of a U.S. Treasury security with a maturity period equal to or approximating the option s expected term. The dividend yield assumption is based on our historical dividend payouts. The volatility assumption is based on the historical volatility of our common stock over a period equal to the option s expected term and the market-based implied volatility derived from options trading on our common stock. The expected term of options granted is based on historical experience and expectations about future exercises and represents the period of time that options granted are expected to be outstanding. For Performance Share Awards, the fair value is estimated on the date of grant using a Monte Carlo simulation model. For Deferred Stock Units, the fair value is estimated on the date of grant based on the market price of our stock on the grant date.

(2) The Executive Incentive Plan (EIP) and the Management Incentive Plan (MIP) payments were made on March 12, 2007. See discussion of EIP/MIP plans under heading Compensation Discussion and Analysis above. None of the named executive officers elected to defer their 2006 EIP or MIP payment.

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(3) Includes only the amount of change in pension value since our company does not provide any above market earnings on deferred compensation.

(4) Includes personal use of company auto, nonqualified thrift plan contributions, company-paid life insurance premiums, and deferred stock unit dividend equivalents granted in 2006, as set forth in the following table:

Name	Non-Qualified Thrift Plan Contributions	Qualified Thrift Plan Contributions	Company Paid Life Insurance Premiums	DSU Dividend Equivalents	Personal Use of Company Auto	Total
D.M. James	$ 188,567	$ 13,000	$ 1,440	$ 126,888	$ 2,562	$ 332,457
G.M. Badgett	$ 34,704	$ 13,000	$ 1,440	$ 22,285	$ 1,867	$ 73,296
J.W. Smack	$ 33,857	$ 13,000	$ 1,440	$ 13,403	$ 2,114	$ 63,814
D.F. Sansone	$ 39,565	$ 13,000	$ 1,440	$ 13,085	$ 47	$ 67,137
R.G. McAbee	$ 33,608	$ 9,000	$ 1,440	$ 11,896	$ 1,261	$ 57,205

Certain information concerning each exercise of stock option and each vesting of stock during the fiscal year ended December 31, 2006, for each of the named executive officers on an aggregate basis is set forth in the table below.

Option Exercises and Stock Vested

	Option Awards		Stock Awards	
Name	Number of Shares Acquired on Exercise (#)	Value Realized on Exercise ($)(1)	Number of Shares Acquired on Vesting (#)(2)	Value Realized on Vesting ($)(3)
D.M. James	180,000	$ 10,462,787	58,534	$ 4,623,601
G.M. Badgett	22,650	$ 1,278,511	9,667	$ 763,596
J.W. Smack	22,650	$ 1,465,154	5,662	$ 447,241
D.F. Sansone	4,875	$ 343,038	5,112	$ 403,797
R.G. McAbee	0	$ 0	4,281	$ 338,156

(1) Calculated by multiplying the difference between the market price of the common stock at exercise and the option exercise price by the number of options exercised.

(2) Represents the common stock portion of Performance Share Units earned under the 1996 LTIP, which were paid out in 50% cash and in 50% stock.

(3) Calculated by multiplying the number of performance share units vested by the high/low average price of the common stock on the vesting date.

Deferred Compensation Plan

Our Executive Deferred Compensation Plan was established in 1998 to allow executives to defer a portion of their current year s compensation in a tax efficient manner. We believe that providing a tax deferral plan gives our executives flexibility in tax and financial planning and provides an additional benefit at little cost to our shareholders. Vulcan does not make any contributions to the plan on behalf of the participants. Because our company purchases assets that mirror, to the extent possible, participants deemed investment elections under the Plan, the only costs to our company related to the plan are administrative costs and any contributions which may be necessary to true-up account balances with deemed investment results. The plan allows executives with annual compensation (base salary and average annual short-term bonus) of $180,000 or more, to defer receipt of up to 50% of salary, up to 100% of annual cash bonus and beginning in 2007, up to 100% (net of taxes) of long-term incentive awards which are not excluded from deferral eligibility by the Internal Revenue Code (or regulations thereunder), as described below, until a date selected by the participant. The amounts deferred are deemed invested as designated by participants in our company common stock (a phantom stock account) or in dollar-denominated accounts that mirror the gains or losses of the various investment options available under our company s 401(k) plan. The Plan does not offer any guaranteed return to participants.

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The Plan is funded by a rabbi trust arrangement owned by our company which holds assets that correspond to the deemed investments of the Plan participants. Participants have an unsecured contractual commitment from our company to pay when due the amounts to which the participants are entitled. Upon the death or disability of a participant or upon a change in control of our company (as defined on page 37 of this Proxy Statement), all deferred amounts and all earnings related thereto will be paid to the participant in a single lump sum cash payment.

Effective for deferrals made after January 1, 2007, the Plan will permit executives to defer Performance Share Units (PSU) and Deferred Stock Units (DSU) into the Plan which would, absent such deferral, be distributed to the executives. The PSU and DSU deferrals, other than described below, will be credited to the Plan participant accounts in the form of phantom stock and an equal number of shares of Vulcan common stock would be deposited by Vulcan in the rabbi trust. The only exceptions are the PSU distributions scheduled for payment in 2007 which were distributed one-half in cash and one-half in stock, and accordingly, deferrals were proportionately allocated between the cash account and the stock account. Deferrals of long-term incentive compensation payments are invested in phantom stock and may not be reallocated to an alternative investment option.

The following table shows the contributions, earnings, distributions and year-end account values for the named executives under the Plan.

Nonqualified Deferred Compensation Plan

Name	Executive Contributions in Last Fiscal Year ($)	Registrant Contributions in Last Fiscal Year(1) ($)	Aggregate Earnings in Last Fiscal Year(1) ($)	Aggregate Withdrawals/ Distributions ($)	Aggregate Balance at Last Fiscal Year(2) ($)
D.M. James	$ 118,168	$ 0	$ 448,596	$ 0	$ 2,094,331
G.M. Badgett	$ 0	$ 0	$ 5,310	$ 0	$ 34,861
D.F. Sansone	$ 0	$ 0	$ 144,915	$ 0	$ 1,043,172
J.W. Smack	$ 0	$ 0	$ 141,428	$ 0	$ 3,203,503
R.G. McAbee	$ 0	$ 0	$ 0	$ 0	$ 0

(1) These amounts are not reported in the Summary Compensation Table.

(2) Includes both the executive contributions and the earnings on those contributions. The amounts contributed by the executives are included in the amounts reported in the Summary Compensation Table in the year of deferral. The earnings are not reported as our company does not provide for above market earnings on deferred compensation.

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Outstanding Equity Awards at Fiscal Year-End

Certain information concerning unexercised options, stock that has not vested and equity incentive plan awards for each of the named executive officers outstanding as of the end of the fiscal year ended December 31, 2006 is set forth in the table below.

	Option Awards					Stock Awards			
ame	Number of Securities Underlying Unexercised Options # Exercisable	Number of Securities Underlying Unexercised Options # Unexercisable	Equity Incentive Plan Awards: Number of Securities Underlying Unexercised Unearned Options #	Option Exercise Price $	Option Expiration Date	Number of Shares or Units of Stock That Have Not Vested #(11)	Market Value of Shares or Units of Stock That Have Not Vested $ (13)	Equity Incentive Plan Awards: Number of Unearned Shares, Units or Other Rights That Have Not Vested #(12)	Equity Incentive Plan Awards: Market or Payout Value of Unearned Shares, Units or Other Rights That Have Not Vested $ (13)
M. James	135,000	0		$ 32.9467	2/12/2008	33,172(6)	$ 2,981,168	60,000(9)	$ 5,392,20
	195,000	0		$ 45.1667	2/11/2009	32,557(7)	$ 2,925,898	72,000(10)	$ 6,470,64
	220,000	0		$ 42.3438	2/10/2010	45,328(8)	$ 4,073,627		
	200,000	0		$ 44.9000	2/9/2011				
	160,000(1)	40,000		$ 45.9500	2/7/2012				
	87,000(2)	58,000		$ 31.4650	2/13/2013				
	52,000(3)	78,000		$ 46.7600	2/12/2014				
	58,400(4)	87,600		$ 57.0950	2/10/2015				
	118,000(5)	0		$ 68.6300	12/8/2015				
	169,800(5)	0		$ 69.3100	1/24/2016				
M. Badgett	21,225	0		$ 32.9467	2/12/2008	5,528(6)	$ 496,801	9,820(9)	$ 882,52
	30,225	0		$ 45.1667	2/11/2009	5,426(7)	$ 487,635	8,600(10)	$ 772,88
	38,000	0		$ 42.3438	2/10/2010	8,539(8)	$ 767,400		
	31,000	0		$ 44.9000	2/9/2011				
	24,800(1)	6,200		$ 45.9500	2/7/2012				

	16,800(2)	11,200	$ 31.4650	2/13/2013					
	10,000(3)	15,000	$ 46.7600	2/12/2014					
	10,400(4)	15,600	$ 57.0950	2/10/2015					
	51,000(5)	0	$ 68.6300	12/8/2015					
nack, J.W.	19,800	0	$ 32.9467	2/12/2008	3,318(6)	$ 298,189	5,892(9)	$	529,51
	30,225	0	$ 45.1667	2/11/2009	3,256(7)	$ 292,617	8,600(10)	$	772,88
	30,000	0	$ 42.3438	2/10/2010	5,165(8)	$ 464,179			
	20,000	0	$ 44.9000	2/9/2011					
	16,000(1)	4,000	$ 45.9500	2/7/2012					
	9,600(2)	6,400	$ 31.4650	2/13/2013					
	6,000(3)	9,000	$ 46.7600	2/12/2014					
	10,400(4)	15,600	$ 57.0950	2/10/2015					
	51,000(5)	0	$ 68.6300	12/8/2015					
F. Sansone	23,025	0	$ 32.9467	2/12/2008	3,318(6)	$ 298,189	6,000(9)	$	539,22
	17,775	0	$ 45.1667	2/11/2009	3,256(7)	$ 292,617	4,600(10)	$	413,40
	29,000	0	$ 42.3438	2/10/2010	4,850(8)	$ 435,870	4,000(10)	$	359,48
	19,000	0	$ 44.9000	2/9/2011					
	15,200(1)	3,800	$ 45.9500	2/7/2012					
	9,000(2)	6,000	$ 31.4650	2/13/2013					
	4,800(3)	7,200	$ 46.7600	2/12/2014					
	5,600(4)	8,400	$ 57.0950	2/10/2015					
	4,800(4)	7,200	$ 54.8350	5/13/2015					
	51,000(5)	0	$ 68.6300	12/8/2015					

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	Option Awards					Stock Awards			
Name	Number of Securities Underlying Unexercised Options # Exercisable	Number of Securities Underlying Unexercised Options # Unexercisable	Equity Incentive Plan Awards: Number of Securities Underlying Unexercised Unearned Options #	Option Exercise Price $	Option Expiration Date	Number of Shares or Units of Stock That Have Not Vested #(11)	Market Value of Shares or Units of Stock That Have Not Vested $ (13)	Equity Incentive Plan Awards: Number of Unearned Shares, Units or Other Rights That Have Not Vested #(12)	Equity Incentive Plan Awards: Market or Payout Value of Unearned Shares, Units or Other Rights That Have Not Vested $ (13)
R.G. McAbee	5,250	0		$ 32.9467	2/12/2008	3,318(6)	$ 298,189	5,892(9)	$ 529,514
	17,775	0		$ 45.1667	2/11/2009	3,256(7)	$ 292,617	5,000(10)	$ 449,350
	23,000	0		$ 42.3438	2/10/2010	3,795(8)	$ 341,057		
	15,000	0		$ 44.9000	2/9/2011				
	12,000(1)	3,000		$ 45.9500	2/7/2012				
	6,600(2)	4,400		$ 31.4650	2/13/2013				
	6,000(3)	9,000		$ 46.7600	2/12/2014				
	6,000(4)	9,000		$ 57.0950	2/10/2015				
	30,000(5)	0		$ 68.6300	12/8/2015				

Options in footnotes 1 through 4 vest at a rate of 20% per year in years 1-5.

(1) Options with vesting dates of 2/7/03, 2/7/04, 2/7/05, 2/7/06, and 2/7/07.

(2) Options with vesting dates of 1/1/04, 1/1/05, 1/1/06, 1/1/07, and 1/1/08.

(3) Options with vesting dates of 1/1/05, 1/1/06, 1/1/07, 1/1/08, and 1/1/09.

(4) Options with vesting dates of 12/31/05, 12/31/06, 12/31/07, 12/31/08, and 12/31/09.

(5) Options fully vested at grant date, with a three-year resale restriction.

Deferred Stock Units DSUs in footnotes 6 through 8 vest at the rate of 20% per year in years 6-10.

(6) DSUs with vesting dates of 3/1/07, 3/1/08, 31/09, 3/1/10, and 3/1/11.

(7) DSUs with vesting dates of 3/1/08, 3/1/09, 31/10, 3/1/11, and 3/1/12.

(8) DSUs with vesting dates of 3/1/09, 3/1/10, 31/11, 3/1/12, and 3/1/13.

Performance Share Units PSUs in footnotes 9 10 vest 100% after a three-year performance period to the extent pre-established performance criteria are satisfied.

(9) PSUs with vesting date of 1/1/2007.

(10) PSUs with vesting date of 12/31/2007.

(11) DSUs include dividend equivalents through 12/31/2006.

(12) PSUs adjusted for company performance through 12/31/2006.

(13) Calculated by multiplying the number of shares by the closing price of the common stock on the New York Stock Exchange on December 29, 2006, the last trading day of the year.

RETIREMENT AND PENSION BENEFITS

Generally all full-time, salaried employees of our company, including the named executive officers, participate in our company s funded pension plan after completing one year of service. Retirement benefits become payable as early as the date on which participants both attain age 55 and complete one year of service.

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The following table provides for each named executive the number of years of credit service and present value of accumulated benefits as of December 31, 2006, under each plan in which the executive participates. The narrative that follows this table provides a description of the material features of each plan.

		Pension Benefits		
Name	Plan Name	Number of years of credited service (#)	Present value of accumulated benefit ($)	Payments during last fiscal Year ($)
D.M. James	Retirement Income Plan	14	430,545	0
	Supplemental Benefit Plan	14	5,027,773	0
	Supp. Executive Retirement Agreement	14	6,502,488	0
G.M. Badgett	Retirement Income Plan	36 1/12	1,038,634	0
	Supplemental Benefit Plan	36 1/12	2,475,603	0
J.W. Smack	Retirement Income Plan	24 2/12	891,327	0
	Supplemental Benefit Plan	24 2/12	2,137,126	0
D.F. Sansone	Retirement Income Plan	18 10/12	437,721	0
	Supplemental Benefit Plan	18 10/12	1,043,966	0
R.G. McAbee	Retirement Income Plan	33	1,024,627	0
	Supplemental Benefit Plan	33	1,925,757	0

1. The present value of accumulated benefits are based on benefits payable at age 62, the earliest age under the plans at which benefits are not reduced, or current age if the participant is older than age 62.

2. The following FAS 87 assumptions as of 12/31/2006 were used to determine the above present values:

Discount rate of 5.70%

Mortality based on the 2000RP combined healthy table

Lump sum payments after 2007 are based on estimated PPA provisions

SERP and SERA benefits assumed to be paid as a 10 Year Certain Annuity

For the Qualified Plan, 50% of the 12/31/2000 benefit is assumed to be paid as a lump sum, with the remainder of the accrued benefit assumed to be paid as a single life annuity

Retirement Income Plan

The Retirement Income Plan for Salaried Employees (the Retirement Plan) provides benefits under a funded noncontributory defined benefit plan and covers most salaried employees, including all executive officers. In order to attract and retain high quality employees, we believe that it is necessary for our company to provide an attractive

employee benefits package that includes a competitive retirement program.

Salaried employees automatically enter the Plan if they are at least age 21 and have one year of employment service, as defined in the Plan. The normal retirement date is defined in the Plan as the first day of the calendar month immediately following a participant s 65th birthday, however, service continues to accrue under the Plan if the participant works beyond age 65 (subject to a maximum service cap of 40 years). The amount of benefit is based on earnings, service and the age at which a participant commences receiving a benefit. Eligible earnings under the Plan, or Final Average Earnings , is the average of a participant s highest 36 consecutive months of earnings and includes base monthly salary and any awards under the Executive Incentive Plan and Management Incentive Plan, as reflected in the Salary and Non-equity Incentive Plan Compensation columns of the Summary Compensation Table. Under Section 415 of the Internal Revenue Code, the maximum annual benefit allowable under the Plan for an employee retiring at age 65 in 2006 is $175,000, an amount which may change in subsequent years as determined by the Internal Revenue Service. In addition, Section 401 of the Code limits the amount of a participant s compensation which may be taken into account under the Plan to $220,000, an amount which is also subject to change by the Internal Revenue Service.

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The Retirement Plan formula provides a monthly benefit equal to 0.9% of Final Average Earnings per year of service accrued prior to age 45, plus 1.2% of Final Average Earnings per year of service accrued after age 44, plus .5% of Final Average Earnings in excess of 50% of the Social Security Wage Base applied to all years of service. A vested participant may commence receiving early retirement benefits under the Plan as early as age 55. The amount of early retirement reduction depends on the age of a participant when active employment ceases. If active employment ceases after age 55 and retirement income commences at age 62, or later, the monthly benefit is unreduced. However, if the benefit commences prior to age 62 the monthly benefit is reduced at a rate of 7% per year for commencement between ages 55 and 62. If active employment ceases prior to age 55, the monthly benefit is actuarially reduced for commencement between ages 55 and 65.

A participant must have either five years of vesting service, as defined in the Plan, or be at least age 55 with one year of vesting service to be vested and eligible for a benefit. The normal form of retirement benefit under the Plan for an unmarried participant is a Single Life Annuity, which is a monthly payment for life. The normal form of retirement benefit under the Plan for a married participant is a 75% Joint and Survivor Annuity, which is a monthly payment for the life of the participant, and thereafter 75% of that amount to the surviving spouse payable for their lifetime. The 75% Joint and Survivor Annuity is actuarially adjusted to account for two life expectancies. The Plan also provides that the participant may elect to choose among three additional Joint and Survivor options, three Period Certain Options, a Social Security Option and a Lump Sum Option (only for benefits accrued prior to 2001). The optional forms of payment are subject to actuarial adjustment. An election by a married participant of an option other than the normal form requires spousal consent.

Unfunded Supplemental Benefit Plan

The Unfunded Supplemental Benefit Plan for Salaried Employees (the Supplemental Plan) enables our company to pay, to any person whose pension under the Retirement Plan has been reduced as a result of the limitations imposed by Sections 401 and 415 of the Internal Revenue Code, an amount equal to the difference between the amount the person would have received under the Retirement Plan had there been no limitations and the amount the person will receive under the Retirement Plan after giving effect to the limitations.

The Supplemental Plan is unfunded and amounts due the employees covered thereby are considered to be general obligations of our company; however, the Supplemental Plan contains provisions which allow for the funding of a rabbi trust to improve the security of the benefit, to some extent, upon the occurrence of a Change in Control (as defined in the Supplemental Plan). The determination of the benefit amount and the payment options under the Supplemental Plan are the same as the Retirement Plan except as follows. Effective January 1, 2007 the Supplemental Plan was amended to allow existing participants to make an election to receive supplemental pension benefits in the form of installment payments over a period of ten years, thereby accelerating payout somewhat and minimizing to some extent the risk of future non-payment. The installment payments are actuarially equivalent to the various annuity options available under the Plan. New participants in the Supplemental Benefit Plan on or after January 1, 2007 automatically will receive their supplemental pension benefits in the form of installment payments over a period of ten years and have no other payment options.

Supplemental Executive Retirement Agreement

Mr. James is entitled to benefits under a Supplemental Executive Retirement Agreement (SERA) which provides for additional retirement benefit based on the formula in the Retirement Plan using his actual years of service multiplied by 1.2. The maximum benefit service provided by the combination of the SERA and the Retirement Plan is 40 years. Under the SERA, Mr. James was credited as of December 31, 2006, with additional service years. The SERA is an unfunded, noncontributory defined benefit plan.

The SERA was established in 2001 as an additional retention incentive for the Chief Executive Officer. This program enhances the amount of monthly retirement benefit to address the fact that Mr. James was a mid-career hire by Vulcan and is otherwise unable to accrue a full benefit under the current qualified and excess benefit plans.

The following named executives are currently eligible for early retirement under the following plans. Eligible under the Retirement Income Plan and the Unfunded Supplemental Benefit Plan are Donald M. James (age 58), Guy

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M. Badgett III (age 59), James W. Smack (age 64) and Ronald G. McAbee (age 60). Mr. James is also currently eligible for early retirement under the SERA.

DIRECTOR COMPENSATION

We use a combination of cash and stock-based compensation to attract and retain qualified candidates to serve on the Board. In setting director compensation, our company considers the significant amount of time that directors expend on fulfilling their duties to our company, as well as the limited pool of, and competition among public companies for, well-qualified Board members. Additional amounts are paid to committee chairs in recognition of the substantial responsibilities of the chair. Directors are subject to a minimum share ownership requirement. Within five years of becoming a director, each director is required to own at least 5,000 shares of our company s common stock. Shares or units held by a director under a deferred compensation plan are included in calculating the director s ownership.

Cash Compensation Paid to Board Members. Members of the Board who are not employees of our company are paid a retainer of $45,000 per year, plus the following fees:

$5,000 Board meeting fee for in-person attendance;

$3,000 Committee meeting fee for in-person attendance;

$1,500 Board and committee fees for telephonic meetings or actions by written consent;

$10,000 Audit Committee chair retainer fee; and

$5,000 Retainer fee for all other committee chairs.

Deferred Compensation Plan. We maintain a Deferred Compensation Plan for Directors Who Are Not Employees of our company (the Directors Deferred Compensation Plan) under which non-management directors are permitted to defer the cash compensation to which they are entitled for specified periods or until they cease to be directors. The deferred amounts, at the election of the director, either (i) are credited with interest at prescribed rates or (ii) are converted into a number of deferred stock units equivalent to the number of shares of our company s common stock (based on the market price at the time of deferral) that could be purchased with the amount deferred. Whenever a dividend is paid on Vulcan s common stock, the deferred stock unit accounts are credited with an additional number of stock units corresponding to the amount of the dividend. At the end of the deferral period, the deferred stock units are settled in shares of our company s common stock and interest-based deferrals are settled in cash. The Directors Deferred Compensation Plan also provides for a lump-sum settlement of the director s deferred compensation account in stock or cash, as applicable, if following a Change of Control (as defined in the Directors Deferred Compensation Plan) (i) the participating director ceases to be a member of the Board, (ii) the Directors Deferred Compensation Plan is terminated or (iii) our company s capital structure is changed materially. The Directors Deferred Compensation Plan was approved by our company s shareholders in 1993.

Deferred Stock Units. Equity grants are awarded to our non-management directors on an annual basis. These grants represent a significant portion of their compensation package. We believe that equity grants promote a greater alignment of interests between our directors and our shareholders through increasing their ownership of our common stock. Further, we believe that equity grants support our ability to attract and retain qualified individuals to serve as directors of our company by affording them an opportunity to share in our future success.

On June 1, 2006, 1,000 Deferred Stock Units (DSUs) were granted to each non-management director serving on that date pursuant to the 2006 Omnibus Long-Term Incentive Plan (2006 LTIP), which was approved by our shareholders

in 2006. These units vest on the third anniversary of the grant; however, payment may be deferred beyond that date. The DSUs are an unfunded, unsecured obligation of our company and no shares have been set aside for these grants. The non-management directors have no right to receive the DSUs until the restrictions imposed either lapse or are waived. Generally, the restrictions expire at the earliest of vesting or when the non-management director reaches age 72 (or the then current mandatory retirement age for directors), or the non-management director ceases to be a director because of death, disability, or change in control. However, the

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Compensation Committee, subject to Board approval, may waive restrictions in the event the non-management director fails to remain a director for any reason other than retirement at the mandatory age, death or disability. During the period the shares are restricted, the non-management directors have no right to vote the shares. Dividend equivalents are credited as additional DSUs quarterly when dividends are paid on our stock. The deferred stock units are settled in Vulcan shares when the restrictions expire.

In prior years, grants to our directors were made under the Restricted Stock Plan or the Deferred Stock Plan. No further grants will be made under either of these Plans.

Director Summary Compensation Table

The table below summarizes the compensation paid by our company to non-employee directors for the fiscal year ended December 31, 2006.

Name(1)	Fees Earned or Paid in Cash	Stock Awards(2)	Option Awards	Non-Equity Incentive Plan Compensation	Change in Pension Value and Deferred Compensation Earnings	All Other Compensation(3)	Total
Philip J. Carroll	$ 120,500	$ 83,293	$ 0	$ 0	$ 0	$ 0	$ 203,793
Livio D. DeSimone	$ 110,000	$ 106,770	$ 0	$ 0	$ 0	$ 0	$ 216,770
Phillip W. Farmer	$ 108,000	$ 69,780	$ 0	$ 0	$ 0	$ 0	$ 177,780
H. Allen Franklin	$ 115,500	$ 39,124	$ 0	$ 0	$ 0	$ 0	$ 154,624
Douglas J. McGregor	$ 103,500	$ 65,533	$ 0	$ 0	$ 0	$ 0	$ 169,033
James V. Napier	$ 125,500	$ 106,770	$ 0	$ 0	$ 0	$ 0	$ 232,270
Donald B. Rice	$ 117,500	$ 70,728	$ 0	$ 0	$ 0	$ 0	$ 188,228
Orin R. Smith	$ 116,000	$ 87,822	$ 0	$ 0	$ 0	$ 0	$ 203,822
Vincent J. Trosino	$ 91,500	$ 33,459	$ 0	$ 0	$ 0	$ 0	$ 124,959

(1) Donald M. James, Chief Executive Officer and Chairman of the Board, is not included in this table as he is an employee of our company and receives no additional compensation for his service as director. Mr. James compensation is shown in the Summary Compensation Table.

(2) This column represents the dollar amount of the 2006 accounting expense recognized for these awards granted in 2006 and prior years. Therefore, the values shown here are not representative of the amounts that may eventually be realized by a director. Pursuant to the rules of the Securities and Exchange Commission, we have provided a grant date fair value for Stock Awards in accordance with the provisions of Statement of Financial Accounting Standards No. 123(R), Share-based Payments. For Deferred Stock Units and Restricted Stock, the fair value is estimated on the date of grant based on the market price of our stock on the grant date. At December 31, 2006, the aggregate number of restricted stock units and deferred stock units accumulated on their account for all years of service, including dividend equivalent units were:

Name	Units
Philip J. Carroll	6,802
Livio D. DeSimone	34,411
Phillip W. Farmer	7,038
H. Allen Franklin	4,273
Douglas J. McGregor	9,108
James V. Napier	12,658
Donald B. Rice	31,058
Orin R. Smith	12,258
Vincent J. Trosino	7,586

The shares and phantom shares are included in the Stock Ownership table above.

(3) None of the directors received perquisites or other personal benefits in excess of $10,000.

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PAYMENTS UPON TERMINATION OR CHANGE IN CONTROL

This section describes and estimates payments that could be made to the named executive officers under different termination and change in control events. The estimated payments would be made under the terms of our company compensation and benefits programs or the change in control severance agreements with each of the named executive officers. The amount of potential payments is calculated as if the different events occurred as of December 31, 2006 and assumes that the price of our company s common stock is the closing market price as of December 31, 2006.

Description of Termination and Change in Control Events

The following charts list different types of termination and change in control, or CIC , events that can affect the treatment of payments under our company s compensation and benefit programs. These events also affect payments to the named executive officers under their CIC employment agreements. Except for Messrs. James and Sansone, no payments are made under the CIC agreements unless, within two years of the change in control, the named executive officer is involuntarily terminated or he voluntarily terminates for good reason (as described below) (double trigger CIC agreements). The agreements with Messrs. James and Sansone provide for a 30-day window immediately following the first anniversary of the CIC during which they may elect to terminate their employment and receive the benefits provided under the CIC agreement (single trigger CIC agreements).

Termination Events

Retirement or Retirement Eligible Termination of a named executive officer who is at least 55 years old and has at least one year of credited service.

Resignation Voluntary termination of a named executive officer who is not retirement eligible.

Lay Off Termination by Vulcan of a named executive officer who is not retirement eligible.

Involuntary Termination Termination of a named executive officer for cause. Cause includes individual performance below minimum performance standards and misconduct.

Death or Disability Termination of a named executive officer due to death or disability.

CIC-Related Events

Acquisition by another entity of 20% or more of our common stock, or following a merger with another entity our shareholders own 65% or less of the company surviving the merger.

Involuntary CIC Termination or Voluntary CIC Termination for Good Reason Employment is terminated within two years of a CIC, other than for cause, or the employee voluntarily terminates for Good Reason.

Good reason for voluntary termination within two years of a CIC is generally satisfied when there is a reduction in salary, incentive compensation opportunity or benefits, relocation of over 35 miles or a diminution in duties and responsibilities.

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The following chart describes the treatment of different pay and benefit elements in connection with the termination events shown.

Program	Retirement/ Retirement Eligible	Lay Off (Involuntary Termination Not For Cause)	Resignation	Death or Disability	Involuntary Termination (For Cause)
Pension: **- Qualified Plan** **- Non-Qualified Plan** **- SERA**	Participant may commence benefit payment	Participant is considered Terminated Vested	Participant is considered Terminated Vested	Spouse may commence survivor benefit on or after the date that the Participant would have attained age 55	Participant may commence benefit payment or will be Terminated Vested depending on age
Executive Deferred Compensation	Payment commences the year after retirement in the form elected	Payout made the year following the year of termination in a lump sum	Payout made the year following the year of termination in a lump sum	Payment commences the year after death or disability in the form elected	Payout made the year following the year of termination in a lump sum
MIP and EIP	Eligible to receive full payment	Eligible to receive full payment	Eligible to receive full payment	Eligible to receive full payment	No payment
Stock Options	Full term to exercise vested options; non-vested options continue to vest; Noncompetition agreement required for exercising vested options.	Non-vested options forfeited; 30 days to exercise vested options	Non-vested options forfeited; 30 days to exercise vested options	Vesting accelerated. Under death, estate has one year to exercise. Under disability, have full remaining term to exercise.	Forfeit all, vested and non-vested
DSUs	If age 62 or older, deemed fully vested; otherwise forfeit non-vested DSUs	Non-vested are forfeited	Non-vested are forfeited	Vesting is accelerated on a pro-rata basis	Non-vested are forfeited
PSUs					

	Deemed fully vested	Non-vested are forfeited	Non-vested are forfeited	Vesting is accelerated on a pro-rata basis	Forfeit all, vested and non-vested
Thrift Plan	May take payment or defer until age 701/2	May take payment or defer until age 701/2	May take payment or defer until age 701/2	Account distributed by March 1 of the following year	May take payment or defer until age 701/2
Supplemental Thrift Plan	May take payment or defer until age 701/2	May take payment or defer until age 701/2	May take payment or defer until age 701/2	Account distributed by March 1 of the following year	May take payment or defer until age 701/2
Severance Benefits	None	None	None	None	None
Health Benefits	May continue to age 65 if age + service at least 70	Coverage ceases; eligible for coverage extension under COBRA	Coverage ceases; eligible for coverage extension under COBRA	Under age 55, 3 months spousal extension, then COBRA; over age 55, same as retiree	Under age 55, same as resignation; over age 55, same as retiree

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The following table describes treatment of payments under pay and benefit programs upon a change in control, and upon a termination (voluntary or involuntary) upon a CIC.

Plan or Program	CIC	CIC with Termination
Pension: **Qualified Plan** **Non-Qualified** **SERA**	No impact	Service ceases except to the extent that additional service is provided under the terms of the CIC agreements
Executive Deferred Compensation Plan	Accelerate all deferred amounts and pay lump sum within 10 business days	Accelerate all deferred amounts and pay lump sum within 10 business days
EIP	The amount paid will be equal to the greater of (A) the average bonus during the three preceding years, (B) the target bonus, or (C) the bonus determined under the Plan for the year in which the CIC occurs.	The amount paid will be equal to the greater of (A) the average bonus during the three preceding years, (B) the target bonus, or (C) the bonus determined under the Plan for the year in which the CIC occurs.
MIP	The amount paid will be equal to the greater of (A) the target bonus, or (B) the bonus as determined under the Plan based upon our company s actual performance.	The amount paid will be equal to the greater of (A) the target bonus, or (B) the bonus as determined under the Plan based upon our company s actual performance; shall be paid within 90 days of CIC.
Stock Options	Immediately deemed fully vested and exercisable; remaining term to exercise	Immediately deemed fully vested and exercisable; remaining term to exercise
DSUs	All immediately deemed non-forfeitable; pay on 90th day following a Change in Control	All immediately deemed non-forfeitable; pay on 90th day following a Change in Control
PSUs	All immediately deemed non-forfeitable; pay no later that 21/2 months after end of award period	All immediately deemed non-forfeitable; pay no later that 21/2 months after end of award period
Thrift Plan	No impact	Service ceases except to the extent that additional service is provided under the terms of the CIC agreements. Participant entitled to distribution
Supplemental Thrift Plan	No impact	Participant entitled to distribution
Severance Benefits	No Impact	Payment is 3 times the named executive s annual base salary, short-term bonus and LTI amount.
Health Benefits	No impact	3 year coverage extension

Potential Payments

This section describes and estimates payments that would become payable to the named executive officers upon a termination or change in control as of December 31, 2006.

Pension Benefits

The monthly amounts that would have become payable to the named executive officers if the termination events occurred as of December 31, 2006 under the Tax-Qualified Plan and the SERA are itemized in the chart below. The amounts shown in the chart are monthly benefit amounts whereas the pension values shown in the

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Summary Compensation and Pension Benefits Tables are present values of all the monthly values anticipated to be paid over the lifetimes of the named executive officers and their spouses. These plans are described in the notes following the Pension Benefits Table. All the named executive officers, except Mr. Sansone, were retirement eligible on December 31, 2006. The benefits were determined using the same assumptions used to compute benefit values in the Pension Benefit Table with three exceptions. The benefit payments were assumed to commence as soon as possible instead of at normal retirement; approximate early retirement reductions were applied. And, the benefits were not adjusted to reflect optional forms of payment; all benefits are the amounts that would be paid monthly over the named executive officer s life, except for the value of CIC enhanced benefits which would be paid in a lump sum.

Name		Retirement (Monthly Payments) ($)	Resignation or Involuntary Retirement (Monthly Payments) ($)	Death (Monthly Payments to a Spouse) ($)	CIC (Value of Enhanced Benefits)(1) ($)
D.M. James	Tax-Qualified	2,760	Same as Retirement	2,513	0
	Non-Qualified	35,497	Same as Retirement	32,316	0
	SERA	63,945	Same as Retirement	58,213	8,270,886
	Defined Contribution	0	None	0	604,701
G.M. Badgett	Tax-Qualified	6,846	Same as Retirement	5,802	0
	Non-Qualified	18,011	Same as Retirement	15,264	1,634,918
	Defined Contribution	0	None	0	143,111
J.W. Smack	Tax-Qualified	6,486	Same as Retirement	4,216	0
	Non-Qualified	17,242	Same as Retirement	11,208	453,746
	Defined Contribution	0	None	0	140,571
D.F. Sansone	Tax-Qualified	Not Eligible	Not Eligible	Not Eligible	0
	Non-Qualified	Not Eligible	Not Eligible	Not Eligible	1,056,053
	Defined Contribution	0	None	0	157,694
R.G. McAbee	Tax-Qualified	6,966	Same as Retirement	5,371	0
	Non-Qualified	14,502	Same as Retirement	11,182	1,075,122
	Defined Contribution	0	None	0	127,823

(1) Value of retirement and defined contribution enhancements are payable in lump sum in the event of a CIC.

In accordance with CIC Employment Agreements, lump sum values for non-qualified and SERA pension benefits are based upon the granting of three years of service for each named executive, except for Mr. James, who would receive credit for 6.6 years of service. The defined contribution amounts represent three years of company matching contributions for each executive.

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Long-Term Incentives

Deferred Stock Units (DSUs)

The chart below shows the number of DSUs for which vesting would be accelerated under certain events:

	Retirement		CIC (With or Without Termination)	
Name	**Number of Deferred Stock Units with Accelerated Vesting (#)**	**Total Number of Deferred Stock Units following Accelerated Vesting (#)**	**Number of Deferred Stock Units with Accelerated Vesting (#)**	**Total Number of Deferred Stock Units following Accelerated Vesting (#)**
D.M. James	0	0	111,057	111,057
G.M. Badgett	0	0	19,493	19,493
J.W. Smack	11,739	11,739	11,739	11,739
D.F. Sansone	0	0	11,424	11,424
R.G. McAbee	0	0	10,369	10,369

Performance Share Units (PSUs)

The chart below shows the number of PSUs for which vesting would be accelerated under certain events:

	Retirement		CIC (With or Without Termination)	
Name	**Number of Performance Share Units with Accelerated Vesting (#)**	**Total Number of Performance Share Units following Accelerated Vesting (#)**	**Number of Performance Share Units with Accelerated Vesting (#)**	**Total Number of Performance Share Units following Accelerated Vesting (#)**
D.M. James	36,000	66,000	36,000	66,000
G.M. Badgett	4,300	9,300	4,300	9,300
J.W. Smack	4,300	7,300	4,300	7,300
D.F. Sansone	0	3,000	4,300	7,300
R.G. McAbee	2,500	5,500	2,500	5,500

Stock Options

Stock Options would be treated as described in the termination and CIC charts above. The chart below shows the number of stock options for which vesting would be accelerated under certain events:

	Retirement		CIC (With or Without Termination)	
Name	**Number of Options with Accelerated Vesting (#)**	**Total Number of Options following Accelerated Vesting (#)**	**Number of Options with Accelerated Vesting (#)**	**Total Number of Options following Accelerated Vesting (#)**
D.M. James	263,600	1,658,800	263,600	1,658,800
G.M. Badgett	48,000	281,450	48,000	281,450
J.W. Smack	35,000	228,025	35,000	228,025
D.F. Sansone	0	179,200	32,600	211,800
R.G. McAbee	25,400	147,025	25,400	147,025

Executive Deferred Compensation Plan

The aggregate balances reported in the Nonqualified Deferred Compensation Table would be payable to the named executive officers as described in the termination events and CIC-Related Events chart above. There is no enhancement or acceleration of payments under these plans associated with termination of CIC events, other than

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the lump sum payment opportunity described in the above charts. The lump sums that would be payable are those that are reported in the Nonqualified Deferred Compensation Table.

Health Benefits

Because Messrs. James, Badgett, Smack and McAbee are eligible for early retirement and health care benefits are provided to early retirees, there is no incremental payment associated with the termination or CIC events. At the end of 2006, Mr. Sansone was not eligible for early retirement; therefore, health care benefits would not become available until he reached age 55, except in the case of a CIC-Related Termination, as described in the CIC-Related Events chart. The estimated cost of providing three years of group health insurance premiums for Mr. Sansone is $35,064.

Severance Benefits

Our company has entered into individual CIC Employment Agreements with each of the named executive officers. In addition to the treatment of the benefits described above the named executive officers are entitled to a severance benefit, if within two years of a CIC they are involuntarily terminated, not for cause, or they voluntarily terminate for Good Reason. Further, Messrs. James and Sansone may elect to voluntarily terminate their employment during the thirty days following the first anniversary of a CIC, and receive severance benefits. In any case, benefits are not paid unless the named executive officer releases us from any claims he may have against us.

The CIC severance payment is three times the named executive officer s base annual salary, short-term bonus, and LTI amount, as each is defined in the CIC agreements. If any portion of the severance payment is an excess parachute payment , as defined under Internal Revenue Code Section 280G, we will pay on behalf of the named executive officer an additional amount to cover the taxes that would be due on the excess parachute payment a 280G tax gross-up.

The table below reflects an estimate of the severance payments that would be made to the named executive officers if they were terminated as of December 31, 2006 in connection with a CIC.

Name	Severance Amount ($)
D.M. James	$ 23,368,750
G.M. Badgett	$ 5,570,000
J.W. Smack	$ 5,520,000
D.F. Sansone	$ 5,430,000
R.G. McAbee	$ 4,680,000

The table below reflects an estimate of the value of 280G tax gross-up amounts due and payable to the Internal Revenue Service in connection with a CIC that results in several payments.

Name	280G Tax Gross-Up ($)(1)
D.M. James	$ 19,923,501

G.M. Badgett	$ 4,240,761
J.W. Smack	$ 3,303,191
D.F. Sansone	$ 3,810,719
R.G. McAbee	$ 3,622,367

(1) Based on payment of equity components of compensation valued at $89.87, the value of our company s common stock as of December 29, 2006.

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REPORT OF THE AUDIT COMMITTEE

The Audit Committee of the Board is responsible for, among other things, reviewing our company s financial statements with management and our company s independent auditor. The Audit Committee acts under a written charter which is available on our website at *www.vulcanmaterials.com*. Each member of the Audit Committee is an independent director as determined by our Board, based on the requirements of the New York Stock Exchange and the Securities and Exchange Commission.

Our company s management has the primary responsibility for our company s financial statements and financial reporting process, including the system of internal controls. Our independent auditor is responsible for expressing an opinion on the conformity of our company s audited financial statements with generally accepted accounting principles. Our independent auditor also audits, in accordance with the standards of the Public Company Accounting Oversight Board (the PCAOB), the effectiveness of our company s internal control over financial reporting. The Audit Committee is responsible for monitoring and overseeing these processes.

In this context, the Audit Committee has reviewed and discussed our company s audited financial statements with management and the independent auditor. The Audit Committee has discussed with the independent auditor the matters required to be discussed by Statement on Auditing Standards No. 61 (Communication with Audit Committees) as adopted by the PCAOB. In addition, the Committee has received from the independent auditor the written disclosures required by Independence Standards Board Standard No. 1 (Independence Discussions with the Audit Committees as adopted by the PCAOB) and discussed with the independent auditor the auditor s independence and considered whether the auditor s provision of any non-audit services is compatible with the auditor s independence.

Based on the reviews and discussions noted above, the Audit Committee recommended to the Board of Directors that the audited financial statements be included in our company s Annual Report on Form 10-K for the year ended December 31, 2006, for filing with the Securities and Exchange Commission.

Audit Committee

James V. Napier, Chairman
Phillip W. Farmer
H. Allen Franklin
Douglas J. McGregor
Donald B. Rice

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INDEPENDENT AUDITORS

Aggregate fees billed to us for the fiscal years ended December 31, 2006 and 2005, by Deloitte & Touche LLP, the member firms of Deloitte Touche Tohmatsu and their respective affiliates are as follows:

	2006	2005
Audit Fees(1)	$ 2,467,082	$ 2,721,002
Audit Related Fees(2)	732,618	135,000
Tax Fees(3)	423,777	76,738
All Other Fees	0	0
Total	$ 3,623,477	$ 2,932,740

(1) Consists of fees for the audit of our financial statements including the attestation report on management s assessment of our company s internal control over financial reporting, the review of our quarterly financial statements, the issuance of comfort letters and the provision of attestation services in connection with statutory and regulatory filings and engagements.

(2) Consists of fees for the audits of our employee benefit plans ($217,000 in 2006 and $135,000 in 2005). Also includes fees for merger and acquisition due diligence services related to proposed business acquisitions.

(3) Consists of tax fees for services related to proposed business acquisitions, including consultation on tax restructuring with our company s management and outside legal and tax advisors.

The Audit Committee has policies and procedures that require the pre-approval by the Audit Committee of all fees paid to, and all services performed by, our company s independent auditor. At the beginning of each year, the Audit Committee approves the proposed services, including the nature, type and scope of services contemplated and the related fees, to be rendered by the independent auditor during the year.

During the year, circumstances may arise when it may become necessary to engage the independent auditor for additional services not contemplated in the original pre-approval. In those instances, the Audit Committee requires specific pre-approval before engaging the independent auditor. The Audit Committee has delegated pre-approval authority to the Chair of the Audit Committee for those instances when pre-approval is needed prior to a scheduled Audit Committee meeting. The Chair of the Audit Committee must report on such approvals at the next scheduled Audit Committee meeting.

No audit-related, tax or other services were rendered in 2006 pursuant to the de minimus exception to the pre-approval requirement set forth in Exchange Act Rule 2-01(c)(7)(i)(C).

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PROPOSAL 2. RATIFICATION OF APPOINTMENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTANTS

The Audit Committee, which is comprised solely of non-management directors, has appointed Deloitte & Touche LLP, as independent registered public accountants for the year 2007. The function of the independent registered public accountants is to audit our accounts and records; to report on the consolidated balance sheet, the related statements of consolidated earnings, consolidated shareholders equity and consolidated statements of cash flows of our company and its subsidiaries; and to perform such other appropriate accounting services as may be required by the Audit Committee. Although shareholder ratification is not required, the Board has determined that it would be desirable to request an expression from the shareholders as to whether or not they concur in this appointment. If a majority of the votes cast at the meeting fails to ratify the selection of Deloitte & Touche LLP as independent registered public accountants, the Audit Committee will consider the selection of another independent registered public accounting firm.

The firm of Deloitte & Touche LLP, or its predecessors, has audited our financial statements since 1956. A representative of that firm is expected to be present at the meeting, will be given an opportunity to make a statement and will be available to respond to appropriate questions.

The Board of Directors recommends a vote FOR the proposal to ratify Deloitte & Touche LLP as our company s independent registered public accountants.

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GENERAL INFORMATION

Section 16(A) Beneficial Ownership Reporting Compliance

Under Section 16(a) of the Securities Exchange Act of 1934, as amended, each of our directors and executive officers, and any beneficial owner of more than 10% of our common stock, is required to file with the Securities and Exchange Commission initial reports of beneficial ownership of our common stock and reports of changes in beneficial ownership of the common stock. Such persons also are required by Securities and Exchange Commission regulations to furnish us with copies of all such reports. Based solely on our review of the copies of such reports furnished to us for the year ended December 31, 2006, and on the written representations made by our directors and executive officers that no other reports were required, we believe that during the year ended December 31, 2006, Vincent J. Trosino inadvertently filed a Form 4 late due to a delay in notification of a trade.

Shareholder Proposals For 2008

To be eligible for consideration for inclusion in our proxy statement and form of proxy for our 2007 annual meeting, a shareholder s proposal must be received by us at our principal office no later than December 13, 2007. Proposals should be addressed to William F. Denson, III, Secretary, P. O. Box 385014, Birmingham, Alabama 35238-5014. Proposals received after that date will be considered untimely and will not be eligible for inclusion in the 2008 proxy statement. If a shareholder intending to introduce a resolution for a vote at the 2008 Annual Meeting does not provide notice of that intention to the Secretary before February 25, 2008, the persons named in Vulcan s 2008 proxy material will have the discretionary authority to vote on the matter in accordance with their best judgment without disclosure in the proxy statement of such matter or of how the proxy holders intend to exercise their discretionary authority to vote on the matter.

VULCAN MATERIALS COMPANY

WILLIAM F. DENSON, III
Secretary

1200 Urban Center Drive
Birmingham, Alabama 35242
April 11, 2007

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Notice of
Annual Meeting
and
Proxy Statement
Annual Meeting of
Shareholders
May 11, 2007
Vulcan Materials Company

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PART II

INFORMATION NOT REQUIRED IN PROSPECTUS

Item 20. ***Indemnification of Directors and Officers.***

Exculpation and Indemnification. The New Jersey Business Corporation Act (the NJBCA) provides that, subject to certain limitations and with the exception of actions brought by or in the right of a corporation by its shareholders in its name, a corporation may indemnify any person against expenses and liabilities incurred in connection with any action, suit or proceeding involving the person by reason of his being or having been a director, officer, employee or agent of the corporation, or serving in that capacity for another enterprise at the request of the corporation. In each instance, unless ordered by a court, indemnification must be authorized by a majority vote of a quorum consisting of directors who were not parties to or otherwise involved in the proceeding, independent legal counsel or the shareholders. Indemnification is only permitted if the person:

acted in good faith and in a manner he or she reasonably believed to be in or not opposed to the best interests of the corporation; and

in a criminal proceeding, had no reasonable cause to believe his or her conduct was unlawful.

The NJBCA also permits indemnification by a corporation under similar circumstances for expenses paid or incurred by directors, officers, employees or agents incurred in connection with actions brought by or in the right of the corporation by its shareholders in its name, except that no indemnification may be made in respect of any claim, issue or matter as to which the person is adjudged to be liable to the corporation unless the New Jersey Superior Court or the court in which the action was brought determines upon application that the person is fairly and reasonably entitled to indemnity for the expenses which the court deems to be proper.

The NJBCA requires a corporation to indemnify a director, officer, employee or agent against expenses if the director, officer, employee or agent has been successful on the merits or otherwise in any such action, suit or proceeding or in defense of any related claim, issue or matter. Expenses paid or incurred by a director, officer, employee or agent in connection with any action, suit or proceeding may be paid in advance of the final disposition of the action, suit or proceeding upon receipt of an undertaking by or on behalf of that person to repay the amount if it is ultimately determined that that person is not entitled to indemnification.

From and after the closing of the mergers, the Registrant s restated by-laws will require the Registrant to indemnify and hold harmless any director, officer, employee or agent of the Registrant to the full extent permitted under the NJBCA.

Merger Agreement Provisions Relating to Florida Rock Directors and Officers. The merger agreement provides that, upon completion of the mergers, the Registrant will, to the fullest extent permitted by law, indemnify and hold harmless, and provide advancement of expenses to, all past and present officers, directors and employees of Florida Rock and its subsidiaries. Florida Rock has entered into indemnification agreements with each of its directors and officers that require Florida Rock to indemnify and advance expenses to such indemnitees to the fullest extent permitted by Florida law.

In addition, as provided by the merger agreement, Florida Rock has purchased a six year run-off directors and officers liability insurance policy with respect to claims arising from facts or events that occurred on or before the completion of the mergers.

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Item 21. ***Exhibits.***

Exhibit Number	Description
2.1	Agreement and Plan of Merger, dated as of February 19, 2007, as amended on April 9, 2007, by and among Vulcan Materials Company, Florida Rock Industries, Inc., Virginia Holdco, Inc., Virginia Merger Sub, Inc. and Fresno Merger Sub, Inc. (included as Annex A to the Proxy Statement/Prospectus contained in this Registration Statement).
2.2	Support Agreement, dated as of February 19, 2007, by and among Vulcan Materials Company, Baker Holdings, L.P., Edward L. Baker Living Trust, Edward L. Baker, John D. Baker II Living Trust and Anne D. Baker Living Trust (included as Annex B to the Proxy Statement/Prospectus contained in this Registration Statement).
5*	Opinion of William F. Denson III, Esq. regarding the validity of the securities being registered.
8.1*	Opinion of Wachtell, Lipton, Rosen & Katz regarding certain federal income tax consequences relating to the transaction.
8.2*	Opinion of Weil, Gotshal & Manges LLP regarding certain federal income tax consequences relating to the transaction.
10.1	Shareholders Agreement, dated as of February 19, 2007, by and among Vulcan Materials Company, Baker Holdings, L.P., Edward L. Baker Living Trust, Edward L. Baker, John D. Baker II Living Trust and Anne D. Baker Living Trust (included as Annex C to the Proxy Statement/Prospectus contained in this Registration Statement).
23.1	Consent of Deloitte & Touche LLP.
23.2	Consent of Deloitte & Touche LLP.
23.3	Consent of KPMG LLP.
23.4*	Consent of William F. Denson III, Esq. (included in the opinion filed as 5 to this Registration Statement).
23.5*	Consent of Wachtell, Lipton, Rosen & Katz (included in the opinion filed as Exhibit 8.1 to this Registration Statement).
23.6*	Consent of Weil, Gotshal & Manges LLP (included in the opinion filed as Exhibit 8.2 to this Registration Statement).
99.1*	Form of Florida Rock Proxy Card.
99.2*	Form of Election Form.
99.3	Consent of Lazard Frères & Co. LLC.

* To be filed by amendment.

Item 22. ***Undertakings***

(a) The undersigned Registrant hereby undertakes:

(1) That prior to any public reoffering of the securities registered hereunder through use of a prospectus which is a part of this registration statement, by any person or party who is deemed to be an underwriter within the meaning of Rule 145(c), such reoffering prospectus will contain the information called for by the applicable registration form with respect to reofferings by persons who may be deemed underwriters, in addition to the information called for by the other items of the applicable form.

(2) That every prospectus (i) that is filed pursuant to paragraph (1) immediately preceding, or (ii) that purports to meet the requirements of Section 10(a)(3) of the Securities Act of 1933 and is used in connection with an offering of securities subject to Rule 415, will be filed as a part of an amendment to the registration statement and will not be used until such amendment is effective, and that, for purposes of determining any liability under the Securities Act of 1933, each such post-effective amendment shall be deemed to be a new registration statement relating to the securities offered therein, and the offering of such securities at that time shall be deemed to be the initial *bona fide* offering thereof.

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(3) That, for purposes of determining any liability under the Securities Act of 1933, each filing of the Registrant s annual report pursuant to Section 13(a) or 15(d) of the Securities Exchange Act of 1934 (and, where applicable, each filing of an employee benefit plan s annual report pursuant to Section 15(d) of the Securities Exchange Act of 1934) that is incorporated by reference in the registration statement shall be deemed to be a new registration statement relating to the securities offered therein, and the offering of such securities at that time shall be deemed to be the initial *bona fide* offering thereof.

(4) To respond to requests for information that is incorporated by reference into the proxy statement/prospectus pursuant to Item 4, 10(b), 11 or 13 of this form, within one business day of receipt of such request, and to send the incorporated documents by first class mail or other equally prompt means. This includes information contained in documents filed subsequent to the effective date of the registration statement through the date of responding to the request.

(5) To supply by means of a post-effective amendment all information concerning a transaction, and the company being acquired involved therein, that was not the subject of and included in the registration statement when it became effective.

(b) Insofar as indemnification for liabilities arising under the Securities Act of 1933 may be permitted to directors, officers and controlling persons of the Registrant pursuant to the foregoing provisions, or otherwise, the Registrant has been advised that in the opinion of the Securities and Exchange Commission such indemnification is against public policy as expressed in the Act and is, therefore, unenforceable. In the event that a claim for indemnification against such liabilities (other than the payment by the Registrant of expenses incurred or paid by a director, officer or controlling person of the registrant in the successful defense of any action, suit or proceeding) is asserted by such director, officer or controlling person in connection with the securities being registered, the Registrant will, unless in the opinion of its counsel the matter has been settled by controlling precedent, submit to a court of appropriate jurisdiction the question whether such indemnification by it is against public policy as expressed in the Act and will be governed by the final adjudication of such issue.

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SIGNATURES

Pursuant to the requirements of the Securities Act of 1933, the registrant has duly caused this registration statement to be signed on its behalf by the undersigned, thereunto duly authorized in the City of Birmingham, State of Alabama, on the 12th day of April, 2007.

VIRGINIA HOLDCO, INC.

By: /s/ William F. Denson, III

William F. Denson, III
Vice President and Secretary

Pursuant to the requirements of the Securities Act of 1933, this registration statement has been signed below by the following persons in the capacities and on the dates indicated.

Signature	Title	Date
/s/ Ejaz A. Khan	Director and Chairman	April 12, 2007
Ejaz A. Khan		
/s/ Daniel F. Sansone	Director, President and Treasurer	April 12, 2007
Daniel F. Sansone		
/s/ William F. Denson, III	Director, Vice President and Secretary	April 12, 2007
William F. Denson, III		

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