SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 10-Q

(Mark One)

☑ **QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the quarterly period ended June 30, 2006

OR

o **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the transition period from to

Commission File Number 1-12744

MARTIN MARIETTA MATERIALS, INC.

(Exact name of registrant as specified in its charter)

North Carolina	56-1848578
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification Number)
2710 Wycliff Road, Raleigh, NC	27607-3033
(Address of principal executive offices)	(Zip Code)

Registrant’s telephone number, including area code 919-781-4550

Former name: None

Former name, former address and former fiscal year, if changes since last report.

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

Yes ☑ No o

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

Large accelerated filer ☑ 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 Exchange Act).

Yes o No ☑

Indicate the number of shares outstanding of each of the issuer’s classes of Common Stock, as of the latest practicable date.

Class	Outstanding as of July 28, 2006
Common Stock, $0.01 par value	45,333,799

MARTIN MARIETTA MATERIALS, INC. AND CONSOLIDATED SUBSIDIARIES
FORM 10-Q
For the Quarter Ended June 30, 2006

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Item 1. Financial Statements

MARTIN MARIETTA MATERIALS, INC. AND CONSOLIDATED SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS

	June 30, 2006 *(Unaudited)*	December 31, 2005 *(Audited)*	June 30, 2005 *(Unaudited)*
	(Dollars in Thousands, Except Per Share Data)		
ASSETS			
Current Assets:			
Cash and cash equivalents	$ 20,386	$ 76,745	$ 81,410
Investments	—	25,000	10,000
Accounts receivable, net	292,559	225,012	282,844
Inventories, net	243,714	222,728	217,003
Current portion of notes receivable	2,494	5,081	3,844
Current deferred income tax benefits	16,906	14,989	6,112
Other current assets	31,708	32,486	23,052
Total Current Assets	607,767	602,041	624,265
Property, plant and equipment	2,641,697	2,501,774	2,408,816
Allowances for depreciation and depletion	(1,385,697)	(1,335,423)	(1,285,309)
Net property, plant and equipment	1,256,000	1,166,351	1,123,507
Goodwill	570,336	569,263	569,294
Other intangibles, net	16,846	18,744	20,369
Noncurrent notes receivable	10,836	27,883	24,917
Other noncurrent assets	40,231	49,034	43,915
Total Assets	$ 2,502,016	$ 2,433,316	$ 2,406,267
LIABILITIES AND SHAREHOLDERS' EQUITY			
Current Liabilities:			
Bank overdraft	$ 15,324	$ 7,290	$ 5,200
Accounts payable	99,526	93,445	103,566
Accrued salaries, benefits and payroll taxes	20,664	24,199	22,648
Pension and postretirement benefits	6,268	4,200	4,413
Accrued insurance and other taxes	43,442	39,582	43,351
Income taxes	24,088	1,336	23,785
Current maturities of long-term debt and commercial paper	13,989	863	915
Other current liabilities	27,275	29,207	25,578
Total Current Liabilities	250,576	200,122	229,456
Long-term debt and commercial paper	705,359	709,159	711,491
Pension, postretirement and postemployment benefits	97,056	98,714	87,924
Noncurrent deferred income taxes	143,678	149,972	138,469
Other noncurrent liabilities	86,062	101,664	100,447
Total Liabilities	1,282,731	1,259,631	1,267,787
Shareholders' Equity:			
Common stock, par value $0.01 per share	453	457	462
Preferred stock, par value $0.01 per share	—	—	—
Additional paid-in capital	205,529	240,541	301,836
Accumulated other comprehensive loss	(15,325)	(15,325)	(8,970)
Retained earnings	1,028,628	948,012	845,152
Total Shareholders' Equity	1,219,285	1,173,685	1,138,480
Total Liabilities and Shareholders' Equity	$ 2,502,016	$ 2,433,316	$ 2,406,267

See accompanying condensed notes to consolidated financial statements.

MARTIN MARIETTA MATERIALS, INC. AND CONSOLIDATED SUBSIDIARIES
CONSOLIDATED STATEMENTS OF EARNINGS

	Three Months Ended June 30,		Six Months Ended June 30,	
	2006	2005	2006	2005
	(In Thousands, Except Per Share Data) (Unaudited)			
Net Sales	$ 518,271	$ 477,259	$ 942,682	$ 815,476
Freight and delivery revenues	70,370	66,582	129,923	118,093
Total revenues	588,641	543,841	1,072,605	933,569
Cost of sales	365,006	347,634	705,454	636,182
Freight and delivery costs	70,370	66,582	129,923	118,093
Total cost of revenues	435,376	414,216	835,377	754,275
Gross Profit	153,265	129,625	237,228	179,294
Selling, general & administrative expenses	37,148	31,801	73,309	63,629
Research and development	140	193	304	341
Other operating (income) and expenses, net	(3,643)	(2,225)	(7,290)	(3,983)
Earnings from Operations	119,620	99,856	170,905	119,307
Interest expense	9,708	10,662	19,684	21,452
Other nonoperating (income) and expenses, net	(306)	964	(2,400)	(1,271)
Earnings from continuing operations before income tax expense	110,218	88,230	153,621	99,126
Income tax expense	34,234	25,449	47,976	27,735
Earnings from continuing operations	75,984	62,781	105,645	71,391
(Loss) Gain on discontinued operations, net of related tax expense (benefit) of $46, $(597), $670 and $(1,254) respectively	(194)	(1,309)	1,151	(2,842)
Net Earnings	$ 75,790	$ 61,472	$ 106,796	$ 68,549
Net Earnings (Loss) Per Common Share:				
Basic from continuing operations	$ 1.66	$ 1.35	$ 2.31	$ 1.52
Discontinued operations	—	(0.03)	0.03	(0.06)
	$ 1.66	$ 1.32	$ 2.34	$ 1.46
Diluted from continuing operations	$ 1.63	$ 1.33	$ 2.26	$ 1.50
Discontinued operations	—	(0.03)	0.03	(0.06)
	$ 1.63	$ 1.30	$ 2.29	$ 1.44
Cash Dividends Per Common Share	$ 0.23	$ 0.20	$ 0.46	$ 0.40
Weighted Average Common Shares Outstanding:				
Basic	45,663	46,569	45,706	46,814
Diluted	46,623	47,174	46,704	47,454

See accompanying condensed notes to consolidated financial statements.

MARTIN MARIETTA MATERIALS, INC. AND CONSOLIDATED SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS

	Six Months Ended June 30,	
	2006	2005
	(Dollars in Thousands) (Unaudited)	
Net earnings	$ 106,796	$ 68,549
Adjustments to reconcile net earnings to cash provided by operating activities:		
Depreciation, depletion and amortization	66,622	67,730
Stock-based compensation expense	6,065	1,527
Gains on divestitures and sales of assets	(5,142)	(483)
Deferred income taxes	(4,994)	(1,072)
Excess tax benefits from stock-based compensation transactions	(9,375)	2,713
Other items, net	(2,649)	(2,717)
Changes in operating assets and liabilities, net of effects of acquisitions and divestitures:		
Accounts receivable, net	(67,547)	(63,255)
Inventories, net	(21,065)	(5,517)
Accounts payable	6,080	13,741
Other assets and liabilities, net	39,088	27,434
Net cash provided by operating activities	113,879	108,650
Investing activities:		
Additions to property, plant and equipment	(157,699)	(101,284)
Acquisitions, net	(2,939)	(4,138)
Proceeds from divestitures and sales of assets	22,613	20,922
Purchases of investments	—	(10,000)
Proceeds from sale of investments	25,000	—
Railcar construction advances	(32,077)	—
Repayments of railcar construction advances	32,077	—
Net cash used for investing activities	(113,025)	(94,500)
Financing activities:		
Repayments of long-term debt	(415)	(438)
Borrowings on line of credit and commercial paper	13,539	—
Change in bank overdraft	8,034	(4,326)
Payments on capital lease obligations	(69)	—
Dividends paid	(21,251)	(18,697)
Repurchases of common stock	(83,180)	(81,130)
Issuances of common stock	16,754	10,231
Excess tax benefits from stock-based compensation transactions	9,375	—
Net cash used for financing activities	(57,213)	(94,360)
Net decrease in cash and cash equivalents	(56,359)	(80,210)
Cash and cash equivalents, beginning of period	76,745	161,620
Cash and cash equivalents, end of period	$ 20,386	$ 81,410
Supplemental disclosures of cash flow information:		
Cash paid for interest	$ 23,596	$ 23,270
Cash payments for income taxes	$ 12,233	$ 11,093

See accompanying condensed notes to consolidated financial statements.

MARTIN MARIETTA MATERIALS, INC. AND CONSOLIDATED SUBSIDIARIES
CONSOLIDATED STATEMENT OF SHAREHOLDERS' EQUITY
(Unaudited)

(in thousands)	Shares of Common Stock	Common Stock	Additional Paid-in Capital	Accumulated Other Comprehensive Loss	Retained Earnings	Total Shareholders' Equity
Balance at December 31, 2005	45,727	$ 457	$ 240,541	$ (15,325)	$ 948,012	$ 1,173,685
Writeoff of capitalized stripping costs, net	—	—	—	—	(4,929)	(4,929)
Reclassification of stock-based compensation liabilities to shareholders' equity for FAS 123(R) adoption	—	—	12,339	—	—	12,339
Net earnings	—	—	—	—	106,796	106,796
Dividends declared	—	—	—	—	(21,251)	(21,251)
Issuances of common stock for stock award plans	520	5	29,755	—	—	29,760
Repurchases of common stock	(914)	(9)	(83,171)	—		(83,180)
Stock-based compensation expense	—	—	6,065	—	—	6,065
Balance at June 30, 2006	45,333	$ 453	$ 205,529	$ (15,325)	$ 1,028,628	$ 1,219,285

See accompanying condensed notes to consolidated financial statements.

CONDENSED NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

1. Significant Accounting Policies

Basis of Presentation

The accompanying unaudited consolidated financial statements of Martin Marietta Materials, Inc. (the “Corporation”) have been prepared in accordance with generally accepted accounting principles for interim financial information and with the instructions to the Quarterly Report on Form 10-Q and to Article 10 of Regulation S-X. The Corporation has continued to follow the accounting policies set forth in the audited consolidated financial statements and related notes thereto included in the Corporation’s Annual Report on Form 10-K for the year ended December 31, 2005, filed with the Securities and Exchange Commission on February 27, 2006. In the opinion of management, the interim financial information provided herein reflects all adjustments, consisting of normal recurring accruals, necessary for a fair presentation of the results of operations for the interim periods. The results of operations for the six months ended June 30, 2006 are not indicative of the results to be expected for the full year.

Reclassifications

Certain 2005 amounts have been reclassified to conform to the 2006 presentation. The reclassifications had no impact on previously reported net earnings or financial position.

Sales Taxes

Sales taxes collected from customers are recorded as liabilities until remitted to taxing authorities and therefore are not reflected in the consolidated statements of earnings.

Stripping Costs

Effective January 1, 2006, the Corporation adopted Emerging Issues Task Force Issue 04-06, *Accounting for Stripping Costs in the Mining Industry* (“EITF 04-06”). EITF 04-06 clarifies that post-production stripping costs, which represent costs of removing overburden and waste materials to access mineral deposits, should be considered costs of the extracted minerals under a full absorption costing system and recorded as a component of inventory to be recognized in costs of sales in the same period as the revenue from the sale of the inventory. Prior to the adoption of EITF 04-06, the Corporation capitalized certain post-production stripping costs and amortized these costs over the lesser of half of the life of the uncovered reserves or 5 years.

In connection with the adoption of EITF 04-06, the Corporation wrote off $8,148,000 of capitalized post-production stripping costs previously reported as other noncurrent assets and a related deferred tax liability of $3,219,000, thereby reducing retained earnings by $4,929,000 at January 1, 2006.

1. Significant Accounting Policies (continued)

Stock-Based Compensation

The Corporation has stock-based compensation plans for employees and directors as more fully described in Note 9. Effective January 1, 2006, the Corporation adopted Statement of Financial Accounting Standards No. 123 (revised 2004), *Share-Based Payment* (“FAS 123(R)”) to account for these plans. FAS 123(R) requires all forms of share-based payments to employees, including stock options, to be recognized as compensation expense. The compensation expense is the fair value of the awards at the measurement date. Further, FAS 123(R) requires compensation cost to be recognized over the requisite service period for all awards granted subsequent to adoption. As required by FAS 123(R), the Corporation will continue to recognize compensation cost over the explicit vesting period for all unvested awards as of January 1, 2006, with acceleration for any remaining unrecognized compensation cost if an employee retires prior to the end of the vesting period.

The Corporation adopted the provisions of FAS 123(R) using the modified prospective transition method, which recognizes stock option awards as compensation expense for unvested awards as of January 1, 2006 and awards granted or modified subsequent to that date. In accordance with the modified prospective transition method, the Corporation’s consolidated statements of earnings for the three and six months ended June 30, 2005 and its consolidated statement of cash flows for the six months ended June 30, 2005 have not been restated and do not include the impact of FAS 123(R).

Under FAS 123(R), an entity may elect either the accelerated expense recognition method or a straight-line recognition method for awards subject to graded vesting based on a service condition. The Corporation elected to use the accelerated expense recognition method for stock options issued to employees. The accelerated recognition method requires stock options that vest ratably to be divided into tranches. The expense for each tranche is allocated to its particular vesting period.

The adoption of FAS 123(R) did not change the Corporation’s accounting for stock-based compensation related to restricted stock awards, incentive compensation awards and nonemployee directors’ awards. The Corporation continues to expense the fair value of these awards based on the closing price of the Corporation’s common stock on the awards’ respective measurement dates.

CONDENSED NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(Continued)

1. Significant Accounting Policies (continued)

Stock-Based Compensation (continued)

The adoption of FAS 123(R) resulted in the recognition of compensation expense for stock options granted by the Corporation. During the three months ended June 30, 2006, the Corporation recognized $1,302,000 of compensation expense for the May 2006 grant of 168,393 stock options (141,393 to employees and 27,000 to directors). Of this amount, $885,000 relates to directors' options that were expensed at the grant date as the options vested immediately. The remaining options are being expensed over their requisite service periods. With the current forfeiture rate assumptions, total stock-based compensation expense to be recognized for the May 2006 option grant is $5,530,000. No stock options were granted during the quarter ended March 31, 2006.

The impact of expensing stock options granted in 2006 and the unvested portion of outstanding employee stock options at January 1, 2006 affected the Corporation's results of operations as follows:

	Three Months Ended June 30, 2006	Six Months Ended June 30, 2006
Decreased earnings from continuing operations before income tax expense by:	$2,121,000	$3,189,000
Decreased earnings from continuing operations and net earnings by:	$1,282,000	$1,928,000
Decreased basic earnings per share by:	$ 0.03	$ 0.04
Decreased diluted earnings per share by:	$ 0.03	$ 0.04

Furthermore, FAS 123(R) requires tax benefits attributable to stock-based compensation transactions to be classified as financing cash flows. Prior to the adoption of FAS 123(R), the Corporation presented excess tax benefits from stock-based compensation transaction as an operating cash flow on its consolidated statements of cash flows. The $9,375,000 excess tax benefit classified as a financing cash flow for the six months ended June 30, 2006 would have been classified as an operating cash inflow had the Corporation not adopted
FAS 123(R).

In connection with the adoption of FAS 123(R), the Corporation reclassified $12,339,000 of stock-based compensation liabilities to additional paid-in-capital, thereby increasing shareholders' equity at January 1, 2006.

CONDENSED NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(Continued)

1. Significant Accounting Policies (continued)

Stock-Based Compensation (continued)

Prior to January 1, 2006, the Corporation accounted for its stock-based compensation plans under the intrinsic value method prescribed by APB Opinion 25, *Accounting for Stock Issued to Employees*, and related Interpretations. As the Corporation granted stock options with an exercise price equal to the market value of the stock on the date of grant, no stock-based compensation cost for stock options granted was recognized in net earnings as reported in the consolidated statements of earnings prior to adopting FAS 123(R). The following table illustrates the effect on net earnings and earnings per share if the Corporation had applied the fair value recognition provisions of Statement of Financial Accounting Standards No. 123, *Accounting for Stock-Based Compensation* ("FAS 123") (dollars in thousands, except per share amounts):

	Three Months Ended June 30, 2005	Six Months Ended June 30, 2005
Net earnings, as reported	$ 61,472	$ 68,549
Add: Stock-based compensation expense included in reported net earnings, net of related tax effects	428	856
Deduct: Stock-based compensation expense determined under fair value for all awards, net of related tax effects	(1,654)	(2,941)
Pro forma net earnings	$ 60,246	$ 66,464
Earnings per share:		
Basic-as reported	$ 1.32	$ 1.46
Basic-pro forma	$ 1.29	$ 1.42
Diluted-as reported	$ 1.30	$ 1.44
Diluted-pro forma	$ 1.28	$ 1.40

CONDENSED NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(Continued)

1. Significant Accounting Policies (continued)

Stock-Based Compensation (continued)

The Corporation used a lattice valuation model to determine the fair value of stock option awards granted in 2006 and 2005 and the Black-Scholes valuation model for stock options granted prior to 2004. The lattice valuation model takes into account employees' exercise patterns based on changes in the Corporation's stock price and other variables and is considered to result in a more accurate valuation of employee stock options than the Black-Scholes valuation model. The period of time for which options are expected to be outstanding, or expected term of the option, is a derived output of the lattice valuation model. The Corporation considers the following factors when estimating the expected term of options: vesting period of the award, expected volatility of the underlying stock, employees' ages and external data. Other key assumptions used in determining the fair value of the stock options awarded in 2006 and 2005 were:

	2006	2005
Risk-free interest rate	4.90%	3.80%
Dividend yield	1.10%	1.60%
Volatility factor	31.20%	30.80%
Expected term	6.9 years	6.3 years

Based on these assumptions, the weighted-average fair value of each stock option granted was $33.21 for 2006 and $18.72 for 2005.

The risk-free interest rate reflects the interest rate on zero-coupon U.S. government bonds available at the time each option was granted having a remaining life approximately equal to the option's expected life. The dividend yield represents the dividend rate expected to be paid over the option's expected life and is based on the Corporation's history and targeted dividend pattern. The Corporation's volatility factor measures the amount by which its stock price is expected to fluctuate during the expected life of the option and is based on historical stock price changes and other factors. Additionally, FAS 123(R) requires forfeitures to be estimated at the time of grant and revised, if necessary, in subsequent periods if actual forfeitures differ from those estimates. The Corporation estimated forfeitures and will ultimately recognize compensation cost only for those stock-based awards that vest.

CONDENSED NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(Continued)

1. Significant Accounting Policies (continued)

Earnings per Common Share

The following table sets forth the computation of basic and diluted earnings (loss) per share:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2006	2005	2006	2005
Earnings from continuing operations	$ 75,984	$ 62,781	$ 105,645	$ 71,391
(Loss) Gain on discontinued operations	(194)	(1,309)	1,151	(2,842)
Net earnings	$ 75,790	$ 61,472	$ 106,796	$ 68,549
Reconciliation of denominators for basic and diluted earnings per share computations:				
Basic weighted average number of common shares	45,662,541	46,569,420	45,706,196	46,814,271
Effect of dilutive employee and director awards	960,376	604,226	997,361	640,190
Diluted weighted average number of common shares and assumed conversions	46,622,917	47,173,646	46,703,557	47,454,461
Net earnings (loss) per common share:				
Basic from continuing operations	$ 1.66	$ 1.35	$ 2.31	$ 1.52
Discontinued operations	—	(0.03)	0.03	(0.06)
	$ 1.66	$ 1.32	$ 2.34	$ 1.46
Diluted from continuing operations	$ 1.63	$ 1.33	$ 2.26	$ 1.50
Discontinued operations	—	(0.03)	0.03	(0.06)
	$ 1.63	$ 1.30	$ 2.29	$ 1.44

CONDENSED NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(Continued)

2. Business Combinations and Divestitures

In 2006 and 2005, the Corporation disposed of certain underperforming operations in its Aggregates operating segment. These divestitures represent discontinued operations, and, therefore, the results of their operations through the dates of disposal and any gain or loss on disposals are included in discontinued operations on the consolidated statements of earnings.

The discontinued operations included the following net sales, pretax loss on operations, pretax gain or loss on disposals, income tax expense or benefit and overall net earnings or loss (dollars in thousands):

	Three Months Ended June 30,		Six Months Ended June 30,	
	2006	2005	2006	2005
Net sales	$ 142	$ 2,151	$ 237	$ 6,245
Pretax loss on operations	$ (148)	$ (1,906)	$ (402)	$ (3,172)
Pretax gain (loss) on disposals	—	—	2,223	(924)
Pretax (loss) gain	(148)	(1,906)	1,821	(4,096)
Income tax expense (benefit)	46	(597)	670	(1,254)
Net (loss) earnings	$ (194)	$ (1,309)	$ 1,151	$ (2,842)

3. Inventories

	June 30, 2006	December 31, 2005
	(Dollars in Thousands)	
Finished products	$ 199,529	$ 185,681
Products in process and raw materials	18,195	17,990
Supplies and expendable parts	37,845	31,158
	255,569	234,829
Less allowances	(11,855)	(12,101)
Total	$ 243,714	$ 222,728

CONDENSED NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(Continued)

4. Goodwill

The following table shows changes in goodwill, all of which relate to the Aggregates segment (dollars in thousands):

	Three Months Ended June 30, 2006	Six Months Ended June 30, 2006
Balance at beginning of period	$ 570,336	$ 569,263
Adjustments to purchase price allocations	—	1,998
Amounts allocated to divestitures	—	(925)
Balance at end of period	$ 570,336	$ 570,336

5. Long-Term Debt

	June 30, 2006	December 31, 2005
	(Dollars in Thousands)	
6.875% Notes, due 2011	$ 249,814	$ 249,800
5.875% Notes, due 2008	205,265	206,277
6.9% Notes, due 2007	124,992	124,988
7% Debentures, due 2025	124,304	124,295
Commercial paper and line of credit, interest rates ranging from 4.40 % to 5.45%	13,539	—
Acquisition notes, interest rates ranging from 2.11% to 8.00%	769	3,657
Other notes	665	1,005
	719,348	710,022
Less current maturities	(13,989)	(863)
Total	$ 705,359	$ 709,159

The carrying values of the notes due in 2008 included $5,570,000 and $6,640,000 at June 30, 2006 and December 31, 2005, respectively, for the unamortized value of terminated interest rate swaps.

In June 2006, the Corporation extended the expiration date of its $250,000,000 five-year revolving credit agreement (the “Credit Agreement”) by one year to June 30, 2011. No borrowings were outstanding under the Credit Agreement at June 30, 2006 or December 31, 2005. However, the Credit Agreement supports a $250,000,000 commercial paper program, of which borrowings of $10,000,000 were outstanding at June 30, 2006. No borrowings were outstanding under the commercial paper program at December 31, 2005.

The Corporation had $3,539,000 outstanding under a $10,000,000 line of credit.

CONDENSED NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(Continued)

6. Income Taxes

	Six Months Ended June 30, 2006	Six Months Ended June 30, 2005
Estimated effective income tax rate:		
Continuing operations	31.2%	28.0%
Discontinued operations	36.8%	30.6%
Overall	31.3%	27.9%

The Corporation's effective tax rate reflects the effect of state income taxes and the impact of differences in book and tax accounting arising from the net permanent benefits associated with the depletion allowances for mineral reserves, the domestic production deduction, foreign operating earnings and the tax effect of nondeductibility of goodwill related to asset sales. The effective income tax rates for discontinued operations reflect the tax effects of individual operations' transactions and are not indicative of the Corporation's overall effective tax rate.

The overall effective income tax rate for the six months ended June 30, 2005 reflects the benefit of a decrease in tax reserves related to certain international tax issues currently under examination that increased net earnings by $1,000,000, or $0.02 per diluted share. Additionally, the State of Ohio enacted tax reform legislation that reduced income tax expense and increased net earnings by $1,200,000, or $0.02 per diluted share, during the quarter ended June 30, 2005.

7. Pension and Postretirement Benefits

The following presents the estimated components of the recorded net periodic benefit cost for pension and postretirement benefits for the quarter ended June 30 (dollars in thousands):

	Pension		Postretirement Benefits	
	2006	2005	2006	2005
Service cost	$ 3,072	$ 2,637	$ 134	$ 70
Interest cost	4,540	4,022	652	370
Expected return on assets	(4,904)	(4,322)	—	—
Amortization of:				
Prior service cost	219	161	(340)	(161)
Actuarial loss (gain)	650	512	(98)	(18)
Total net periodic benefit cost	$ 3,577	$ 3,010	$ 348	$ 261

CONDENSED NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(Continued)

7. Pension and Postretirement Benefits (continued)

The following presents the estimated components of the recorded net periodic benefit cost for pension and postretirement benefits for the six months ended June 30 (dollars in thousands):

	Pension		Postretirement Benefits	
	2006	2005	2006	2005
Service cost	$ 6,104	$ 5,457	$ 276	$ 284
Interest cost	9,054	8,320	1,339	1,490
Expected return on assets	(9,810)	(8,942)	—	—
Amortization of:				
Prior service cost	371	334	(648)	(647)
Actuarial loss (gain)	1,430	1,059	(119)	(74)
Total net periodic benefit cost	$ 7,149	$ 6,228	$ 848	$ 1,053

The Corporation has no required pension plan contribution for 2006. However, the Corporation is currently considering a contribution of up to $23,000,000 during the third quarter of 2006 depending on its then current cash position and an evaluation of alternative uses of available cash.

8. Contingencies

In the opinion of management and counsel, it is unlikely that the outcome of litigation and other proceedings, including those pertaining to environmental matters, relating to the Corporation and its subsidiaries, will have a material adverse effect on the results of the Corporation’s operations or its financial position.

9. Stock-Based Compensation

The shareholders approved, on May 8, 1998, the Martin Marietta Materials, Inc. Stock-Based Award Plan, as amended from time to time (along with the Amended Omnibus Securities Award Plan, originally approved in 1994, the “Plans”). The Corporation has been authorized by the Board of Directors to repurchase shares of the Corporation’s common stock for issuance under the Plans.

Under the Plans, the Corporation grants options to employees to purchase its common stock at a price equal to the market value at the date of grant. The Corporation granted 141,393 employee stock options during the six months ended June 30, 2006. Options granted in 2006 and 2005 become exercisable in four annual installments beginning one year after date of grant and expire eight years from such date. Options granted in years prior to 2005 become exercisable in three equal annual installments beginning one year after date of grant and expire ten years from such date.

9. Stock-Based Compensation (continued)

Pursuant to the Plans, each nonemployee director currently receives 3,000 non-qualified stock options annually. During the six months ended June 30, 2006, the Corporation granted 27,000 options to nonemployee directors. These options have an exercise price equal to the market value at the date of grant, vest immediately and expire ten years from the grant date.

The following table includes summary information for stock options for employees and nonemployee directors for the six months ended June 30, 2006:

	Number of Options	Weighted-Average Exercise Price	Aggregate Intrinsic Value
Outstanding at December 31, 2005	2,478,220	$43.97	
Granted	168,393	$89.02	
Exercised	(610,491)	$42.87	$32,659,000
Terminated	(3,728)	$42.38	
Outstanding at June 30, 2006	2,032,394	$48.04	$87,611,000
Exercisable at June 30, 2006	1,307,709	$45.28	$59,989,000

For the six months ended June 30, 2005, the intrinsic value of options exercised was $6,860,000. The intrinsic values of options exercised during the six months ended June 30, 2006 and 2005 were based on the closing prices of the Corporation's common stock on the dates of exercise. The aggregate intrinsic value for options outstanding and exercisable at June 30, 2006 was based on the closing price of the Corporation's common stock at June 30, 2006, which was $91.15.

The following tables summarize information for options outstanding and exercisable at June 30, 2006:

Options Outstanding

Range of Exercise Prices	Number of Shares	Weighted-Average Remaining Life (years)	Weighted-Average Exercise Price
$24.25-$35.50	18,084	1.1	$35.50
$36.55-$51.50	1,684,783	5.8	$42.83
$61.05-$89.02	329,527	7.6	$75.39
	2,032,394	6.1	

CONDENSED NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(Continued)

9. Stock-Based Compensation (continued)

Options Exercisable

Range of Exercise Prices	Number of Shares	Weighted-Average Remaining Life (years)	Weighted-Average Exercise Price
$24.25-$35.50	18,084	1.1	$35.50
$36.55-$51.50	1,197,608	5.1	$43.57
$61.05-$89.02	92,017	8.0	$69.44
	1,307,709	5.2	

Additionally, an incentive stock plan has been adopted under the Plans whereby certain participants may elect to use up to 50% of their annual incentive compensation to acquire units representing shares of the Corporation’s common stock at a 20% discount to the market value on the date of the incentive compensation award. Certain executive officers are required to participate in the incentive stock plan at certain minimum levels. Participants earn the right to receive their respective shares at the discounted value generally at the end of a 35-month period of additional employment from the date of award or at retirement beginning at age 62. All rights of ownership of the common stock convey to the participants upon the issuance of their respective shares at the end of the ownership-vesting period, with the exception of dividend equivalents that are paid on the units during the vesting period.

The Corporation grants restricted stock awards under the Plans to a group of executive officers and key personnel. Certain restricted stock awards are based on specific common stock performance criteria over a specified period of time. In addition, certain awards were granted to individuals to encourage retention and motivate key employees. These awards generally vest if the employee is continuously employed over a specified period of time and require no payment from the employee.

The following table summarizes information for incentive compensation awards and restricted stock awards for the six months ended June 30, 2006:

	Incentive Compensation Awards		**Restricted Stock Awards**	
	Number of Awards	Weighted-Average Grant-Date Fair Value	Number of Awards	Weighted-Average Grant-Date Fair Value
Balance at December 31, 2005	69,855		276,712	
Awarded	27,302	$91.05	109,306	$89.49
Distributed	(2,199)		(463)	
Forfeited	(241)		(956)	
Balance at June 30, 2006	94,717		384,599	
Aggregate intrinsic value	$3,899,000		$13,715,000	

CONDENSED NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(Continued)

9. Stock-Based Compensation (continued)

The weighted-average grant-date fair value for incentive compensation awards and restricted awards granted during the six months ended June 30, 2005 was $55.15 and $60.63, respectively.

The aggregate intrinsic values for incentive compensation awards and restricted stock awards at June 30, 2006 were based on the closing price of the Corporation's common stock at June 30, 2006, which was $91.15.

At June 30, 2006, approximately 1,246,000 shares were available for grant under the Plans.

In 1996, the Corporation adopted the Shareholder Value Achievement Plan to award shares of the Corporation's common stock to key senior employees based on certain common stock performance criteria over a long-term period. Under the terms of this plan, 250,000 shares of common stock were reserved for issuance. Through June 30, 2006, 42,025 shares have been issued under this plan. No awards have been granted under this plan after 2000.

Also, the Corporation adopted and the shareholders approved the Common Stock Purchase Plan for Directors in 1996, which provides nonemployee directors the election to receive all or a portion of their total fees in the form of the Corporation's common stock. The Corporation has reserved 300,000 shares of common stock for issuance in connection with this plan. Currently, directors are required to defer at least 50% of their retainer in the form of the Corporation's common stock at a 20% discount to market value. Directors elected to defer portions of their fees representing 5,940 shares of the Corporation's common stock under this plan during the six months ended June 30, 2006.

CONDENSED NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(Continued)

9. Stock-Based Compensation (continued)

The following table summarizes stock-based compensation expense for the three and six months ended June 30, 2006 and 2005, unrecognized compensation cost for nonvested awards not yet recognized at June 30, 2006 and the weighted-average period over which unrecognized compensation cost is expected to be recognized:

	Stock Options	Restricted Stock Awards	Incentive Compensation Awards	Directors' Awards	Total
Stock-based compensation expense recognized for three months ended June 30:					
2006	$2,121,000	$ 1,412,000	$124,000	$188,000	$ 3,845,000
2005	$ —	$ 516,000	$ 76,000	$171,000	$ 763,000
Stock-based compensation expense recognized for six months ended June 30:					
2006	$3,189,000	$ 2,262,000	$255,000	$359,000	$ 6,065,000
2005	$ —	$ 1,040,000	$157,000	$330,000	$ 1,527,000
Unrecognized compensation cost at June 30, 2006:	$6,238,000	$14,587,000	$593,000	$336,000	$21,754,000
Weighted-average period over which unrecognized compensation cost to be recognized:	1.8 years	2.6 years	1.5 years	0.8 years	

For the six months ended June 30, 2006, the Corporation recognized a tax benefit related to stock-based compensation of $2,020,000.

The following presents expected stock-based compensation expense in future periods for outstanding awards as of June 30, 2006:

Remainder of 2006	$ 7,350,000
2007	7,330,000
2008	4,292,000
2009	2,234,000
2010	548,000
Total	$21,754,000

Stock-based compensation expense is included in selling, general and administrative expenses on the Corporation's consolidated statements of earnings.

CONDENSED NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(Continued)

10. Business Segments

The Corporation conducts its operations through two reportable business segments: Aggregates and Specialty Products. The following tables display selected financial data for the Corporation's reportable business segments (dollars in thousands):

	Three Months Ended June 30,		Six Months Ended June 30,	
	2006	2005	2006	2005
Total revenues				
Aggregates	$ 548,068	$ 509,607	$ 986,739	$ 865,289
Specialty Products	40,573	34,234	85,866	68,280
Total	$ 588,641	$ 543,841	$ 1,072,605	$ 933,569
Net sales				
Aggregates	$ 481,843	$ 446,578	$ 864,845	$ 754,261
Specialty Products	36,428	30,681	77,837	61,215
Total	$ 518,271	$ 477,259	$ 942,682	$ 815,476
Earnings from operations				
Aggregates	$ 112,555	$ 98,122	$ 156,916	$ 115,099
Specialty Products	7,065	1,734	13,989	4,208
Total	$ 119,620	$ 99,856	$ 170,905	$ 119,307

11. Accounting Changes

In March 2006, the Financial Accounting Standards Board ("FASB") issued an Exposure Draft, *Employers' Accounting for Defined Benefit Pension and Other Postretirement Benefits, an amendment of FAS 87, 88, 106 and 132(R)*. In its current form, the proposed statement requires an employer that sponsors one or more defined benefit pension or other postretirement plans to recognize an asset or liability for the overfunded or underfunded status of the plan. Additionally, employers would be required to record all unrecognized prior service costs and credits, unrecognized actual gains and losses and any unrecognized transition obligations or assets in accumulated other comprehensive income. Such amounts would be reclassified into earnings as components of net period benefit cost/income pursuant to the current recognition and amortization provisions of Statements of Financial Accounting Standards No. 87, *Employers' Accounting for Pensions* ("FAS 87") and No. 106, *Employers' Accounting for Postretirement Benefits Other than Pensions* ("FAS 106"). Finally, the proposed statement requires an employer to measure plan assets and benefit obligations as of the date of the employer's statement of financial position. The FASB has indicated that it expects to issue a final standard later this year. Except for the measurement date requirement, the proposed statement would be effective for fiscal years ending after December 15, 2006 and should be applied prospectively. The measurement date requirement would be effective for fiscal years beginning after December 31, 2006. At December 31, 2005, the Corporation's pension plans were underfunded by $59.7 million and its postretirement plans, which provide medical benefits for retirees, were underfunded by $51.6 million. Further, the Corporation currently uses an annual measurement date of November 30.

In July 2006, the FASB issued Interpretation No. 48, *Accounting for Uncertain Tax Positions, an Interpretation of FAS 109* ("FIN 48"), which clarifies the criteria for recognition and measurement of benefits from uncertain tax positions. Under FIN 48, an entity should recognize a tax benefit when it is "more-likely-than-not", based on the technical merits, that the position would be sustained upon examination by a taxing authority. The amount to be recognized should be measured as the largest amount of tax benefit that is greater than 50 percent likely of being realized upon ultimate settlement with a taxing authority that has full knowledge of all relevant information. Furthermore, any change in the recognition, derecognition or measurement of a tax position should be recognized in the interim period in which the change occurs. FIN 48 is effective January 1, 2007 for the Corporation, and any change in net assets as a result of applying the Interpretation will be recognized as an adjustment to retained earnings at that date. Management is in the process of evaluating its uncertain tax positions in accordance with FIN 48.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS
Second Quarter and Six Months Ended June 30, 2006

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations

OVERVIEW Martin Marietta Materials, Inc. (the "Corporation"), conducts its operations through two reportable business segments: Aggregates and Specialty Products. The Corporation's net sales and earnings are predominately derived from its Aggregates segment, which processes and sells granite, limestone, and other aggregates products from a network of 322 quarries, distribution facilities and plants in 28 states in the southeastern, southwestern, midwestern and central regions of the United States and in the Bahamas and Canada. The Aggregates segment's products are used primarily by commercial customers principally in domestic construction of highways and other infrastructure projects and for commercial and residential buildings. The Specialty Products segment produces magnesia-based chemicals products used in industrial, agricultural and environmental applications; dolomitic lime sold primarily to customers in the steel industry; and structural composite products used in a wide variety of applications, both military and commercial.

CRITICAL ACCOUNTING POLICIES The Corporation outlined its critical accounting policies in its Annual Report on Form 10-K for the year ended December 31, 2005, filed with the Securities and Exchange Commission on February 27, 2006. As discussed in Note 9 to the Consolidated Financial Statements, the Corporation adopted Statement of Financial Accounting Standards No. 123 (revised 2004), *Share-Based Payment* ("FAS 123(R)") on January 1, 2006. FAS 123(R) requires all forms of share-based payments to employees, including employee stock options, to be recognized as compensation expense. The compensation expense is the fair value of the awards at the measurement date. The Corporation adopted the provisions of FAS 123(R) using the modified prospective transition method, which recognizes stock option awards as compensation expense for unvested awards as of January 1, 2006 and awards granted or modified subsequent to that date. In accordance with the modified prospective transition method, the Corporation's consolidated statements of earnings and cash flows for the prior-year periods have not been restated. The impact to the Corporation of adopting FAS 123(R) and expensing stock options granted in 2006 and the unvested portion of outstanding employee stock options was as follows:

	Three Months Ended June 30, 2006	Six Months Ended June 30, 2006
Decreased earnings from continuing operations before income tax expense by:	$2,121,000	$3,189,000
Decreased earnings from continuing operations and net earnings by:	$1,282,000	$1,928,000
Decreased basic earnings per share by:	$ 0.03	$ 0.04
Decreased diluted earnings per share by:	$ 0.03	$ 0.04

In addition, the Corporation reclassified $12,339,000 of stock-based compensation liabilities to additional paid-in-capital, thereby increasing shareholders' equity at January 1, 2006.

Prior to January 1, 2006, the Corporation accounted for its stock-based compensation plans under the intrinsic value method prescribed by APB Opinion 25, *Accounting for Stock Issued to Employees*, and related Interpretations. Compensation cost was recognized in net earnings for awards granted under those plans with an exercise price less than the market value of the underlying common stock on the date of grant. For nonqualified stock options granted under those plans with an exercise price equal to the market value of the stock on the date of grant, no compensation cost was recognized in net earnings as reported in the consolidated statement of earnings. Rather, stock-based compensation expense was included as a pro forma disclosure in the notes to the financial statements. Pro forma disclosures of net earnings and earnings per share continue to be provided for periods prior to January 1, 2006.

The Corporation has stock-based compensation plans for certain of its employees and its nonemployee directors. All stock-based compensation equity awards are units until distributed as shares of common stock upon vesting. The plans provide for the following types of equity awards:

- Nonqualified stock options to certain employees and nonemployee directors
- Restricted stock awards to certain employees ("restricted stock awards")
- Stock awards to certain employees related to incentive compensation ("incentive compensation awards")
- Common stock purchase plan for nonemployee directors related to their annual retainer and meeting fees ("directors' awards")

In 2005, the Corporation's Management Development and Compensation Committee redesigned the Corporation's long-term compensation program to more directly tie pay with performance. Prior to redesign, the long-term compensation program consisted primarily of stock options, which were awarded based on a multiple of base compensation and targeted to be competitive with equity awards granted for comparable positions in other corporations similar to the Corporation. The revised program consists of a mix of stock options and restricted stock awards for senior level employees and restricted stock awards for other participants. Awards granted under the revised program are based on the Corporation's achievement of specific goals related to the return on invested capital as compared to its weighted average cost of capital. Additionally, the Corporation may grant restricted stock awards based on its performance relative to peer groups to certain employees.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS
Second Quarter and Six Months Ended June 30, 2006
(Continued)

The following table summarizes stock-based compensation expense for the three and six months ended June 30, 2006 and 2005, unrecognized compensation cost for nonvested awards not yet recognized at June 30, 2006 and the weighted-average period over which unrecognized compensation cost is expected to be recognized:

	Stock Options	Restricted Stock Awards	Incentive Compensation Awards	Directors' Awards	Total
Stock-based compensation expense recognized for three months ended June 30:					
2006	$2,121,000	$ 1,412,000	$124,000	$188,000	$ 3,845,000
2005	$ —	$ 516,000	$ 76,000	$171,000	$ 763,000
Stock-based compensation expense recognized for six months ended June 30:					
2006	$3,189,000	$ 2,262,000	$255,000	$359,000	$ 6,065,000
2005	$ —	$ 1,040,000	$157,000	$330,000	$ 1,527,000
Unrecognized compensation cost at June 30, 2006:	$6,238,000	$14,587,000	$593,000	$336,000	$21,754,000
Weighted-average period over which unrecognized compensation cost to be recognized:	1.8 years	2.6 years	1.5 years	0.8 years	

The following presents a horizon for stock-based compensation expense for outstanding awards as of June 30, 2006:

Remainder of 2006	$ 7,350,000
2007	7,330,000
2008	4,292,000
2009	2,234,000
2010	548,000
Total	$21,754,000

Valuation of Stock-Based Compensation Awards

The Corporation used a lattice valuation model to determine the fair value of stock option awards granted in 2006, 2005 and 2004. The Black-Scholes valuation model was used for stock options granted prior to 2004. The lattice valuation model takes into account exercise patterns based on changes in the Corporation's stock price, the lack of transferability of the awards and other complex and subjective variables and is considered to result in a more accurate valuation of stock options than the Black-Scholes valuation model. The period of time for which options are expected to be outstanding, or expected term of the option, is a derived output of the lattice valuation model. The Corporation considers the following factors when estimating the expected term of options: vesting period of the award, expected volatility of the underlying stock, employees' ages and external data.

Other key assumptions used in determining the fair value of the stock options awarded in 2006 and 2005 were:

	2006	2005
Risk-free interest rate	4.90%	3.80%
Dividend yield	1.10%	1.60%
Volatility factor	31.20%	30.80%
Expected term	6.9 years	6.3 years

Based on these assumptions, the weighted-average fair value of each stock option granted was $33.21 for 2006 and $18.72 for 2005.

The risk-free interest rate reflects the interest rate on zero-coupon U.S. government bonds available at the time each option was granted having a remaining life approximately equal to the option's expected life. The dividend yield represents the dividend rate expected to be paid over the option's expected life and is based on the Corporation's historical dividend payments and targeted dividend pattern. The Corporation's dividend pattern is outlined in its Annual Report on Form 10-K for the year ended December 31, 2005, filed with the Securities and Exchange Commission on February 27, 2006. The Corporation's volatility factor measures the amount by which its stock price is expected to fluctuate during the expected life of the option and is based on historical stock price changes.

Any change in the aforementioned assumptions could affect the estimated fair value of future stock options. The following table shows the impact on the fair value estimate if there were a change in any of the key assumptions:

An increase to the:	Results in a fair value that is:
Price of the underlying common stock	Higher
Exercise price of option	Lower
Expected term of option	Higher
Risk-free interest rate	Higher
Expected dividends on stock	Lower
Expected volatility of stock	Higher

Restricted stock awards require no payment from the employee upon distribution. Therefore, the closing price of the Corporation's common stock on the measurement date represents the fair value of these awards.

Incentive compensation awards allow participants to use up to 50% of their annual incentive compensation to acquire units representing shares of the Corporation's common stock at a 20% discount to the market value on the date of the incentive compensation award. Certain executive officers are required to participate in the incentive compensation plan at certain minimum levels. The Corporation expenses the 80% purchase price to the employees in the year the employees earn the incentive compensation. Additionally, the Corporation amortizes the 20% discount over 35 months for unvested awards as of January 1, 2006 and/or over the requisite service period for awards granted subsequent to the adoption of FAS 123(R). The expense related to the 20% discount is based on the closing price of the Corporation's common stock on the measurement date of the award.

Common stock awards provide nonemployee directors the election to receive all or a portion of their total fees in the form of the Corporation's common stock. Currently, directors are required to defer at least 50% of their annual retainer in the form of the Corporation's common stock at a 20% discount to market value. The Corporation expenses directors' fees in the period in which they are earned, with the exception of the annual retainer, which is expensed over a 12 month period from the award date. Additionally, the Corporation amortizes the 20% discount over 12 months. The expense related to the 20% discount is based on the closing price of the Corporation's common stock on the measurement date of the award.

Expense Allocation

FAS 123(R) requires stock-based compensation cost to be recognized over the requisite service period for all awards granted subsequent to adoption. The requisite service period is defined as the period of time over which an employee must provide service in exchange for an award under a share-based payment arrangement. Certain of the Corporation's stock-based compensation plans provide for accelerated vesting of awards when an employee retires from active service and is eligible to receive unreduced retirement benefits under the Corporation's pension plans (defined as "age 62" or "normal retirement age"). The requisite service period for employees of the Corporation who reach normal retirement age of 62 prior to the end of the stated vesting period of the award is the period from the measurement date of the award until the date the employee reaches retirement age. For stock-based payment awards granted to employees that are close to age 62 or have already reached the age of 62, the expense will be front-loaded as compared with the vesting period. Stock options granted to nonemployee directors vest immediately. Therefore, these awards have no requisite service period and are expensed on the measurement date.

Prior to the adoption of FAS 123(R), the Corporation expensed stock-based payment awards for recognition or pro forma purposes, as required, over their stated vesting periods. The Corporation will recognize compensation cost over the stated vesting period for the unvested portion of existing awards as of January 1, 2006, with acceleration for any remaining unrecognized compensation cost if an employee actually retires prior to the vesting date. The stated vesting periods for existing awards as of January 1, 2006 are as follow:

Options granted in 2006 and 2005	4-year graded vesting
Options granted prior to 2005	3-year graded vesting
Restricted stock awards	35 to 93 months (award specific)
Incentive compensation awards	35 months

Under FAS 123(R), an entity may elect either the accelerated expense recognition method or a straight-line recognition method for awards subject to graded vesting based on a service condition. The Corporation elected to use the accelerated expense recognition method for stock options issued to employees. The accelerated recognition method requires stock options that vest ratably to be divided into tranches. The expense for each tranche is allocated to its particular vesting period.

FAS 123(R) requires forfeitures to be estimated at the time of grant and revised, if necessary, in subsequent periods if actual forfeitures differ from those estimates. The Corporation estimated forfeitures for each homogenous group of employees granted awards. Employee groups consist of Directors; Section 16 Officers and Division Presidents; Vice Presidents/General Managers; and Others. The Corporation will ultimately recognize compensation cost only for those stock-based awards that vest.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS
Second Quarter and Six Months Ended June 30, 2006
(Continued)

Other Factors

FAS 123(R), similar to other accounting rulemaking, is complex and requires significant estimates and assumptions. In response to certain implementation issues, the Financial Accounting Standards Board has created the FAS 123(R) Resource Group (the "Resource Group") to deliberate certain issues. The Corporation's accounting and reporting treatment of certain issues may change as a result of the issuance of any future guidance by the Resource Group.

RESULTS OF OPERATIONS

Except as indicated, the following comparative analysis in the Results of Operations section of this Management's Discussion and Analysis of Financial Condition and Results of Operations reflects results from continuing operations and is based on net sales and cost of sales.

Gross margin as a percentage of net sales and operating margin as a percentage of net sales represent non-GAAP measures. The Corporation presents these ratios calculated based on net sales, as it is consistent with the basis by which management reviews the Corporation's operating results. Further, management believes it is consistent with the basis by which investors analyze the Corporation's operating results given that freight and delivery revenues and costs represent pass-throughs and have no mark-up. Gross margin and operating margin calculated as percentages of total revenues represent the most directly comparable financial measures calculated in accordance with generally accepted accounting principles ("GAAP"). The following tables present the calculations of gross margin and operating margin for the three and six months ended June 30 in accordance with GAAP and reconciliations of the ratios as percentages of total revenues to percentages of net sales (dollars in thousands).

Gross Margin in Accordance with GAAP

	Three Months Ended June 30,		Six Months Ended June 30,	
	2006	2005	2006	2005
Gross profit	$ 153,265	$ 129,625	$ 237,228	$ 179,294
Total revenues	$ 588,641	$ 543,841	$ 1,072,605	$ 933,569
Gross margin	26.0%	23.8%	22.1%	19.2%

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS
Second Quarter and Six Months Ended June 30, 2006
(Continued)

Gross Margin Excluding Freight and Delivery Revenues

	Three Months Ended June 30,		Six Months Ended June 30,	
	2006	2005	2006	2005
Gross profit	$ 153,265	$ 129,625	$ 237,228	$ 179,294
Total revenues	$ 588,641	$ 543,841	$ 1,072,605	$ 933,569
Less: Freight and delivery revenues	(70,370)	(66,582)	(129,923)	(118,093)
Net sales	$ 518,271	$ 477,259	$ 942,682	$ 815,476
Gross margin excluding freight and delivery revenues	29.6%	27.2%	25.2%	22.0%

Operating Margin in Accordance with GAAP

	Three Months Ended June 30,		Six Months Ended June 30,	
	2006	2005	2006	2005
Earnings from operations	$ 119,620	$ 99,856	$ 170,905	$ 119,307
Total revenues	$ 588,641	$ 543,841	$ 1,072,605	$ 933,569
Operating margin	20.3%	18.4%	15.9%	12.8%

Operating Margin Excluding Freight and Delivery Revenues

	Three Months Ended June 30,		Six Months Ended June 30,	
	2006	2005	2006	2005
Earnings from operations	$ 119,620	$ 99,856	$ 170,905	$ 119,307
Total revenues	$ 588,641	$ 543,841	$ 1,072,605	$ 933,569
Less: Freight and delivery revenues	(70,370)	(66,582)	(129,923)	(118,093)
Net sales	$ 518,271	$ 477,259	$ 942,682	$ 815,476
Operating margin excluding freight and delivery revenues	23.1%	20.9%	18.1%	14.6%

<u>Quarter Ended June 30</u>

Notable items for the quarter ended June 30, 2006 included:

- Earnings per diluted share of $1.63, up 25.4% from the prior-year quarter
- Net sales of $518.3 million, up 8.6% from the prior-year quarter
- Heritage aggregates pricing up 11.8%; heritage volume decreased 2.4% (primarily weather-related)
- Heritage aggregates product line gross margin excluding freight and delivery revenues up 220 basis points over prior-year quarter
- Magnesia Specialties earnings from operations up 56.1% over prior-year quarter
- Consolidated operating margin excluding freight and delivery revenues of 23.1%, up 220 basis points over prior-year quarter
- Repurchased 500,000 shares of common stock

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS
Second Quarter and Six Months Ended June 30, 2006
(Continued)

The following table present net sales, gross profit, selling, general and administrative expenses, other operating (income) and expenses, net, and earnings from operations data for the Corporation and each of its segments for the three months ended June 30, 2006 and 2005. In each case, the data is stated as a percentage of net sales, of the Corporation or the relevant segment, as the case may be.

Earnings from operations include research and development expense. This expense for the Corporation was $0.1 million and $0.2 million for the quarters ended June 30, 2006 and 2005, respectively.

	Three Months Ended June 30,			
	2006		2005	
	Amount	% of Net Sales	Amount	% of Net Sales
	(Dollars in Thousands)			
Net sales:				
Aggregates	$ 481,843	100.0	$ 446,578	100.0
Specialty Products	36,428	100.0	30,681	100.0
Total	$ 518,271	100.0	$ 477,259	100.0
Gross profit:				
Aggregates	$ 143,422	29.8	$ 124,884	28.0
Specialty Products	9,843	27.0	4,741	15.5
Total	$ 153,265	29.6	$ 129,625	27.2
Selling, general & administrative expenses:				
Aggregates	$ 34,451	7.1	$ 29,056	6.5
Specialty Products	2,697	7.4	2,745	8.9
Total	$ 37,148	7.2	$ 31,801	6.7
Other operating (income) and expenses, net:				
Aggregates	$ (3,584)	(0.7)	$ (2,295)	(0.5)
Specialty Products	(59)	(0.2)	70	0.2
Total	$ (3,643)	(0.7)	$ (2,225)	(0.5)
Earnings from operations:				
Aggregates	$ 112,555	23.4	$ 98,122	22.0
Specialty Products	7,065	19.4	1,734	5.7
Total	$ 119,620	23.1	$ 99,856	20.9

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS
Second Quarter and Six Months Ended June 30, 2006
(Continued)

Net sales for the Aggregates segment for the 2006 second quarter were $481.8 million, a 7.9 percent increase over 2005 second-quarter sales of $446.6 million. The heritage aggregates average selling price increased 11.8 percent with price increases being strongest in the high growth southern markets. A decline of 2.4 percent in heritage aggregates shipments partially offset pricing gains. The decline in shipments for the quarter was primarily weather driven, with North Carolina experiencing one of the wettest Junes in recorded history. Rail and barge transportation issues also played a role in keeping shipments below expectations.

The following tables present volume and pricing data and shipments data for heritage operations, acquisitions and discontinued operations. Heritage aggregates operations exclude acquisitions that were not included in prior-year operations for the comparable period and divestitures.

	Three Months Ended June 30, 2006	
	Volume	Pricing
Volume/Pricing Variance (1)		
Heritage Aggregates Operations (2)	(2.4%)	11.8%
Aggregates Segment (3)	(2.9%)	11.9%

	Three Months Ended June 30,	
	2006	2005
Shipments (tons in thousands)		
Heritage Aggregates Operations (2)	54,989	56,364
Acquisitions	—	—
Divestitures(4)	13	290
Aggregates Segment (3)	55,002	56,654

(1) *Volume/pricing variances reflect the percentage increase from the comparable period in the prior year.*

(2) *Heritage aggregates operations exclude acquisitions that have not been included in prior-year operations for a full year and divestitures.*

(3) *Aggregates segment includes all acquisitions from the date of acquisition and divested operations through the dates of divestiture.*

(4) *Divestitures represent tons related to divested operations up to the dates of divestiture.*

Heritage aggregates product line gross margin as a percentage of net sales increased 220 basis points during the quarter. Pricing gains, coupled with continued focus on cost management, more than offset aggregates shipment declines, significantly higher costs related to energy, supplies and freight embedded in the Corporation's long-haul transportation network, and higher than expected start-up costs for major capacity expansion projects. Diesel fuel, natural gas and liquid asphalt costs used in aggregates and asphalt production increased approximately $9 million when compared with the prior-year's quarter. During the quarter ended June 30, 2006, the Corporation reduced an accrual for purchases against cost of sales, thereby increasing net earnings by $1.5 million, or $0.03 per diluted share.

Selling, general and administrative expenses as a percentage of net sales for the Aggregates segment were 7.1 percent for the second quarter 2006 as compared with 6.5 percent in the prior-year quarter. The increase in the expense ratio reflects the impact of expensing stock options. Total stock-based compensation expense for the quarter was $3.8 million in 2006 compared with $0.8 million in 2005. The initial expensing of stock options increased selling, general and administrative expenses by $2.1 million during the quarter. After consideration of the impact of increased stock-based compensation expense, selling, general and administrative expenses as a percentage of net sales is flat with the prior quarter.

Among other items, other operating income and expenses, net, includes gains and losses on the sale of assets; gains and losses related to certain accounts receivable; rental, royalty and services income; and expenses related to Statement of Financial Accounting Standards No. 143, *Accounting for Asset Retirement Obligations*. For the second quarter, other operating income and expenses, net, for the Aggregates segment was income of $3.6 million in 2006 compared with $2.3 million in 2005, primarily as a result of higher gains on the sales of assets.

The Aggregates segment's business is significantly affected by seasonal changes and other weather-related conditions. Consequently, the Aggregates segment's production and shipment levels coincide with general construction activity levels, most of which typically occur in the spring, summer and fall for the segment's markets, and production and shipment levels vary by quarter. Further because of the potentially significant impact of weather on the Corporation's operations, second quarter results are not indicative of expected performance for the year.

Second-quarter results for the Specialty Products segment, which includes the Magnesia Specialties and Structural Composite Products businesses, were positive. Magnesia Specialties' net sales grew 21.3 percent as a result of improved pricing and volume of dolomitic lime to the steel industry and chemicals products to a variety of end users. Earnings from operations at Magnesia Specialties were $10.0 million compared with $6.4 million in the prior-year period. Specialty Products results for the second quarter included a pretax loss from operations in the Structural Composite Products business of $3.0 million in 2006 compared with $4.7 million in 2005. The 2005 pretax loss reduction in the Structural Composite Products business results from the difference in second quarter inventory write-offs of $0.4 million in 2006 and $2.0 million in 2005. If the Structural Composite Products business does not meet certain performance objectives during the remainder of 2006, management will evaluate alternative approaches.

In addition to other offsetting amounts, other nonoperating income and expenses, net, are comprised generally of interest income, net equity earnings from nonconsolidated investments and eliminations of minority interests for consolidated non-wholly owned subsidiaries. Consolidated other nonoperating income and expenses, net, for the quarter ended June 30, were $0.3 million in income in 2006 compared with an expense of $1.0 million in 2005.

Six Months Ended June 30

Notable items for the six months ended June 30, 2006 included:

- Earnings per diluted share of $2.29, up 59.0% as compared with $1.44 in the prior year
- Net sales of $942.7 million, up 15.6% as compared with the prior year
- Heritage aggregates pricing up 13.2% and volume up 2.1%
- Specialties Products segment earnings from operations increased $9.8 million over prior year on continued improvement in the Magnesia Specialties business
- Selling, general and administrative expenses as a percentage of net sales remained flat at 7.8%, despite increased stock-based compensation expense in 2006
- Consolidated operating margin excluding freight and delivery revenues of 18.1%, up 350 basis points over prior year
- Repurchased 914,400 shares of common stock for $83.2 million

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS
Second Quarter and Six Months Ended June 30, 2006
(Continued)

The following table present net sales, gross profit, selling, general and administrative expenses, other operating (income) and expenses, net, and earnings from operations data for the Corporation and each of its segments for the six months ended June 30, 2006 and 2005. In each case, the data is stated as a percentage of net sales, of the Corporation or the relevant segment, as the case may be.

Earnings from operations include research and development expense. This expense for the Corporation was $0.3 million for the six months ended June 30, 2006 and 2005.

	Six Months Ended June 30,			
	2006		2005	
	Amount	% of Net Sales	Amount	% of Net Sales
	(Dollars in Thousands)			
Net sales:				
Aggregates	$ 864,845	100.0	$ 754,261	100.0
Specialty Products	77,837	100.0	61,215	100.0
Total	$ 942,682	100.0	$ 815,476	100.0
Gross profit:				
Aggregates	$ 217,801	25.2	$ 169,171	22.4
Specialty Products	19,427	25.0	10,123	16.5
Total	$ 237,228	25.2	$ 179,294	22.0
Selling, general & administrative expenses:				
Aggregates	$ 67,864	7.8	$ 58,048	7.7
Specialty Products	5,445	7.0	5,581	9.1
Total	$ 73,309	7.8	$ 63,629	7.8
Other operating (income) and expenses, net:				
Aggregates	$ (6,979)	(0.8)	$ (3,976)	(0.5)
Specialty Products	(311)	(0.4)	(7)	(0.0)
Total	$ (7,290)	(0.8)	$ (3,983)	(0.5)
Earnings from operations:				
Aggregates	$ 156,916	18.1	$ 115,099	15.3
Specialty Products	13,989	18.0	4,208	6.9
Total	$ 170,905	18.1	$ 119,307	14.6

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS
Second Quarter and Six Months Ended June 30, 2006
(Continued)

The following tables present volume and pricing data and shipments data for heritage operations, acquisitions and discontinued operations. Heritage aggregates operations exclude acquisitions that were not included in prior-year operations for the comparable period and divestitures.

	Six Months Ended June 30, 2006	
	Volume	Pricing
Volume/Pricing Variance (1)		
Heritage Aggregates Operations (2)	2.1%	13.2%
Aggregates Segment (3)	1.5%	13.1%

	Six Months Ended June 30,	
	2006	2005
Shipments (tons in thousands)		
Heritage Aggregates Operations (2)	97,560	95,592
Acquisitions	—	—
Divestitures(4)	31	538
Aggregates Segment (3)	97,591	96,130

(1) *Volume/pricing variances reflect the percentage increase from the comparable period in the prior year.*

(2) *Heritage aggregates operations exclude acquisitions that have not been included in prior-year operations for a full year and divestitures.*

(3) *Aggregates segment includes all acquisitions from the date of acquisition and divested operations through the dates of divestiture.*

(4) *Divestitures represent tons related to divested operations up to the dates of divestiture.*

LIQUIDITY AND CAPITAL RESOURCES Net cash provided by operating activities during the six months ended June 30, 2006 was $113.9 million compared with $108.7 million in the comparable period of 2005. Operating cash flow is generally from net earnings, before deducting depreciation, depletion and amortization, offset by working capital requirements. The increase in cash provided by operating activities for the first six months of 2006 as compared with the year-earlier period was primarily due to higher earnings and was partially offset by a larger increase in inventories. Additionally, in accordance with FAS 123(R), excess tax benefits attributable to stock-based compensation transactions are classified as a financing cash flow as compared with the pre-adoption presentation in operating cash inflows.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS
Second Quarter and Six Months Ended June 30, 2006
(Continued)

Depreciation, depletion and amortization was as follows (amounts in millions):

	Six Months Ended June 30,	
	2006	2005
Depreciation	$ 62.4	$ 63.1
Depletion	2.2	2.1
Amortization	2.0	2.5
	$ 66.6	$ 67.7

The seasonal nature of the construction aggregates business impacts quarterly operating cash flow when compared with the year. Full year 2005 net cash provided by operating activities was $317.8 million, compared with $108.7 million in the first six months of 2005.

The Corporation has no required pension plan contribution for 2006. However, the Corporation is currently considering a contribution of up to $23.0 million during the third quarter of 2006 depending on its then current cash position and an evaluation of alternative uses of available cash. Any such contribution would be fully tax deductible for tax year 2005.

First six months capital expenditures, exclusive of acquisitions, were $157.7 million in 2006 and $101.3 million in 2005. Capital expenditures increased during the first six months, when compared with the prior-year period, as the Corporation continued work on major plant expansion and efficiency projects. Comparable full-year capital expenditures were $221.4 million in 2005. Full-year capital spending is expected to approximate $260.0 million for 2006, including the Hunt Martin joint venture and exclusive of acquisitions.

During the first six months of 2006, the Corporation received repayment of a $12.5 million note receivable related to the divestiture of its Houston asphalt operations. The Corporation continues to have a continuing financial interest in the Houston asphalt market via a supply agreement and therefore continues to include the divested locations in continuing operations.

During 2006, the Corporation continued its common stock repurchase plan through open-market purchases pursuant to authority granted by its Board of Directors. For the quarter ended June 30, 2006, the Corporation repurchased 500,000 shares at an aggregate cost of $43.2 million. During the six months ended June 30, the Corporation repurchased 914,400 shares at an aggregate cost of $83.2 million in 2006 compared with 1,339,200 shares at an aggregate cost of $78.0 million in 2005. In February 2006, the Board of Directors authorized management to repurchase up to an additional 5.0 million shares of its common stock. At June 30, 2006, 5,190,800 shares of common stock were remaining under the Corporation's repurchase authorization.

In June 2006, the Corporation extended the expiration date of its $250,000,000 five-year revolving credit agreement (the "Credit Agreement") by one year to June 30, 2011. No borrowings were outstanding under the Credit Agreement at June 30, 2006 or December 31, 2005.

During the third quarter of 2006, the Corporation's $125.0 million 6.9% Notes, which will mature in August, 2007, will become a current obligation. Management currently intends to refinance the Notes.

Based on prior performance and current expectations, the Corporation's management believes that cash flows from internally generated funds and its access to capital markets are expected to continue to be sufficient to provide the capital resources necessary to fund the operating needs of its existing businesses, cover debt service requirements, and allow for payment of dividends in 2006.

The Corporation may be required to obtain additional levels of financing in order to fund certain strategic acquisitions, if any such opportunities arise. Currently, the Corporation's senior unsecured debt is rated "BBB+" by Standard & Poor's and "A3" by Moody's. The Corporation's commercial paper obligations are rated "A-2" by Standard & Poor's and "P-2" by Moody's. While management believes its credit ratings will remain at an investment-grade level, no assurance can be given that these ratings will remain at the above-mentioned levels.

ACCOUNTING CHANGES Accounting changes resulting from the adoption of new accounting standards that may potentially impact the Corporation are included in Note 11 to the Consolidated Financial Statements.

TRENDS AND RISKS The Corporation outlined the risks associated with its business in its Annual Report on Form 10-K for the year ended December 31, 2005, filed with the Securities and Exchange Commission on February 27, 2006. In July 2006, the Corporation was notified by the Internal Revenue Service that it will audit the consolidated federal income tax return of the Corporation for the year ended December 31, 2004. Management continues to evaluate its exposure to all operating risks on an ongoing basis.

OUTLOOK 2006 The outlook for the Aggregates segment for the remainder of 2006 is positive. For the full year 2006, management currently expects aggregates shipments volume to increase 2% to 4% and aggregates pricing to increase 11.5% to 13%. Further, management expects the Aggregates segment operating margin excluding freight and delivery revenues to increase approximately 300 basis points. The Magnesia Specialties business is expected to generate between $30 million and $32 million in pretax earnings. The Corporation continues to work on its goal of increasing revenues in the Structural Composite Products business to a level that will support breakeven operations. However, a $7 million to $9 million loss from operations is expected in 2006.

With this backdrop, management currently expects net earnings per diluted share for the third quarter to range from $1.70 to $1.90 and the range for the year is $5.30 to $5.60, inclusive of $0.05 to $0.07 per diluted share for the initial expensing of stock options under FAS 123(R), *Share-Based Payment*.

OTHER MATTERS If you are interested in Martin Marietta Materials, Inc. stock, management recommends that, at a minimum, you read the Corporation's current Annual Report and 10-K, 10-Q and 8-K reports to the SEC over the past year. The Corporation's recent proxy statement for the annual meeting of shareholders also contains important information. These and other materials that have been filed with the SEC are accessible through the Corporation's web site at www.martinmarietta.com and are also available at the SEC's web site at www.sec.gov. You may also write or call the Corporation's Corporate Secretary, who will provide copies of such reports.

Investors are cautioned that all statements in this Quarterly Report that relate to the future involve risks and uncertainties, and are based on assumptions that the Corporation believes in good faith are reasonable but which may be materially different from actual results. Forward-looking statements give the investor our expectations or forecasts of future events. You can identify these statements by the fact that they do not relate only to historical or current facts. They may use words such as "anticipate," "estimate," "expect," "project," "intend," "plan," "believe," and other words of similar meaning in connection with future events or future operating or financial performance. Any or all of our forward-looking statements here and in other publications may turn out to be wrong.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS
Second Quarter and Six Months Ended June 30, 2006
(Continued)

Factors that the Corporation currently believes could cause actual results to differ materially from the forward-looking statements in this Quarterly Report on Form 10-Q include, but are not limited to, the level and timing of federal and state transportation funding, particularly in North Carolina, one of the Corporation's largest and most profitable states; levels of construction spending in the markets the Corporation serves, including the severity of declines in the residential construction market; unfavorable weather conditions, particularly the increase in hurricane activity predicted along the east coast of the United States; volatility of fuel costs, most notably diesel fuel and natural gas; continued increases in the cost of repair and supply parts; the costs of large-scale plant projects coming on line in 2006; transportation availability and costs in the Corporation's long-haul network, notably barge availability on the Mississippi River system and the availability of railcars and locomotive power to move trains to supply the Corporation's Texas and the Gulf Coast markets; continued strength in the steel industry markets served by the Corporation's Magnesia Specialties business; successful development and implementation of the structural composite technological process and commercialization of strategic products for specific market segments to generate earnings streams sufficient enough to support the recorded assets of the Structural Composite Products business; and other risk factors listed from time to time found in the Corporation's filings with the Securities and Exchange Commission. Other factors besides those listed here may also adversely affect the Corporation and may be material to the Corporation. The Corporation assumes no obligation to update any forward-looking statements.

INVESTOR ACCESS TO COMPANY FILINGS Shareholders may obtain, without charge, a copy of Martin Marietta Materials' Annual Report on Form 10-K, as filed with the Securities and Exchange Commission for the fiscal year ended December 31, 2005, by writing to:

Martin Marietta Materials, Inc.
Attn: Corporate Secretary
2710 Wycliff Road
Raleigh, North Carolina 27607-3033

Additionally, Martin Marietta Materials' Annual Report, press releases and filings with the Securities and Exchange Commission, including Forms 10-K, 10-Q, 8-K and 11-K, can generally be accessed via the Corporation's web site. Filings with the Securities and Exchange Commission accessed via the web site are available through a link with the Electronic Data Gathering, Analysis, and Retrieval ("EDGAR") system. Accordingly, access to such filings is available upon EDGAR placing the related document in its database. Investor relations contact information is as follows:

Telephone: (919) 783-4660
Email: investors@martinmarietta.com
Web site address: www.martinmarietta.com

Item 3. Quantitative and Qualitative Disclosures about Market Risk

The Corporation's operations are highly dependent upon the interest rate-sensitive construction and steelmaking industries. Consequently, these marketplaces could experience lower levels of economic activity in an environment of rising interest rates or escalating costs. Since June 30, 2004, the Federal Reserve Board has increased the federal funds rate from 1.00% to 5.25% at June 30, 2006. This increase could affect the residential construction market, which accounted for approximately 20 percent of the Corporation's aggregates shipments in 2005. Aside from these inherent risks from within its operations, the Corporation's earnings are affected also by changes in short-term interest rates, as a result of its temporary cash investments, including money market funds and overnight investments in Eurodollars; any outstanding commercial paper obligations; and defined benefit pension plans. Additionally, the Corporation's earnings are affected by energy costs.

Commercial Paper Obligations. The Corporation has a $250 million commercial paper program in which borrowings bear interest at a variable rate based on LIBOR. At June 30, 2006, there were outstanding commercial paper borrowings of $10 million. As commercial paper borrowings bear interest at a variable rate, the Corporation has interest rate risk. The effect of a hypothetical 1% increase in interest rates on borrowings of $10 million would increase interest expense by $100,000 on an annual basis.

Pension Expense. The Corporation's results of operations are affected by its pension expense. Assumptions that affect this expense include the discount rate and, for the defined benefit pension plans only, the expected long-term rate of return on assets. Therefore, the Corporation has interest rate risk associated with these factors. The impact of hypothetical changes in these assumptions on the Corporation's annual pension expense is discussed in the Corporation's Annual Report on Form 10-K for the year ended December 31, 2005, filed with the Securities and Exchange Commission on February 27, 2006.

Energy Costs. Energy costs, including diesel fuel, natural gas and liquid asphalt, represent significant production costs for the Corporation. Increases in these costs generally are tied to energy sector inflation. In 2005, energy costs increased significantly, with fuel price increases lowering earnings per diluted share by $0.38. A hypothetical 10% change in the Corporation's energy prices in 2006 as compared with 2005, assuming constant volumes, would impact 2006 pretax earnings by approximately $12 million.

Aggregate Risk for Interest Rates and Energy Sector Inflation. The pension expense for 2006 is calculated based on assumptions selected at December 31, 2005. Therefore, interest rate risk in 2006 is limited to the potential effect related to outstanding commercial paper. Assuming outstanding commercial paper borrowings of $10 million, the impact of a hypothetical increase in interest rates of 1% would increase interest expense and decrease pretax earnings by $100,000. Additionally, a 10% change in energy costs would impact annual pretax earnings by $12 million.

Item 4. Controls and Procedures

As of June 30, 2006, an evaluation was performed under the supervision and with the participation of the Corporation’s management, including the Chief Executive Officer and Chief Financial Officer, of the effectiveness of the design and the operation of the Corporation’s disclosure controls and procedures. Based on that evaluation, the Corporation’s management, including the Chief Executive Officer and Chief Financial Officer, concluded that the Corporation’s disclosure controls and procedures were effective as of June 30, 2006.

There have been no other significant changes in the Corporation’s internal controls or in other factors that could significantly affect the internal controls subsequent to June 30, 2006.

PART II-OTHER INFORMATION

Item 1. Legal Proceedings.

Reference is made to *Part I. Item 3. Legal Proceedings* of the Martin Marietta Materials, Inc. Annual Report on Form 10-K for the year ended December 31, 2005.

Item 1A. Risk Factors.

Reference is made to *Part I. Item 1A. Risk Factors and Forward-Looking Statements* of the Martin Marietta Materials, Inc. Annual Report on Form 10-K for the year ended December 31, 2005.

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds.

ISSUER PURCHASES OF EQUITY SECURITIES

Period	Total Number of Shares Purchased	Average Price Paid per Share	Total Number of Shares Purchased as Part of Publicly Announced Plans or Programs	Maximum Number of Shares that May Yet be Purchased Under the Plans or Programs
April 1, 2006 — April 30, 2006	—	$ —	—	5,690,798
May 1, 2006 — May 31, 2006	120,000	$90.06	120,000	5,570,798
June 1, 2006 — June 30, 2006	380,000	$85.21	380,000	5,190,798
Total	500,000	$86.37	500,000	5,190,798

The Corporation's initial stock repurchase program, which authorized the repurchase of 2.5 million shares of common stock, was announced in a press release dated May 6, 1994, and has been updated as appropriate. On February 22, 2006, the Corporation's Board of Directors authorized the repurchase of an additional 5.0 million shares of common stock. The program does not have an expiration date.

PART II-OTHER INFORMATION
(Continued)

Item 4. Submission of Matters to Vote of Security Holders.

At the Annual Meeting of Shareholders held on May 23, 2006, the shareholders of Martin Marietta Materials, Inc.:

(a) Elected David G. Maffucci, William E. McDonald, Frank H. Menaker, Jr. and Richard A. Vinroot to the Board of Directors of the Corporation to terms expiring at the Annual Meeting of Shareholders in the year 2009. The following table sets forth the votes for each director.

	Votes Cast For	Withheld
David G. Maffucci	41,654,155	222,396
William E. McDonald	41,472,059	404,492
Frank H. Menaker, Jr.	40,992,169	884,382
Richard A. Vinroot	26,463,868	15,412,683

(b) Ratified the amendments to the Stock-Based Award Plan. The voting results for this ratification were 35,268,725 – *For*; 2,564,376 – *Against*; and 43,813 – *Abstained*.

(c) Ratified the selection of Ernst & Young LLP as independent auditors for the year ending December 31, 2006. The voting results for this ratification were 41,474,464 – *For*; 393,072 – *Against*; and 9,013 – *Abstained*.

PART II-OTHER INFORMATION
(Continued)

Item 6. Exhibits.

Exhibit No.	Document
10.01	Amended and Restated Stock-Based Award Plan dated April 3, 2006
10.02	Amended and Restated Consulting Agreement dated June 26, 2006, between Janice Henry and Martin Marietta Materials Inc.
10.03	Extension Agreement to $250,000,000 Five-Year Credit Agreement dated as of June 2, 2006 among Martin Marietta Materials, Inc., the bank parties thereto, and JPMorgan Chase Bank, N.A., as Administrative Agent
31.01	Exhibit – Regulation FD Disclosure – Written Statement dated August 1, 2006 of Chief Executive Officer pursuant to Securities and Exchange Act of 1934 rule 13a-14 as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
31.02	Exhibit – Regulation FD Disclosure – Written Statement dated August 1, 2006 of Chief Financial Officer pursuant to Securities and Exchange Act of 1934 rule 13a-14 as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
32.01	Additional Exhibit – Regulation FD Disclosure – Written Statement dated August 1, 2006 of Chief Executive Officer required by 18 U.S.C. 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002
32.02	Additional Exhibit – Regulation FD Disclosure – Written Statement dated August 1, 2006 of Chief Financial Officer required by 18 U.S.C. 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002

SIGNATURES

Pursuant to the requirements 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.

MARTIN MARIETTA MATERIALS, INC.
(Registrant)

Date: August 1, 2006

By: /s/ ANNE H. LLOYD
Anne H. Lloyd
Senior Vice President and
Chief Financial Officer

EXHIBIT INDEX

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EXHIBIT 10.01

MARTIN MARIETTA MATERIALS, INC.
AMENDED AND RESTATED
STOCK-BASED AWARD PLAN

Adopted: May 8, 1998

As Amended May 8, 1998,

August 17, 2000, May 22, 2001 and April 3, 2006

MARTIN MARIETTA MATERIALS, INC.
AMENDED AND RESTATED
STOCK-BASED AWARD PLAN

SECTION 1. Establishment and Purpose

The Martin Marietta Materials, Inc. Amended and Restated Stock-Based Award Plan (the "Plan") was adopted by the shareholders of the Corporation in a manner that complies with Section 162(m) at the shareholders meeting held on May 8, 1998, and subsequently amended and restated by the Board of Directors at its meeting on May 8, 1998, August 17, 2000, May 22, 2001 and April 3, 2006.

The purpose of this Plan is to benefit the Corporation's shareholders by encouraging high levels of performance by individuals who are key to the success of the Corporation and to enable the Corporation to attract, motivate, and retain talented and experienced individuals essential to its continued success. This is to be accomplished by providing such employees and directors an opportunity to obtain or increase their proprietary interest in the Corporation's performance and by providing such employees and directors with additional incentives to remain with the Corporation.

SECTION 2. Definitions

The following terms, as used herein, shall have the meaning specified:

"Affiliate" of a person means any entity directly or indirectly controlling, controlled by or under direct or indirect common control with such person.

"Award" means an award granted pursuant to Section 4 hereof.

"Award Agreement" means an agreement described in Section 7 hereof entered into between the Corporation and a Participant, setting forth the terms and conditions applicable to the Award granted to the Participant.

"Board of Directors" means the Board of Directors of the Corporation, as it may be comprised from time to time.

"Code" means the Internal Revenue Code of 1986, as amended from time to time.

"Committee" means a committee composed of members of, and designated by, the Board of Directors and consisting solely of persons who are both (i) "non-employee directors" within the meaning of Rule 16b-3, and (ii) "outside directors" within the meaning of Section 162(m), as Rule 16b-3 and Section 162(m) may be amended from time to time, which committee shall at all times comprise at least the minimum number of such persons necessary to comply with both Rule 16b-3 and Section 162.

"Corporation" means Martin Marietta Materials, Inc.

“Covered Employee” means a covered employee within the meaning of Section 162(m) or the Treasury Regulations promulgated thereunder.

“Eligible Director” means each director of the Corporation who is not an employee of the Corporation or any Subsidiary.

“Employee” means officers and other key employees of the Corporation.

“Exchange Act” means the Securities Exchange Act of 1934, as amended from time to time.

“Fair Market Value” means the closing price of the relevant security as reported on the composite tape of New York Stock Exchange issues (or such other reporting system as shall be selected by the Committee) on the relevant date, or if no sale of the security is reported for such date, the next following day for which there is a reported sale. The Committee shall determine the Fair Market Value of any security that is not publicly traded, using such criteria, as it shall determine, in its sole direction, to be appropriate for such valuation.

“Incumbent Board” means a member of the Board of Directors of the Corporation who is not an Acquiring Person, or an affiliate (as defined in Rule 12b-2 of the Exchange Act) or an associate (as defined in Rule 12b-2 of the Exchange Act) of an Acquiring Person, or a representative or nominee of an Acquiring Person.

“Insider” means any person who is subject to Section 16 of the Exchange Act.

“Participant” means an Employee or Eligible Director who has been granted and holds an unexercised or unpaid Award pursuant to this Plan.

“Rule 16b-3” means Rule 16b-3 promulgated by the Securities and Exchange Commission under Section 16 or any successor rule or regulation as amended from time to time.

“Section 16” means Section 16 of the Exchange Act or any successor statute and the rules promulgated thereunder by the Securities and Exchange Commission, as they may be amended from time to time.

“Section 162(m)” means Section 162(m) of the Code or any successor statute and the Treasury Regulations promulgated thereunder, as they may be amended from time to time.

“Section 422” means Section 422 of the Code or any successor statute and the Treasury Regulations promulgated thereunder, as they may be amended from time to time.

“Stock” means shares of Common Stock of the Corporation, par value $.01 per share.

“Subsidiary” means any entity directly or indirectly controlled by the Corporation.

SECTION 3. Eligibility

Awards may be granted (a) to exempt salaried Employees of the Corporation or any Subsidiary who are designated from time to time by the Committee or (b) to Eligible Directors.

No individual who beneficially owns Stock possessing five percent (5%) or more of the combined voting power of all classes of stock of the Corporation shall be eligible to participate in the Plan.

SECTION 4. Awards

The Committee may grant any of the following types of Awards, either singly, in tandem or in combination with other Awards, as the Committee may in its sole discretion determine:

(a) Non-Qualified Stock Options. A Non-Qualified Stock Option is a right to purchase a specified number of shares of Stock during such specified time as the Committee may determine at a price not less than 100% of the Fair Market Value of the Stock on the date the option is granted.

   (i) The purchase price of the Stock subject to the option may be paid in cash. At the discretion of the Committee, the purchase price may also be paid by the tender of Stock, or through a combination of Stock and cash, or through such other means as the Committee determines are consistent with the Plan's purpose and applicable law. No fractional shares of Stock will be issued or accepted.

   (ii) Without limiting the foregoing, to the extent permitted by law (including relevant state law), the Committee may agree to accept, as full or partial payment of the purchase price of Stock issued upon exercise of options, (A) a promissory note of the optionee evidencing the optionee's obligation to make future cash payments to the Corporation, or (B) any other form of payment deemed acceptable to the Committee. Promissory notes referred to in clause (A) above shall be payable as determined by the Committee (but in no event later than five years after the date thereof), shall be secured by a pledge of shares of Stock purchased, and shall bear interest at a rate established by the Committee.

   (iii) No Non-Qualified Stock Option may be exercisable more than ten years after the date the Award is made.

(b) Incentive Stock Options. An Incentive Stock Option is an Award in the form of an option to purchase Stock that complies with the requirements of Code Section 422 or any successor section.

(i) To the extent that the aggregate Fair Market Value (determined at the time of the grant of the Award) of the shares subject to Incentive Stock Options, which are exercisable, by one person for the first time during a particular calendar year exceeds $100,000, such excess shall be treated as Non-Qualified Stock Options. For purposes of the preceding sentence, the term “Incentive Stock Option” shall mean an option to purchase Stock that is granted pursuant to this Section 4(b) or pursuant to any other plan of the Corporation, which option is intended to comply with Section 422 of the Code.

(ii) No Incentive Stock Option may be granted under this Plan after April 3, 2016 or be exercisable more than ten years after the date the Award is made.

(iii) The exercise price of any Incentive Stock Option shall be no less than Fair Market Value of the Stock subject to the option on the date the Award is made.

(iv) The Committee may provide that the option price under an Incentive Stock Option may be paid by one or more of the methods available for paying the option price of a Non-Qualified Stock Option.

(c) Restricted Stock. Restricted Stock is Stock of the Corporation that is issued to a Participant and is subject to restrictions on transfer and/or such other restrictions or incidents of ownership as the Committee may determine.

(d) Other Stock-Based Incentive Awards. The Committee may from time to time grant Awards under this Plan that provide the Participant with the right to purchase Stock of the Corporation or provide incentive Awards that are valued by reference to the Fair Market Value of Stock of the Corporation (including, but not limited to phantom securities or dividend equivalents). Such Awards shall be in a form determined by the Committee (and may include terms contingent upon a change of control of the Corporation), provided that such Awards shall not be inconsistent with the terms and purposes of the Plan.

(e) Except as provided in Section 10 hereof, no option or stock appreciation right may be amended to reduce the price per share of the shares subject to such option or the exercise price of such stock appreciation right, as applicable, below the option price or exercise price as of the date the option or stock appreciation right is granted without shareholder approval. In addition, other than as provided in Section 10 hereof, (i) no option or stock appreciation right may be granted in exchange for the cancellation or surrender of an option, stock appreciation right or other award having a lower option price or exercise price and (ii) no option may be granted with an automatic reload feature whereby the Corporation is obligated to grant a new Award hereunder upon the exercise of the option, in either case, without shareholder approval.

SECTION 5. Shares of Stock and Other Stock-Based Awards Available Under Plan

(a) Subject to the adjustment provisions of Section 10 hereof, (i) the aggregate number of shares with respect to which Awards payable in securities may be granted under the Plan shall be no more than 5,000,000; (ii) the aggregate number of shares with respect to which Awards subject to Restricted Stock under the Plan shall be no more than 1,500,000; and (iii) the aggregate number of shares with respect to which Non-Qualified Stock Options or Incentive Stock Options may be granted to any individual Participant shall be no more than 500,000 in any one year. Awards that are canceled shall be counted against the 500,000 shares per year limit to the extent required by Section 162(m) of the Code.

(b) Any unexercised or undistributed portion of any cancelled, terminated or forfeited Award (other than an Award terminated or forfeited by reason of the exercise of any Award granted in tandem therewith) and any shares tendered or withheld in satisfaction of tax withholding obligations in connection with an Award shall be available for further Awards in addition to those available under Section 5(a) hereof; provided, however, that from and after May 23, 2006 neither (i) shares tendered as full or partial payment to the Corporation upon exercise of a Non-Qualified Stock Option granted under the Plan, nor (ii) shares subject to stock appreciation rights that are not used to settle the stock appreciation right upon exercise, shall become available for further Awards under the Plan.

(c) For the purposes of computing the aggregate number of shares with respect to which awards payable in securities may be granted under the Plan, the following rules shall apply:

(i) except as provided in (v) of this Section, each option shall be deemed to be the equivalent of the maximum number of shares that may be issued upon exercise of the particular option;

(ii) except as provided in (v) of this Section, each other stock-based Award shall be deemed to be equal to the number of shares to which it relates;

(iii) except as provided in (v) of this Section, where the number of shares available under the Award is variable on the date it is granted, the number of shares shall be deemed to be the maximum number of shares that could be received under that particular Award.

(iv) where one or more types of Awards (both of which are payable in Stock or another security) are granted in tandem with each other, such that the exercise of one type of Award with respect to a number of shares cancels an equal number of shares of the other type of Award, each such tandem Award shall be deemed to cover only the number of shares to be issued under the surviving tandem component; and

(v) each share awarded or deemed to be awarded under the preceding subsections shall be treated as shares of Stock, even if the Award is for a security other than Stock.

Additional rules for determining the aggregate number of shares with respect to which awards payable in securities may be granted under the Plan may be made by the Committee, as it deems necessary or appropriate.

SECTION 6. Directors' Options

(a) Annual Options. Each Eligible Director shall be granted a Non-Qualified Stock Option to acquire 1,500 shares of Stock annually at the same meeting that options are normally granted to employees of the Corporation, or in such other amount or at such other time as may be determined by the Board of Directors.

(b) Terms and Conditions. Any Award granted under this Section 6 shall be subject to the following terms and conditions:

(i) The exercise price of any Non-Qualified Stock Option granted under Section 6 shall be 100% of the Fair Market Value of the Stock on the date the Award is made.

(ii) Unless otherwise provided by this Plan, a Non-Qualified Stock Option granted under Section 6 shall become exercisable as provided in the Award Agreement.

SECTION 7. Award Agreements

Each Award under this Plan shall be evidenced by an Award Agreement setting forth the number of shares of Stock, or units subject to the Award and such other terms and conditions applicable to the Award as determined by the Committee.

(a) Award Agreements shall include the following terms:

(i) Termination of Employment or Service as Director: A provision describing the treatment of an Award in the event of the retirement, disability, death or other termination of a Participant's employment with the Corporation or Subsidiary or service as a Director, including but not limited to terms relating to the vesting, time for exercise, forfeiture or cancellation of an Award in such circumstances.

(ii) Rights as Shareholder: A provision that a Participant shall have no rights as a shareholder with respect to any securities covered by an Award until the date the Participant becomes the holder of record. Except as provided in Section 10 hereof, no adjustment shall be made for dividends or other rights, unless the Award Agreement specifically requires such adjustment, in which

case, grants of dividend equivalents or similar rights shall not be considered to be a grant of any other shareholder right.

(iii) Withholding: A provision requiring the withholding of applicable taxes required by law from all amounts paid in satisfaction of an Award. In the case of an Award paid in cash, the withholding obligation shall be satisfied by withholding the applicable amount and paying the net amount in cash to the Participant. In the case of Awards paid in shares of Stock or other securities of the Corporation, a Participant may satisfy the withholding obligation by paying the amount of any taxes in cash or, with the approval of the Committee, shares of Stock may be deducted from the payment to satisfy the obligation in full or in part. The number of shares to be deducted shall be determined by reference to the Fair Market Value as determined by the Committee.

(iv) Execution: A provision stating that no Award is enforceable until the Award Agreement or a receipt has been signed by the Participant and the Chairman or the Chief Executive Officer of the Corporation (or his delegate). By executing the Award Agreement or receipt, a Participant shall be deemed to have accepted and consented to any action taken under the Plan by the Committee, the Board of Directors or their delegates.

(v) Exercise and Payment: The permitted methods of exercising and paying the exercise price with respect to the Award.

(vi) Minimum Vesting: The Committee shall determine the time or times at which an Award will vest or become exercisable and the terms on which an Award requiring exercise will remain exercisable, provided that, except in the case of Awards made in connection with Directors or the recruitment of new Employees (including new officers), or as otherwise provided in Section 11 hereof, or otherwise provided by the Award Agreement in connection with retirement, disability or death of the participant, (i) Non-Qualified Stock Options shall vest in equal annual installments over a period of not less than three years and (ii) Restricted Stock shall vest not earlier than three years from the grant date of the Award.

(b) Award Agreements may include the following terms:

(i) Replacement and Substitution: Any provisions (A) permitting the surrender of outstanding Awards or securities held by the Participant in order to exercise or realize rights under other Awards, or in exchange for the grant of new Awards under similar or different terms or, (B) requiring holders of Awards to surrender outstanding Awards as a condition precedent to the grant of new Awards under the Plan.

(ii) Other Terms: Such other terms as are necessary and appropriate to effect an Award to the Participant including but not limited to the term of the Award, vesting provisions, any requirements for continued employment with the Corporation or any Subsidiary, any other restrictions or conditions (including performance requirements) on the Award and the method by which restrictions or conditions lapse, the effect on the Award of a change in control, the price and the amount or value of Awards.

SECTION 8. Amendment and Termination

The Board of Directors may at any time amend, suspend or discontinue the Plan. The Committee may at any time alter or amend any or all Award Agreements under the Plan to the extent permitted by law. However, no such action by the Board or the Committee may, without approval of the shareholders of the Corporation, be effective, if shareholder approval would be required pursuant to the rules and regulations of the New York Stock Exchange or to keep the Plan and the Awards made thereunder in compliance with Sections 162(m) or 422, as applicable.

SECTION 9. Administration

(a) The Plan and all Awards granted pursuant thereto shall be administered by the Committee. The members of the Committee shall be designated by the Board of Directors. A majority of the members of the Committee shall constitute a quorum. The vote of a majority of a quorum shall constitute action by the Committee.

(b) The Committee shall periodically determine the Participants in the Plan, except with respect to Eligible Directors, and the nature, amount, pricing, timing, and other terms of Awards to be made to such individuals.

(c) The Committee shall have the power to interpret and administer the Plan. All questions of interpretation with respect to the Plan, the terms of any Award Agreements and, except with respect to Eligible Directors, the number of shares of Stock, or units granted, shall be determined by the Committee and its determination shall be final and conclusive upon all parties in interest. In the event of any conflict between an Award Agreement and this Plan, the terms of this Plan shall govern.

(d) It is the intent of the Corporation that this Plan and Awards hereunder satisfy and be interpreted in a manner, that, in the case of Participants who are or may be Insiders, satisfies the applicable requirements of Rule 16b-3, so that such persons will be entitled to the benefits of Rule 16b-3 or other exemptive rules under Section 16 and will not be subjected to avoidable liability thereunder. If any provision of this Plan or of any Award would otherwise frustrate or conflict with the intent expressed in this Section 9(d), that provision to the extent possible shall be interpreted and deemed amended so as to avoid such conflict. To the extent of any remaining irreconcilable conflict with such intent, the provision shall be deemed void as

applicable to Insiders to the extent permitted by law and deemed advisable by the Committee.

(e) It is the intent of the Corporation that this Plan and Awards hereunder satisfy and be interpreted in a manner, that, in the case of Participants who are or may be Covered Employees, satisfies the applicable requirements of Section 162(m), so that the Corporation will be entitled, to the extent possible, to deduct compensation paid under the Plan and otherwise to such Covered Employees and will not be subjected to avoidable loss of deductions thereunder. If any provision of this Plan or of any Award would otherwise frustrate or conflict with the intent expressed in this Section 9(e), that provision to the extent possible shall be interpreted and deemed amended so as to avoid such conflict. To the extent of any remaining irreconcilable conflict with such intent, the provision shall be deemed void as applicable to Covered Employees to the extent permitted by law and deemed advisable by the Committee.

(f) The Committee may delegate to the officers or employees of the Corporation the authority to execute and deliver such instruments and documents, to do all such acts and things, and to take all such other steps deemed necessary, advisable or convenient for the effective administration of the Plan in accordance with its terms and purpose, except that the Committee may not delegate any discretionary authority with respect to substantive decisions or functions regarding the Plan or Awards thereunder as these relate to Insiders or Covered Employees, including but not limited to decisions regarding the timing, eligibility, pricing, amount or other material term of such Awards.

SECTION 10. Adjustment Provisions

(a) In the event of any change in the outstanding shares of Stock by reason of a stock dividend or split, recapitalization, merger or consolidation, reorganization, combination or exchange of shares or other similar corporate change, the number of shares of Stock (or other securities) then remaining subject to this Plan, and the maximum number of shares that may be issued to anyone pursuant to this Plan, including those that are then covered by outstanding Awards, shall (i) in the event of an increase in the number of outstanding shares, be proportionately increased and the price for each share then covered by an outstanding Award shall be proportionately reduced, and (ii) in the event of a reduction in the number of outstanding shares, be proportionately reduced and the price for each share then covered by an outstanding Award, shall be proportionately increased.

(b) The Committee shall make any further adjustments as it deems necessary to ensure equitable treatment of any holder of an Award as the result of any transaction affecting the securities subject to the Plan not described in (a), or as is required or authorized under the terms of any applicable Award Agreement.

SECTION 11. Change in Control

(a) Subject to Sections 5, 8 and 10, in the event of a change in control of the Corporation, in addition to any action required or authorized by the terms of any Award Agreement, all time periods for purposes of vesting in, or realizing gain from, any and all outstanding Awards made pursuant to this Plan will automatically accelerate.

(b) For the purposes of this Section, a "Change in Control" shall mean on or after the effective date of the Plan,

(i) The acquisition by any individual, entity or group (within the meaning of Section 13(d)(3) or 14(d)(2) of the Securities Exchange Act of 1934, as amended (the "Exchange Act")) (an "Acquiring Person") of beneficial ownership (within the meaning of Rule 13d-3 promulgated under the Exchange Act) of 40% or more of either (A) the fully diluted shares of Stock, as reflected on the Corporation's financial statements (the "Outstanding Corporation Common Stock"), or (B) the combined voting power of the then outstanding voting securities of the Corporation entitled to vote generally in the election of directors (the "Outstanding Corporation Voting Securities"); provided, however, that for purposes of this subsection (i), the following acquisitions shall not constitute a Change of Control: (1) any acquisition by the Corporation or any "affiliate" of the Corporation, within the meaning of 17 C.F.R. § 230.405 (an "Affiliate"), (2) any acquisition by any employee benefit plan (or related trust) sponsored or maintained by the Corporation or any Affiliate of the Corporation, or (3) any acquisition by any entity pursuant to a transaction which complies with clauses (A), (B) and (C) of subsection (iii) of this definition; or

(ii) Individuals who constitute the Incumbent Board cease for any reason to constitute at least a majority of the Board; or

(iii) Consummation of a reorganization, merger or consolidation or sale or other disposition of all or substantially all of the assets of the Corporation (a "Business Combination"), in each case, unless, following such Business Combination, (A) all or substantially all of the individuals and entities who were the beneficial owners, respectively, of the Outstanding Corporation Common Stock and Outstanding Corporation Voting Securities immediately prior to such Business Combination beneficially own, directly or indirectly, more than 50% of, respectively, the then outstanding shares of common stock and the combined voting power of the then outstanding voting securities entitled to vote generally in the election of directors, as the case may be, of the corporation resulting from such Business Combination (including, without limitation, a corporation which as a result of such transaction owns the Corporation or all or substantially all of the Corporation's assets either directly or through one or more subsidiaries) in

substantially the same proportions as their ownership, immediately prior to such Business Combination, of the Outstanding Corporation Common Stock and Outstanding Corporation Voting Securities, as the case may be, (B) no Person (excluding any employee benefit plan (or related trust) sponsored or maintained by the Corporation or any Affiliate of the Corporation, or such corporation resulting from such Business Combination or any Affiliate of such corporation) beneficially owns, directly or indirectly, 40% or more of, respectively, the fully diluted shares of common stock of the corporation resulting from such Business Combination, as reflected on such corporation's financial statements, or the combined voting power of the then outstanding voting securities of such corporation except to the extent that such ownership existed prior to the Business Combination, and (C) at least a majority of the members of the Board of Directors of the corporation resulting from such Business Combination were members of the Incumbent Board at the time of the execution of the initial agreement, or of the action of the Board, providing for such Business Combination; or

(iv) Approval by the shareholders of the Corporation of a complete liquidation or dissolution of the Corporation.

SECTION 12. Unfunded Plan

The Plan shall be unfunded. Neither the Corporation nor the Board of Directors shall be required to segregate any assets that may at any time be represented by Awards made pursuant to the Plan. Neither the Corporation, the Committee, nor the Board of Directors shall be deemed to be a trustee of any amounts to be paid under the Plan.

SECTION 13. Limits of Liability

(a) Any liability of the Corporation to any Participant with respect to an Award shall be based solely upon contractual obligations created by the Plan and the Award Agreement.

(b) Neither the Corporation nor any member of the Board of Directors or of the Committee, nor any other person participating in any determination of any question under the Plan, or in the interpretation, administration or application of the Plan, shall have any liability to any party for any action taken or not taken, in good faith under the Plan.

SECTION 14. Rights of Employees

(a) Status as an eligible Employee shall not be construed as a commitment that any Award will be made under this Plan to such eligible Employee or to eligible Employees generally.

(b) Nothing contained in this Plan (or in any other documents related to this Plan or to any Award) shall confer upon any Employee or Participant any right to continue in the employ or other service of the Corporation or constitute any contract or limit in any way the right of the Corporation to change such person's compensation or other benefits or to terminate the employment of such person with or without cause.

SECTION 15. Duration

The Plan shall remain in effect until all Awards under the Plan have been exercised or terminated under the terms of the Plan and applicable Award Agreement, provided that Awards under the Plan may only be granted until December 31, 2016.

SECTION 16. Governing Law

The Plan shall be governed by the laws of the State of North Carolina.

EXHIBIT 10.02

MARTIN MARIETTA MATERIALS, INC.
JANICE HENRY
AMENDED AND RESTATED CONSULTING AGREEMENT

THIS IS A CONSULTING AGREEMENT (this "Agreement") by and between JANICE HENRY (the "Consultant"), and MARTIN MARIETTA MATERIALS, INC., a North Carolina corporation (the "Company"), and by which parties to this Agreement, in consideration of the mutual agreements set forth below and other good and valuable consideration (the mutuality, adequacy, and sufficiency of which are hereby acknowledged), hereby agrees as follows:

1. Consulting.

(a) Services. During the term of this Agreement, the Consultant will provide management consulting and advisory services to the Company in accordance with the highest professional standards with respect to the Company's business (the "Business"). The Consultant's services to the Company shall include, but will not be limited to, those described on Exhibit A attached hereto and incorporated herein. The Consultant shall perform such duties as and when reasonably requested by the Company but shall not be required to spend more than an average of twenty (20) hours per month performing such duties. Consultant shall also cooperate with other consultants as requested by the Company. Consultant shall report to the Company's representative(s) listed on attached Exhibit A with respect to Consultant's activities under this Agreement and, if requested, shall submit monthly (or as otherwise may be requested by the Company) a written report summarizing such activities for the prior month. Consultant acknowledges receipt of a copy of the Company's Code of Ethics and Standards of Conduct and shall perform his services under this Agreement in accordance with the Code of Ethics and Standards of Conduct. Prior to submitting any written reports under this Agreement, Consultant shall first submit an initial report, clearly marked "draft," which report shall be finalized only after approval by the Company.

(b) Compensation and Expenses. For all services to be provided under this Agreement, the Company shall pay the Consultant at the rate set forth on attached Exhibit A. The Company shall also reimburse the Consultant in accordance with Company policy for all reasonable expenses incurred by Consultant while rendering services under this Agreement. Consultant shall submit no less than monthly to the Company the expenses for which Consultant seeks reimbursement provided that failure to do so will not relieve the Company from its obligation to reimburse the Consultant for reasonable expenses incurred pursuant to this Agreement. The Company shall not reimburse Consultant for any expenses incurred in entertaining or furnishing meals, refreshments, or gifts to anyone whose organization prohibits acceptance of such items. Consultant certifies that no such expenses shall be included in any invoice or statement submitted by Consultant for reimbursement of expenses.

(c) Competitive Activities. During the term of this Agreement and any renewal thereof, Consultant shall not become employed by, provide consulting services to, or otherwise assist any other person or business entity engaged in the same business as the Business, except with the prior written consent of the Company.

(d) Independent Contractor. It is acknowledged and agreed that the Consultant is an independent contractor of the Company and not an employee or agent of the Company, and each of the parties to this Agreement agrees to take actions consistent with the foregoing. Nothing in this Agreement shall be construed to create a partnership, joint venture, or other association between the parties.

(e) Work Papers. All final work product and work papers directly relating thereto prepared or developed by the Consultant in connection with the performance of services pursuant to this Agreement, including public records obtained by the Consultant, shall be the property of the Company whether or not in the possession of the Consultant. Upon demand, Consultant should turn over papers in his possession to the Company.

(f) Nondisclosure. The Consultant acknowledges and agrees that, during the performance of services under this Agreement, the Consultant will have access to knowledge and information with respect to (i) trade secrets or (ii) certain confidential or proprietary information of the Company or its affiliates, successors, or assigns or any of its operations or products (including without limitation plans, brochures, blueprints, specifications, samples [or products or equipment], pamphlets, advertising copy, financial information, customer lists, and business and marketing plans, formulas, methods, techniques, and processes owned by or developed or prepared by, or on behalf of, the Company or its affiliates, successors, or assigns involving the Business and any other information generated by or on behalf of the Company or its affiliates, successors, or assigns not generally known in the trade or industry, in each case whether such information is embodied in writing or other physical form or communicated or disclosed in any other manner [“Confidential Information"]). Therefore, the Consultant agrees [x] not at any time to divulge, furnish, or make accessible to anyone (other than in the regular course of the performance of services for the benefit of the Company or its affiliates, successors, or assigns) any trade secrets of the Company or its affiliates, successors, or assigns and [y] during the full term of this Agreement and for a period of three (3) years thereafter, not to divulge, furnish, or make accessible to anyone (other than in the regular course of the performance of services for the benefit of the Company or its affiliates, successors, or assigns) any Confidential Information of the Company or its affiliates, successors, or assigns unless required by law to make such disclosure.

(g) Compliance with Law. In performing services under this Agreement, the Consultant agrees to comply with applicable laws and regulations and to not make or permit to be made any improper payments, or to perform any unlawful acts. To that end, the Consultant agrees to sign the certification attached to the Company’s Code of Ethics and Standards of Conduct and further agrees to sign such further certifications as may be requested by the Company from time to time.

(h) Indemnification. The Company shall indemnify and hold harmless the Consultant against any losses or expenses resulting from the Consultant’s service at the request and on behalf of the Corporation as a director of another corporation, joint venture or other enterprise.

2. Term and Termination following a Change of Control.

(a) Term. The term of this Agreement shall be for a period of three (3) years beginning on July 2, 2006 and ending on June 30, 2009; provided, however, that the Company and the Consultant may renew the Agreement for additional periods of time upon their mutual written consent.

(b) Termination following a 409A Change of Control while Consultant is a Specified Employee. If during the term of this Agreement and while Consultant is a "specified employee" (a "Specified Employee") within the meaning of Section 409A(a)(2)(B)(i) of the Internal Revenue Code of 1986, as amended (the "Code") a Change of Control (as defined below) occurs that is also a "change in the ownership or effective control" of the Company within the meaning of Section 409A(a)(2)(A)(v) of the Code (a "409A Change of Control"), the Company shall pay to the Consultant**,** in a lump sum within 15 days following the effective date of such 409A Change of Control, the compensation listed on Exhibit A hereto for the remaining portion of the term of this Agreement and any amounts owed to the Consultant pursuant to Section 1(b) above and immediately following such payment this Agreement and Consultant's consulting and advisory services shall terminate.

(c) Termination following a Non 409A Change of Control while Consultant is a Specified Employee. If during the term of this Agreement and while Consultant is a Specified Employee a Change of Control occurs that is not a 409A Change of Control, and following the effective date of such Change of Control either party terminates this Agreement, the Company shall pay to the Consultant, in a lump sum (i) within 15 days following such termination any amounts owed to the Consultant pursuant to Section 1(b) above and (ii) on the date that is six months and one day following such termination, the compensation listed on Exhibit A hereto for the remaining portion of the term of this Agreement.

(d) Termination following a Change of Control while Consultant is Not a Specified Employee. If during the term of this Agreement and while Consultant is not a Specified Employee a Change of Control occurs, and following the effective date of such Change of Control either party terminates this Agreement, the Company shall pay to the Consultant, in a lump sum within 15 days following such termination, the compensation listed on Exhibit A hereto for the remaining portion of the term of this Agreement and any amounts owed to the Consultant pursuant to Section 1(b) above.

(e) Change of Control. Change of Control means (i) the acquisition by any individual, entity or group (within the meaning of Section 13(d)(3) or 14(d)(2) of the Securities Exchange Act of 1934, as amended (the "Exchange Act")) (an "Acquiring Person") of beneficial ownership (within the meaning of Rule 13d-3 promulgated under the Exchange Act) of 40% or more of either (A) the fully diluted shares of common stock of the Company, as reflected on the Company's financial statements (the "Outstanding Company Common Stock"), or (B) the combined voting power of the then outstanding voting securities of the Company entitled to vote generally in the election of directors (the "Outstanding Company Voting Securities"); provided, however, that for purposes of this subsection (i), the following acquisitions shall not constitute a Change of Control: (X) any acquisition by the Company or any "affiliate" of the Company, within the meaning of 17 C.F.R. § 230.405 (an "Affiliate"), (Y) any acquisition by any employee

benefit plan (or related trust) sponsored or maintained by the Company or any Affiliate of the Company or (Z) any acquisition by any entity pursuant to a transaction which complies with clauses (A), (B) and (C) of subsection (iii) of this definition; or (ii) individuals who constitute the Incumbent Board cease for any reason to constitute at least a majority of the Board of Directors of the Company; or (iii) consummation of a reorganization, merger or consolidation or sale or other disposition of all or substantially all of the assets of the Company (a "Business Combination"), in each case, unless, following such Business Combination, (A) all or substantially all of the individuals and entities who were the beneficial owners, respectively, of the Outstanding Company Common Stock and Outstanding Company Voting Securities immediately prior to such Business Combination beneficially own, directly or indirectly, more than 50% of, respectively, the then outstanding shares of common stock and the combined voting power of the then outstanding voting securities entitled to vote generally in the election of directors, as the case may be, of the corporation resulting from such Business Combination (including, without limitation, a corporation which as a result of such transaction owns the Company or all or substantially all of the Company's assets either directly or through one or more subsidiaries) in substantially the same proportions as their ownership, immediately prior to such Business Combination, of the Outstanding Company Common Stock and Outstanding Company Voting Securities, as the case may be, and (B) no Person (excluding any employee benefit plan (or related trust) sponsored or maintained by the Company or any Affiliate of the Company, or such corporation resulting from such Business Combination or any Affiliate of such corporation) beneficially owns, directly or indirectly, 40% or more of, respectively, the fully diluted shares of common stock of the corporation resulting from such Business Combination, as reflected on such corporation's financial statements, or the combined voting power of the then outstanding voting securities of such corporation except to the extent that such ownership existed prior to the Business Combination and (C) at least a majority of the members of the board of directors of the corporation resulting from such Business Combination were members of the Incumbent Board at the time of the execution of the initial agreement, or of the action of the Board, providing for such Business Combination; or (iv) approval by the shareholders of the Company of a complete liquidation or dissolution of the Company. "Incumbent Board" shall mean a member of the Board of Directors of the Company who is not an Acquiring Person, or an affiliate (as defined in Rule 12b-2 of the Exchange Act) or an associate (as defined in Rule 12b-2 of the Exchange Act) of an Acquiring Person, or a representative or nominee of an Acquiring Person.

3. Miscellaneous.

(a) Notice. All notices under this Agreement shall be in writing and given either in person or by telefax or express overnight service to the address of the party to this Agreement as a party to this Agreement may furnish to the other as provided in this sentence, and shall be deemed received on the date of personal delivery or confirmed telefax transmission or on the first business day after sent by express overnight service; and if notice is given pursuant to the foregoing of a permitted successor or assign, then notice shall thereafter be given pursuant to the foregoing to such permitted successor or assign.

(b) Assignment: Binding Effect. No assignment, transfer, or delegation of any rights or obligations under this Agreement by a party shall be made without the prior written consent of the other party to this Agreement (but given the personal nature of the services to be provided by the Consultant to the Company pursuant to this Agreement, it is not expected that consent to assignment, transfer or delegation by the Consultant will be granted). This Agreement shall be binding upon the parties to this Agreement and their respective legal representatives, heirs, devisees, legatees, or other successors and assigns, and shall inure to the benefit of the parties to this Agreement and their respective permitted legal representatives, heirs, devisees, legatees, or other permitted successors and assigns.

(c) Interpretation; Captions. Whenever the context so requires, the singular number shall include the plural and the plural shall include the singular, and the gender of any pronoun shall include the other genders. Titles and captions of or in this Agreement are inserted only as a matter of convenience and for reference and in no way affect the scope for this Agreement or the intent of its provisions.

(d) Entire Agreement. This Agreement constitutes the entire agreement of the parties to this Agreement with respect to its subject matter, supersedes all prior agreements, if any, of the parties to this Agreement with respect to its subject matter, and may not be amended except in writing signed by the party to this Agreement against whom the change is being asserted.

(e) No Waiver. The failure of any party to this Agreement at any time or times to require the performance of any provisions of this Agreement shall in no manner affect the right to enforce the same; and no waiver by any party to this Agreement of any provision (or of a breach of any provision) of this Agreement, whether by conduct or otherwise, in any one or more instances, shall be deemed or construed either as a further or continuing waiver of any such provision or breach or as a waiver of any other provision (or of a breach of any other provision) of this Agreement.

(f) Governing Law; Jurisdiction. This Agreement shall be governed by and construed in accordance with the laws of the State of North Carolina, without regard to principles of conflict or choice of law. Any legal action arising out of or in connection with this Agreement must be brought in the federal courts located in Raleigh, North Carolina, and by execution and delivery of this Agreement, each party accepts the jurisdiction of said courts and waives any defense it may have as to improper venue or jurisdiction (subject matter or personal) or that any of the said courts is an inconvenient forum. The parties hereby waive their right to a jury trial and agree that any such action will be tried to the court sitting without a jury.

(g) Counterparts. This Agreement may be executed in two or more copies, each of which shall be deemed an original, and it shall not be necessary in making proof of this Agreement or its terms to produce or account for more than one of such copies.

(h) Section 409A Compliance. To the extent that any payments or benefits provided hereunder are considered nonqualified deferred compensation subject to Section 409A of the Code, the Company and the Consultant intend for this Agreement to comply with the

standards for nonqualified deferred compensation provided by Section 409A of the Code (the “409A Standards”). To the extent that any terms of this Agreement would subject the Consultant to an additional tax pursuant to Section 409A(a)(1)(B) of the Code, those terms are to that extent modified to be compliant with the 409A Standards, such modification to be limited to the least modification necessary to bring such terms into compliance with the 409A Standards while preserving to the maximum extent practicable the original intent and economic benefit to the Consultant. The Company reserves the right to amend this Agreement at any time without the Consultant’s consent to cause this Agreement, or any terms of this Agreement, to either comply with or be exempt from Section 409A of the Code and the 409A Standards.

[SIGNATURES ON FOLLOWING PAGE]

DULY EXECUTED and delivered by the parties to this Agreement as of June 26, 2006.

<table>
<tr><td>THE COMPANY:</td><td colspan="2">MARTIN MARIETTA MATERIALS, INC.</td><td></td></tr>
<tr><td></td><td>By:
Name:
Title:</td><td>/s/ Stephen P. Zelnak, Jr.</td><td></td></tr>
<tr><td></td><td>Address:</td><td>2710 Wycliff Road
Raleigh, NC 27607
Fax: 919.783.4535</td><td></td></tr>
<tr><td>THE CONSULTANT:</td><td colspan="2">/s/ Janice Henry
Janice Henry</td><td>(SEAL)</td></tr>
</table>

EXHIBIT A

Services:	Consultant will assist the Company with various duties that may arise from time to time, as specifically communicated to Consultant. Consultant will have no authority to bind Company.
Representative(s) for Reporting:	Chief Executive Officer or Chief Financial Officer, depending on specific project.
Rate:	The Company shall pay the Consultant at a rate of Fifteen Thousand Dollars ($15,000.00) per month regardless of the number of hours performing duties pursuant to this Agreement, plus expenses as provided in this Agreement. The Consultant will be available to the Company on an as-needed basis but shall not be required to spend more than an average of twenty (20) hours per month performing such duties.

EXHIBIT 10.03

EXTENSION AGREEMENT

JPMorgan Chase Bank, N.A.,
as Administrative Agent
under the Credit Agreement
referred to below
270 Park Avenue
New York, NY 10017

Gentlemen:

The undersigned hereby agrees to extend, effective June 2, 2006, the Termination Date under the Credit Agreement dated as of June 30, 2005 (as amended from time to time, the "**Credit Agreement**") among Martin Marietta Materials, Inc., a North Carolina corporation (the "**Company**"), the Lenders party thereto, JPMorgan Chase Bank, N.A., as Administrative Agent (the "**Administrative Agent**") and Bank of America, N.A., BNP Paribas, Branch Banking and Trust Company and Wachovia Bank, National Association, as Co-Syndication Agents, for one year to June 30, 2011. Terms defined in the Credit Agreement are used herein with the same meaning.

This Extension Agreement shall be construed in accordance with and governed by the law of the State of New York.

Lender: JPMorgan Chase Bank, N.A.

By: /s/ Anthony W. White
Name: Anthony W. White
Title: Vice President

Agreed and accepted:

MARTIN MARIETTA MATERIALS, INC.

By: /s/ Anne H. Lloyd
Name: Anne H. Lloyd
Title: Sr. Vice President, CFO

JPMORGAN CHASE BANK, N.A., as
Administrative Agent

By: /s/ Anthony W. White
Name: Anthony W. White
Title: Vice President

EXTENSION AGREEMENT

JPMorgan Chase Bank, N.A.,
as Administrative Agent
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referred to below
270 Park Avenue
New York, NY 10017

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This Extension Agreement shall be construed in accordance with and governed by the law of the State of New York.

Lender: Wachovia Bank, National Association

By: /s/ Andrea S. Chen
Name: Andrea S. Chen
Title: Vice President

Agreed and accepted:

MARTIN MARIETTA MATERIALS, INC.

By: /s/ Anne H. Lloyd
Name: Anne H. Lloyd
Title: Sr. Vice President, CFO

JPMORGAN CHASE BANK, N.A., as
Administrative Agent

By: /s/ Anthony W. White
Name: Anthony W. White
Title: Vice President

EXTENSION AGREEMENT

JPMorgan Chase Bank, N.A.,
as Administrative Agent
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270 Park Avenue
New York, NY 10017

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This Extension Agreement shall be construed in accordance with and governed by the law of the State of New York.

Lender: Bank of America, N.A.

By: /s/ Charles R. Dickerson
Name: Charles R. Dickerson
Title: Managing Director

Agreed and accepted:

MARTIN MARIETTA MATERIALS, INC.

By: /s/ Anne H. Lloyd
Name: Anne H. Lloyd
Title: Sr. Vice President, CFO

JPMORGAN CHASE BANK, N.A., as
Administrative Agent

By: /s/ Anthony W. White
Name: Anthony W. White
Title: Vice President

EXTENSION AGREEMENT

JPMorgan Chase Bank, N.A.,
as Administrative Agent
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270 Park Avenue
New York, NY 10017

Gentlemen:

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This Extension Agreement shall be construed in accordance with and governed by the law of the State of New York.

Lender: BNP Parribas

By: /s/ John Stacy
Name: John Stacy
Title: Senior Managing Director

By: /s/ Brad Ellis
Name: Brad Ellis
Title: Vice President

Agreed and accepted:

MARTIN MARIETTA MATERIALS, INC.

By: /s/ Anne H. Lloyd
Name: Anne H. Lloyd
Title: Sr. Vice President, CFO

JPMORGAN CHASE BANK, N.A., as
Administrative Agent

By: /s/ Anthony W. White
Name: Anthony W. White
Title: Vice President

EXTENSION AGREEMENT

JPMorgan Chase Bank, N.A.,
as Administrative Agent
under the Credit Agreement
referred to below
270 Park Avenue
New York, NY 10017

Gentlemen:

The undersigned hereby agrees to extend, effective June 2, 2006, the Termination Date under the Credit Agreement dated as of June 30, 2005 (as amended from time to time, the "**Credit Agreement**") among Martin Marietta Materials, Inc., a North Carolina corporation (the "**Company**"), the Lenders party thereto, JPMorgan Chase Bank, N.A., as Administrative Agent (the "**Administrative Agent**") and Bank of America, N.A., BNP Paribas, Branch Banking and Trust Company and Wachovia Bank, National Association, as Co-Syndication Agents, for one year to June 30, 2011. Terms defined in the Credit Agreement are used herein with the same meaning.

This Extension Agreement shall be construed in accordance with and governed by the law of the State of New York.

Lender: Wells Fargo Bank, N.A.

By: /s/ Horace Jennings
Name: Horace Jennings
Title: Vice President

Agreed and accepted:

MARTIN MARIETTA MATERIALS, INC.

By: /s/ Anne H. Lloyd
Name: Anne H. Lloyd
Title: Sr. Vice President, CFO

JPMORGAN CHASE BANK, N.A., as
Administrative Agent

By: /s/ Anthony W. White
Name: Anthony W. White
Title: Vice President

EXTENSION AGREEMENT

JPMorgan Chase Bank, N.A.,
as Administrative Agent
under the Credit Agreement
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270 Park Avenue
New York, NY 10017

Gentlemen:

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This Extension Agreement shall be construed in accordance with and governed by the law of the State of New York.

Lender: Branch Banking and Trust Company

By: /s/ Jack M. Frost
Name: Jack M. Frost
Title: Senior Vice President

Agreed and accepted:

MARTIN MARIETTA MATERIALS, INC.

By: /s/ Anne H. Lloyd
Name: Anne H. Lloyd
Title: Sr. Vice President, CFO

JPMORGAN CHASE BANK, N.A., as
Administrative Agent

By: /s/ Anthony W. White
Name: Anthony W. White
Title: Vice President

EXHIBIT 31.01

CERTIFICATION PURSUANT TO SECURITIES AND EXCHANGE ACT OF 1934 RULE 13a-14 AS ADOPTED PURSUANT TO SECTION 302 OF SARBANES-OXLEY ACT OF 2002

I, Stephen P. Zelnak, Jr., certify that:

1. I have reviewed this Form 10-Q of Martin Marietta Materials, Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officers and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
    a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
    b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
    c. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
    d. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officers and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: August 1, 2006

By: /s/ Stephen P. Zelnak, Jr.
Stephen P. Zelnak, Jr.
Chairman and Chief Executive Officer

EXHIBIT 31.02

CERTIFICATION PURSUANT TO SECURITIES AND EXCHANGE ACT OF 1934 RULE 13a-14 AS ADOPTED PURSUANT TO SECTION 302 OF SARBANES-OXLEY ACT OF 2002

I, Anne H. Lloyd, certify that:

1. I have reviewed this Form 10-Q of Martin Marietta Materials, Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant’s other certifying officers and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
    a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
    b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
    c. Evaluated the effectiveness of the registrant’s disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
    d. Disclosed in this report any change in the registrant’s internal control over financial reporting that occurred during the registrant’s most recent fiscal quarter that has materially affected, or is reasonably likely to materially affect, the registrant’s internal control over financial reporting; and

5. The registrant’s other certifying officers and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant’s auditors and the audit committee of the registrant’s board of directors (or persons performing the equivalent functions):

    a. All significant deficiencies and material weaknesses in the design or operation of internal controls over financial reporting which are reasonably likely to adversely affect the registrant’s ability to record, process, summarize and report financial information; and

    b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant’s internal control over financial reporting.

Date: August 1, 2006

By: /s/ Anne H. Lloyd
Anne H. Lloyd
Senior Vice President and Chief Financial Officer

EXHIBIT 32.01

Written Statement Pursuant to 18 U.S.C. 1350,
As Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002

In connection with the Quarterly Report on Form 10-Q for the period ended June 30, 2006 (the “Report”) of Martin Marietta Materials, Inc. (the “Registrant”), as filed with the Securities and Exchange Commission on the date hereof, I, Stephen P. Zelnak, Jr., the Chief Executive Officer of the Registrant certify, to the best of my knowledge, that:

(1) the Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended; and

(2) the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Registrant.

/s/ Stephen P. Zelnak, Jr.
Stephen P. Zelnak, Jr.
Chief Executive Officer

Dated: August 1, 2006

A signed original of this written statement required by Section 906 has been provided to Martin Marietta Materials, Inc. and will be retained by Martin Marietta Materials, Inc. and furnished to the Securities and Exchange Commission or its staff upon request.

EXHIBIT 32.02

Written Statement Pursuant to 18 U.S.C. 1350,
As Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002

In connection with the Quarterly Report on Form 10-Q for the period ended June 30, 2006 (the “Report”) of Martin Marietta Materials, Inc. (the “Registrant”), as filed with the Securities and Exchange Commission on the date hereof, I, Anne H. Lloyd, the Chief Financial Officer of the Registrant certify, to the best of my knowledge, that:

(1) the Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended; and

(2) the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Registrant.

/s/ Anne H. Lloyd
Anne H. Lloyd
Senior Vice President and Chief Financial Officer

Dated: August 1, 2006

A signed original of this written statement required by Section 906 has been provided to Martin Marietta Materials, Inc. and will be retained by Martin Marietta Materials, Inc. and furnished to the Securities and Exchange Commission or its staff upon request.