
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 10-K

(MARK ONE)
[X] ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934 [No Fee Required]

For the fiscal year ended DECEMBER 31, 1999

OR

[ ] TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934 [No Fee Required]

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 no.)
2710 WYCLIFF ROAD, RALEIGH, NORTH CAROLINA	27607-3033
(Address of principal executive offices)	(Zip Code)

Registrant's telephone number, including area code: (919) 781-4550

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Name of each exchange on which registered
COMMON STOCK (PAR VALUE $.01 PER SHARE) (INCLUDING RIGHTS ATTACHED THERETO)	NEW YORK STOCK EXCHANGE

Securities registered pursuant to Section 12(g) of the Act: NONE

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 [X] No [ ]

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K is not contained herein, and will not be contained, to the best of registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of the Form 10-K or any amendment to this Form 10-K. [X]

The aggregate market value of voting stock (based on the closing price on the New York Stock Exchange on March 17, 2000 as published in the Wall Street Journal) held by non-affiliates of the Company was $1,248,307,273. Shares of Common Stock held by each executive officer and director and by each person who owns 5% or more of the outstanding Common Stock have been excluded in that such persons may be deemed to be affiliates. This determination of affiliate status is not necessarily a conclusive determination for other purposes.

The number of shares outstanding of each of the Registrant's classes of common stock on March 17, 2000 as follows:

COMMON STOCK (PAR VALUE $.01 PER SHARE)   46,727,259 SHARES

DOCUMENTS INCORPORATED BY REFERENCE

Portions of the Martin Marietta Materials, Inc. 2000 Proxy Statement are incorporated by reference into Part III.

Portions of the Martin Marietta Materials, Inc. 1999 Annual Report to Shareholders are incorporated by reference into Parts I, II and IV.

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PART I

ITEM 1. BUSINESS

GENERAL

Martin Marietta Materials, Inc. (the "Company") is the United States' second largest producer of aggregates for the construction industry, including highways, infrastructure, commercial and residential. The Company also manufactures and markets magnesia-based products, including heat-resistant refractory products for the steel industry, chemicals products for industrial, agricultural and environmental uses, and dolomitic lime. In 1999, the Company's aggregates business accounted for 89% of the Company's total revenues and the Company's magnesia-based products segment accounted for 11% of the Company's total revenues.

The Company was formed in November 1993 as a North Carolina corporation to be the successor to substantially all of the assets and liabilities of the materials group of Martin Marietta Corporation and its subsidiaries. An initial public offering of a portion of the common stock of the Company (the "Common Stock") was completed in February 1994 whereby 8,797,500 shares of Common Stock (representing approximately 19% of the shares outstanding) were sold at an initial public offering price of $23 per share. Lockheed Martin Corporation, which was formed as the result of a business combination between Martin Marietta Corporation and Lockheed Corporation in March 1995, owned approximately 81% of the Common Stock directly and through its wholly-owned subsidiary, Martin Marietta Investments Inc., until October 1996.

In October 1996, the outstanding Common Stock of Martin Marietta Materials that was held by Lockheed Martin Corporation became available to the public market when Lockheed Martin disposed of its 81% ownership interest. This transaction was completed by means of a tax-free exchange offer pursuant to which Lockheed Martin stockholders were given the opportunity to exchange shares of Lockheed Martin common stock for shares of the Company's Common Stock, which resulted in 100% of the outstanding shares of Common Stock being publicly traded.

On January 3, 1995, the Company purchased certain assets of Dravo Corporation relating to its construction aggregates business for a purchase price of approximately $121 million in cash, plus certain assumed liabilities (the "Dravo Acquisition"). When acquired, the business had production and distribution facilities in nine states and the Bahamas. The Dravo Acquisition added more than 24 million tons of annual production capacity to the Company's operations. It also expanded the Company's method of conducting business by adding water distribution by ocean vessels and river barges, in addition to the use of truck and rail transportation. Further, the Dravo Acquisition expanded the Company's presence in or sales to nonconstruction aggregate markets, including the chemical, steel, cement, utility desulfurization, poultry feed and agricultural lime industries.

On May 28, 1997, the Company purchased all of the outstanding common stock of American Aggregates Corporation ("American Aggregates") along with certain other assets from American Aggregates' former parent, CSR America, Inc., for an acquisition price of approximately $242 million in cash plus certain assumed liabilities (the "American Aggregates Acquisition"). The American Aggregates Acquisition included the Ohio and Indiana operations of American Aggregates with 29 production facilities and increased the Company's annual production capacity by more than 25 million tons -- in addition to adding over 1 billion tons of mineral reserves, of which approximately 700 million were zoned for production, and 11,000 acres of property. American Aggregates is a leading supplier of aggregates products in Indianapolis, Cincinnati, Dayton and Columbus.

On December 4, 1998, the Company acquired the common stock of Redland Stone Products Company ("Redland Stone") from an affiliate of Lafarge SA for $272 million in cash plus normal balance sheet liabilities, subject to certain post-closing adjustments relating to working capital, plus approximately $8 million estimated for certain other assumed liabilities and transaction costs. The Company did not assume any long-term debt of Redland Stone. Redland Stone is a leading producer of aggregates and asphaltic concrete in the state of Texas and has mineral reserves which exceed 1.0 billion tons. Redland Stone expanded the Aggregates division's business by adding operating facilities in the southwest United States, expanding the Company's presence in the asphalt production business and adding significant long-term mineral reserve capacity.

As of October 31, 1998, the Company purchased an initial 14% interest in the business of Meridian Aggregates Company ("Meridian"). The transaction provides a mechanism for the Company to purchase the remaining interest in Meridian at a predetermined formula price within five years, and the Meridian investors may require the Company to purchase their interests beginning December 31, 2000, or earlier in the event of the death of an investor. In 1999, Meridian operated 26 aggregates production facilities and eight rail-served distribution yards in 11 states in the southwestern and western United States with approximately 1.4 billion tons of mineral reserves.

The Company announced in February 1997 that it had entered into agreements giving the Company rights to commercialize certain proprietary technologies related to the Company's business. One of the agreements gives the Company the opportunity to pursue the use of certain composites technology for products where corrosion resistance and high strength-to-weight ratios are important factors, such as bridge decks, marine applications and other structures. In addition, as part of the American Aggregates Acquisition, the Company is working on certain technology related to remineralization of soil and microbial products for enhanced plant growth. The Company continued its research and development activities during 1999 in these new product areas, and began manufacturing and marketing certain of the products. These technologies, if fully developed by the Company, would complement and expand the Company's business. Also, in 1999 the Company made an investment in a start-up company, Industrial Microwave Systems, that has proprietary technology for use in applications related to industrial heating and drying, food processing and aseptic packaging. There can be no assurance that any of the technologies will become profitable.

BUSINESS SEGMENT INFORMATION

The Company operates in two reportable business segments. These segments are aggregates products and magnesia-based products, chemicals, refractories and dolomitic lime. Information concerning the Company's net sales, operating profit, assets employed and certain additional information attributable to each reportable industry segment for each year in the three-year period ended December 31, 1999 is included in "Management's Discussion and Analysis of Financial Condition and Results of Operations" on pages 26 through 39 of the Company's 1999 Annual Report to Shareholders (the "1999 Annual Report"), which information is incorporated herein by reference.

AGGREGATES

The Company's aggregates segment processes and sells granite, sandstone, limestone, sand and gravel and other aggregates products for use in all sectors of the public infrastructure, commercial and residential construction industries. The Company is the United States' second largest producer of aggregates. In 1999, the Company shipped approximately 165 million tons of aggregates primarily to customers in 24 southeastern, southwestern, midwestern and central states, generating net sales and earnings from operations of $1.1 billion and $208 million, respectively.

The Aggregates division markets its products primarily to the construction industry, with approximately one-half of its shipments made to contractors in connection with highway and other public infrastructure projects and the balance of its shipments made primarily to contractors in connection with commercial and residential construction projects. As a result of dependence upon the construction industry, the profitability of aggregates producers is sensitive to national, regional and local economic conditions, and particularly to cyclical swings in construction spending, which is affected by fluctuations in interest rates, and demographic and population shifts and to changes in the level of infrastructure spending funded by the public sector. The Company's aggregates business is concentrated principally in the southeast, southwest, midwest and central states. Aggregates products are sold and shipped from a network of approximately 300 quarries and distribution facilities in more than 20 states, although the Company's five largest shipment states account for approximately 61% of total sales. The Company's business is accordingly affected by the economies in these regions. The addition of the Dravo operations opened extensive markets for the aggregates business along the Ohio and Mississippi River systems from western Pennsylvania throughout the central and southern United States. The distribution centers acquired along the Gulf of Mexico and Atlantic coasts, as well as operating facilities in the Bahamas, provided entry into those markets for aggregates. The Gulf and Atlantic coastal areas are being supplied primarily from the Bahamas location, two large quarries on the Ohio River system and a Canadian quarry on the Strait of Canso in Nova Scotia, the assets related to which were purchased in October 1995 by the Company (the "Canadian Acquisition"). In addition, the Company's recent acquisitions have expanded its ability to ship by rail. Accordingly, in addition to increasing the Company's geographic presence through acquisitions, the Company has also enhanced its reach through its ability to provide cost-effective coverage of certain coastal markets on the east coast and reaching as far as Texas, and to ship products in and to Canada, the Caribbean and parts of South America, as well as to additional geographic areas which can be accessed economically by its expanded distribution system.

The Company's aggregates business is also highly seasonal, due primarily to the effect of weather conditions on construction activity within its markets. As a result of the American Aggregates Acquisition and several other smaller acquisitions in the north central region of the United States, more of the Company's aggregates operations have exposure to weather-related risk during the winter months. The division's operations that are concentrated principally in the north central region of the Midwest generally experience more severe winter weather conditions than the division's operations in the Southeast and Southwest. Due to these factors, the Company's second and third quarters are generally the strongest, with the first quarter generally reflecting the weakest results.

Aggregates can be found in abundant quantities throughout the United States, and there are many producers nationwide. However, as a general rule, shipments from an individual quarry are limited because the cost of transporting processed aggregates to customers is high in relation to the value of the product itself. As a result, proximity of quarry facilities to customers is the most important factor in competition for aggregates business and helps explain the highly fragmented nature of the aggregates industry. The Company's distribution system mainly uses trucks. Access to a lower-cost, extensive river barge and ocean vessel network was provided as a result of certain acquisitions made by the Company, including the Dravo Acquisition and the Canadian Acquisition. The Redland Stone transaction and other recent acquisitions in Texas have enabled the Company to extend its reach through increased access to rail transportation.

Historically, the Company has focused on the production of aggregates and has not integrated vertically in a substantial manner into other construction materials businesses. In recent transactions, the Company has acquired asphaltic concrete, ready-mixed concrete, paving construction and other businesses which establish vertical integration that complement its aggregates business. These products and services are not a significant component of the Company's aggregates operations.

Environmental and zoning regulations have made it increasingly difficult for the construction aggregates industry to expand existing quarries and to develop new quarry operations. Although it cannot be predicted what policies will be adopted in the future by federal, state and local governmental bodies regarding these matters, the Company anticipates that future restrictions will likely make zoning and permitting more difficult thereby potentially enhancing the value of the Company's existing mineral reserves.

Management believes the Aggregates division's raw material reserves are sufficient to permit production at present operational levels for the foreseeable future. The Company does not anticipate any material difficulty in obtaining the raw materials that it uses for production in its aggregates segment.

The Company generally delivers products in its aggregates segment upon receipt of orders or requests from customers. Accordingly, there is no significant backlog information. Inventory of aggregates is generally maintained in sufficient quantities to meet rapid delivery requirements of customers.

MAGNESIA SPECIALTIES

The Company also manufactures and markets dolomitic lime and magnesia-based products, including heat-resistant refractory products for the steel industry and magnesia-based chemicals products for industrial, agricultural and environmental uses, including wastewater treatment, sulfur dioxide scrubbing and acid neutralization. In 1999, the Company's Magnesia Specialties division generated net sales of $133 million and earnings from operations of $7 million. Magnesia Specialties' refractory and dolomitic lime products are sold primarily to the steel industry. Accordingly, the division's profitability depends on the production of steel and the related marketplace, and a significant portion of the division's product pricing structure is affected by current economic conditions within the steel industry.

In 1999, the division's major product areas continued to be negatively impacted by global steel industry conditions. Foreign steel imports that flooded the United States' markets in 1998, slowed during 1999 as these foreign economies began to improve. However, no broad tariffs or duties were passed to provide long-term restriction of foreign steel imports. The division's steel-related product areas' performance followed the steel industry's performance. Refractories and dolomitic lime products continued to experience declining volumes and sales during 1999 as a result of instabilities in the steel industry. While refractories and dolomitic lime volumes and sales improved in the second half of 1999 compared with the second half of 1998, pricing pressures continued as the steel industry exercised its pricing power. Also, consolidation among manufacturers of refractory brick may remove a significant periclase customer from the market. The division's chemicals products achieved record volume and sales in 1999, as a result of increased sales in chemicals used as flame retardants and in wastewater treatment. The division also added several new customers that utilize fuel-oil additives that reduce stack pollution. Further, improving Asian economies reduced the global pressures experienced in the chemicals products during 1998. However, competitive pricing pressures continued throughout 1999.

The principal raw materials used in the Company's Magnesia Specialties division's products are dolomitic lime, brine and imported magnesia. Management believes that its reserves of dolomitic limestone to produce dolomitic lime and its reserves of brine are sufficient to permit production at present operational levels for the foreseeable future. The supply of natural and synthetic magnesia is abundant worldwide. In 1999, the Company purchased some of its magnesia requirements from various sources located in China. While the Company does not expect an interruption in the supply of magnesia from these sources, various factors associated with economic and political uncertainty in China could result in future supply interruptions. If such an interruption were to occur, the Company believes it could obtain alternate supplies worldwide, although there could be no assurance that the Company could do so at current prices. Alternatively, the Company believes it could adjust its mix of products and/or increase production capacity at its Manistee, Michigan, operation.

The Company generally delivers its Magnesia Specialties division's products upon receipt of orders or requests from customers. Accordingly, there is no significant backlog information. Inventory for the Magnesia Specialties division's products is generally maintained in sufficient quantities to meet rapid delivery requirements of customers. The Company has provided extended payment terms to certain international customers.

The Company announced in 1999 that it was considering various alternatives related to the Magnesia Specialties division which may present opportunities to create additional value for the Company and its shareholders. The Company can give no assurance that additional value will be created from the alternatives being explored with respect to the Magnesia Specialties division.

PATENTS AND TRADEMARKS

As of March 17, 2000, the Company owns, has the right to use, or has pending applications for approximately 93 patents pending or granted by the United States and various countries and approximately 109 trademarks related to its Magnesia Specialties business and its developing technologies and services business. The Company believes that its rights under its existing patents, patent applications and trademarks are of value to its operations, but no one patent or trademark or group of patents or trademarks is material to the conduct of the Company's business as a whole.

CUSTOMERS

No material part of the business of either segment of the Company is dependent upon a single customer or upon a few customers, the loss of any one of which would have a material adverse effect on the segment. The Company's products are sold principally to commercial customers in private industry. Although large amounts of construction materials are used in public works projects, relatively insignificant sales are made directly to federal, state, county or municipal governments, or agencies thereof.

COMPETITION

Because of the impact of transportation costs on the aggregates business, competition tends to be limited to producers in proximity to the Company's individual production facilities. Although all of the Company's locations experience competition, the Company believes that it is generally a leading producer in the areas it serves. Competition is based primarily on quarry location and price, but quality of aggregates and level of customer service are also factors.

The Company is the second largest producer of aggregates in the United States based on tons shipped. There are over 4,000 companies in the United States that produce aggregates. The largest five producers account for less than 25% of the total market. The Company competes with a number of other large and small producers. The Company believes that its ability to transport materials by ocean vessels and river barges as a result of certain acquisitions made by the Company, including the Dravo Acquisition and the Canadian Acquisition, and its increased access to rail transportation as a result of the Redland Stone and other transactions, has enhanced the Company's ability to compete in certain extended areas. Certain of the Company's competitors in the aggregates industry have greater financial resources than the Company.

The Magnesia Specialties division of the Company competes with various companies in different geographic and product areas. The Company believes that the Magnesia Specialties division is one of the largest suppliers of monolithic (unshaped) refractory products and dolomitic lime to the steel industry in the United States and one of the largest suppliers of magnesia-based chemicals products to various industries. The Company's largest competitors for monolithic refractory sales are Mineral Technologies, Inc. and Cookson Group, PLC, and its largest competitor for hydroxide slurry is The Dow Chemical Company. The division competes principally on the basis of quality, price and technical support for its products. The Magnesia Specialties division also competes for sales to customers located outside the United States with sales to such customers accounting for approximately $21.0 million in sales in 1999 (representing approximately 16% of total sales of the Magnesia Specialties segment) principally in Canada, Mexico, the United Kingdom, Germany and Korea. The Magnesia Specialties division's sales to foreign customers were $20.5 million in 1998 and $24.1 million in 1997.

RESEARCH AND DEVELOPMENT

The Company conducts research and development activities for its Magnesia Specialties segment at its laboratory located near Baltimore, Maryland and at various locations for the new proprietary technologies. In general, the Company's research and development efforts are directed to applied technological development for the use of its refractories and chemicals products and for composite materials, soil remineralization products, microbial products, a laser-measuring device and a microwave technology. The Company spent approximately $2.8 million in 1999, $3.1 million in 1998 and $3.4 million in 1997 on research and development activities.

ENVIRONMENTAL REGULATIONS

The Company's operations are subject to and affected by federal, state and local laws and regulations relating to the environment, health and safety and other regulatory matters. Certain of the Company's operations may from time to time involve the use of substances that are classified as toxic or hazardous substances within the meaning of these laws and regulations. Environmental operating permits are, or may be, required for certain of the Company's operations and such permits are subject to modification, renewal and revocation. The Company regularly monitors and reviews its operations, procedures and policies for compliance with these laws and regulations. Despite these compliance efforts, risk of environmental liability is inherent in the operation of the Company's businesses, as it is with other companies engaged in similar businesses, and there can be no assurance that environmental liabilities will not have a material adverse effect on the Company in the future. In accordance with the Company's accounting policy for environmental costs, amounts are not accrued and included in the Company's financial statements until it is probable that a liability has been incurred and such amount can be estimated reasonably. The environmental accruals are the estimate based on internal studies of the required remediation costs and generally not discounted to their present value or offset for potential insurance or other claims. Costs incurred by the Company in connection with environmental matters in the preceding two fiscal years were not material to the Company's operations or financial condition.

The Company believes that its operations and facilities, both owned or leased, are in substantial compliance with applicable laws and regulations and that any noncompliance is not likely to have a material adverse effect on the Company's operations or financial condition. See "Legal Proceedings" on page 13 of this Form 10-K and "Note M: Commitments and Contingencies" of the "Notes to Financial Statements" on page 25 and "Management's Discussion and Analysis of Financial Condition and Results of Operations" on pages 26 through 39 of the 1999 Annual Report. However, future events, such as changes in or modified interpretations of existing laws and regulations or enforcement policies, or further investigation or evaluation of the potential health hazards of certain products or business activities, may give rise to additional compliance and other costs that could have a material adverse effect on the Company.

In general, quarry sites must comply with noise, water discharge and air quality regulations, zoning and special use permitting requirements, applicable mining regulations and federal health and safety requirements. As new quarry sites are located and acquired, the Company works closely with local authorities during the zoning and permitting processes to design new quarries in such a way as to minimize disturbances. The Company frequently acquires large tracts of land so that quarry and production facilities can be situated substantial distances from surrounding property owners. The

Company maintains a centralized blasting function for its quarry operations, and has established policies designed to minimize disturbances to surrounding property owners.

The Company is required by state laws to reclaim quarry sites after use. The Company generally reclaims its quarries on an ongoing basis, reclaiming mined-out areas of the quarry while continuing operations at other areas of the site. Historically, the Company has not incurred extraordinary or substantial costs in connection with the closing of quarries. Reclaimed quarry sites owned by the Company are available for sale, typically for commercial development or use as reservoirs.

As is the case with other companies in the same industries, some of the Company's products contain varying amounts of crystalline silica, a common mineral. Excessive, prolonged inhalation of very small-sized particles of crystalline silica has been associated with non-malignant lung disease. The carcinogenic potential of crystalline silica was evaluated by the International Agency for Research on Cancer and later by the U.S. National Toxicology Program. In 1987, the agency found limited evidence of carcinogenicity in humans but sufficient evidence of carcinogenicity in animals. The National Toxicology Program concluded in 1991 that crystalline silica is "reasonably anticipated to be a carcinogen." In October 1996, the International Agency for Research on Cancer issued another report stating that "inhaled crystalline silica in the form of quartz or cristobalite from occupational sources is carcinogenic to humans." The Mine Safety and Health Administration has included the development of a crystalline silica standard as one of its long-term goals. The Company, through safety information sheets and other means, communicates what it believes to be appropriate warnings and cautions to employees and customers about the risks associated with excessive, prolonged inhalation of mineral dust in general and crystalline silica in particular.

The EPA in November 1996 proposed certain changes to the regulations relating to the standard for particulate matter in connection with air quality, which were recently placed into law as the National Ambient Air Quality Standards. The new law places an ambient air limit on the emission of fine particles (smaller than 2.5 microns) that typically result from industrial, motor vehicle and power generation fuel combustion, in addition to the coarse particles previously regulated. As adopted, the regulations impact many industries, including the aggregates industry. The National Stone Association ("NSA") has joined a lawsuit with many other industries challenging the standard and the lack of scientific data available supporting the limits and the ability of industry to monitor the pollutant. In May 1999, the United States Court of Appeals for the District of Columbia overturned the EPA's PM2.5 and ozone national ambient air quality standards. The EPA has requested review of the decision to the United States Supreme Court.

At the Magnesia Specialties division's Manistee, Michigan, facility, the Company maintains a stockpile of off-specification magnesia and binder materials, and fine-particle product generated in processing magnesium oxide. These materials are used at the Manistee plant as a portion of the feed stock for producing certain of its magnesium oxide products. In 1986, the U.S. Environmental Protection Agency (the "EPA") investigated the stockpile for possible designation under the Comprehensive Environmental Response Compensation and Liability Act (the "Superfund" statute), but has not taken any action since that date. The site remains on Michigan's Act 201 list, a state superfund list. In addition, the Michigan Department of Environmental Quality (the "DEQ") reviewed information submitted by the Company to determine the appropriate classification of the pile. In 1998 the DEQ classified the pile as "low hazard industrial waste," and in August 1999 determined that no license is required from the Company for the continued storage of these recyclable materials.

As a result of the processing of dolomitic limestone at the Magnesia Specialties division's Woodville, Ohio, facility, lime kiln dust ("LKD") is produced as a by-product. The Ohio Environmental Protection Agency ("OEPA") promulgated regulations that apply to the disposal of LKD. The Company executed an administrative order with the OEPA on November 24, 1997 requiring the Company to submit a permit application for a landfill by May 1998, which was duly submitted. Regulations proposed by OEPA in February 2000 were withdrawn after public comment from the Ohio lime producers indicated that the proposed rules were not likely to achieve the desired goals. The Company, along with the National Lime Association and other lime producers, continue to work with the OEPA to develop a consensus approach to determine if changes to the current scope of the regulations are appropriate. Depending upon the result of these ongoing discussions, the Company may be required to incur certain compliance costs. The Company believes that any such costs would not have a material adverse effect on the Company's operations or its financial condition but can give no assurance that the compliance costs will not have a material adverse effect on the financial condition or results of the Magnesia Specialties segment's operations.

The Clean Air Act Amendments of 1990 require the EPA to develop regulations for a broad spectrum of industrial sectors that emit hazardous air pollutants, including lime manufacturing. The new standards to be established would require plants to install feasible control equipment for certain hazardous air pollutants, thereby significantly reducing air emissions. The Company is actively participating with other lime manufacturers in working with the EPA to define test protocols, better define the scope of the standards, determine the existence and feasibility of various technologies, and develop realistic emission limitations and continuous emissions monitoring/reporting requirements for the lime industry. The EPA has conducted testing at lime manufacturing facilities located in Alabama, Texas and Ohio, including the Company's Woodville facility, the results of which were discussed with the EPA in 1999 to determine whether the facilities should be subject to these regulations. The current deadline for establishing the technology-based standards for the industry is November 15, 2000. The Company will not be able to determine the applicability of the new regulations or the cost associated with any required standards until the emission standards are adopted. The Company believes that any costs associated with the upgrade and/or replacement of equipment required to comply with the new regulations would not have a material adverse effect on the Company's operations or its financial condition but can give no assurance that the compliance costs will not have a material adverse effect on the financial condition or results of the Magnesia Specialties segment's operations.

In February 1998, the Georgia Department of Natural Resources ("GDNR") determined that both the Company and the Georgia Department of Transportation ("GDOT") are responsible parties for investigation and remediation at the Company's Camak Quarry in Thomson, Georgia, due to the discovery of trichloroethene ("TCE") above its naturally occurring background concentration in a drinking water well on site. The Company provided the GDNR with information indicating that the source of the release was either from an asphalt plant that was on the site in the early 1970's or from a maintenance shop that was operated on the property in the 1940's and 1950's before the Company purchased the property. The Company was designated a responsible party by virtue of its ownership of the property. The Company entered into a Consent Order with GDNR to conduct an environmental assessment of the site and file a report of the findings. The Company and GDOT signed an agreement to share evenly the costs of the assessment work. Georgia law provides that responsible parties are jointly and severally liable and, therefore, the Company is potentially liable for the full cost of funding the investigation and any necessary remediation. If the Company is required to fund the entire cost of such remediation, the statutory framework provides that the Company may pursue rights of contribution from the other responsible parties. Management believes any costs incurred by the Company associated with the site will not have a material adverse effect on the Company's operations or its financial condition.

In December 1998, the GDNR determined that the Company, the GDOT and two other parties which operated an asphalt plant are responsible parties for investigation and remediation at the Company's Ruby Quarry in Macon, Georgia. The Company was designated by virtue of its ownership of the property. GDOT was designated because it caused a release of TCE above its naturally occurring background concentration in the groundwater at the site. The two other parties were designated because both entities operated the asphalt plant at the site. The groundwater contamination was discovered when the Company's tenant vacated the premises and environmental testing was conducted. The Company and GDOT signed an agreement to share the costs of the assessment work. If the Company is required to fund the cost of remediation, the Company will pursue its right of contribution from the responsible parties. Management believes any costs incurred by the Company associated with the site will not have a material adverse effect on the Company's operations or its financial condition.

EMPLOYEES

As of March 17, 2000, the Company has approximately 6,100 employees. Approximately 4,500 are hourly employees and approximately 1,600 are salaried employees. Included among these employees are approximately 1,200 hourly employees represented by labor unions. Approximately 21% of the Company's Aggregates division's hourly employees are members of a labor union, while 97% of the Magnesia Specialties division's hourly employees are represented by labor unions. The Company's principal union contracts cover employees at the Manistee, Michigan, magnesia-based products plant and the Woodville, Ohio lime plant. The current Manistee labor union contract was ratified in August 1999 and expires in 2003. The Woodville labor union contract expires in June 2000. In 1996, the previous renewal of the Woodville labor union contract was renegotiated without any disruption to normal operations although there can be no assurance that a successor agreement will be reached or that a work stoppage will not occur. The Company considers its relations with its employees to be good.

ITEM 2. PROPERTIES

AGGREGATES

As of March 17, 2000, the Company processed or shipped aggregates from 289 quarries and distribution yards in 23 states in the southeast, southwest, midwest and central United States and in Canada and the Bahamas, of which 83 are located on land owned by the Company free of major encumbrances, 58 are on land owned in part and leased in part, 136 are on leased land, and 12 are on facilities neither owned nor leased, where raw materials are removed under an agreement. In addition, the Company processed and shipped ready mixed concrete and/or asphalt products from 23 properties in 4 states in the southern United States, of which 11 are located on land owned by the Company free of major encumbrances, 2 are on land owned in part and leased in part and 10 are on leased land.

MAGNESIA SPECIALTIES

The Magnesia Specialties division currently operates major manufacturing facilities in Manistee, Michigan and Woodville, Ohio, and smaller processing plants in River Rouge, Michigan; Bridgeport, Connecticut; Baton Rouge, Louisiana; Lenoir City, Tennessee; Pittsburgh, Pennsylvania; and Mobile, Alabama. All of these facilities are owned, except Pittsburgh and Lenoir City, which are leased. In addition, the Company has entered into several third-party toll-manufacturing agreements pursuant to which it processes various chemical and refractory products.

OTHER PROPERTIES

The Company's corporate headquarters, which it owns, is located in Raleigh, North Carolina. The Company owns and leases various administrative offices and research and development laboratories for its Aggregates division and its Magnesia Specialties division.

The Company's principal properties, which are of varying ages and are of different construction types, are believed to be generally in good condition, are well maintained, and are generally suitable and adequate for the purposes for which they are used. The principal properties are believed to be utilized at average productive capacities of approximately 85% and are capable of supporting a higher level of market demand.

ITEM 3. LEGAL PROCEEDINGS

From time to time claims are asserted against the Company arising out of its operations in the normal course of business. In the opinion of management of the Company (which opinion is based in part upon consideration of the opinion of counsel), it is unlikely that the outcome of litigation and other proceedings relating to the Company, including those relating to environmental matters and those described specifically below, will have a material adverse effect on the Company's operations or its financial condition; however, there can be no assurance that an adverse outcome in any of such litigation would not have a material adverse effect on the Company.

See also "Note M: Commitments and Contingencies" of the "Notes to Financial Statements" on page 25 of the 1999 Annual Report and "Management's Discussion and Analysis of Financial Condition and Results of Operations" on page 39 of the 1999 Annual Report.

ITEM 4. SUBMISSION OF MATTERS TO A VOTE OF SECURITY HOLDERS

No matters were submitted to a vote of security holders during the fourth quarter of 1999.

FORWARD LOOKING STATEMENTS - SAFE HARBOR PROVISIONS

This Annual Report on Form 10-K contains statements which constitute "forward looking statements" within the meaning of Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934. Investors are cautioned that all forward looking statements involve risks and uncertainties, including those arising out of economic, climatic, political, regulatory, competitive and other factors. The forward looking statements in this document are intended to be subject to the safe harbor protection provided by Sections 27A and 21E. For a discussion identifying some important factors that could cause actual results to vary materially from those anticipated in the forward looking statements see the Corporation's Securities and Exchange Commission filings, including but not limited to, the discussion of "Competition" on page 8 of this Annual Report on Form 10-K, "Management's Discussion and Analysis of Financial Condition and Results of Operations" on pages 26 through 39 of the 1999 Annual Report and "Note A: Accounting Policies" and "Note M: Commitments and Contingencies" of the "Notes to Financial Statements" on pages 16 through 18 and 25, respectively, of the Audited Consolidated Financial Statements included in the 1999 Annual Report.

EXECUTIVE OFFICERS OF THE REGISTRANT

The following sets forth certain information regarding the executive officers of Martin Marietta Materials, Inc. as of March 17, 2000:

NAME	AGE	PRESENT POSITION AT MARCH 17, 2000	YEAR ASSUMED PRESENT POSITION	OTHER POSITIONS AND OTHER BUSINESS EXPERIENCE WITHIN THE LAST FIVE YEARS
Stephen P. Zelnak, Jr.	55	Chairman of the Board of Directors of Martin Marietta Materials, Inc.;	1997	Vice Chairman of the Board of Directors of Martin Marietta Materials, Inc. (1996-1997)
		President and Chief Executive Officer of Martin Marietta Materials, Inc.;	1993	
		President of Aggregates Division	1993	
Philip J. Sipling	52	Executive Vice President of Martin Marietta Materials, Inc.;	1997	Senior Vice President of Martin Marietta Materials, Inc. (1993-1997); President of Magnesia Specialties Division (1993-1997)
		Chairman of Magnesia Specialties Division;	1997	
		Executive Vice President of Aggregates Division	1993	
Janice K. Henry	48	Senior Vice President;	1998	Vice President, Martin Marietta Materials, Inc. (1994-1998)
		Chief Financial Officer;	1994	
		Treasurer	1996	
Robert R. Winchester	62	Senior Vice President of Martin Marietta Materials, Inc.	1993	Executive Vice President of Aggregates Division (1993-1999)
Bruce A. Deerson	48	Vice President and General Counsel	1993	Corporate Secretary (1993 - 1997)
Donald J. Easterlin, III	58	Vice President, Business Development	1994	
Donald M. Moe	55	Vice President of Martin Marietta Materials, Inc.;	1999	Vice President - General Manager, Martin Marietta Aggregates Eastern Carolina Region (1993 - 1996)
		Senior Vice President of Aggregates Division	1999	
		President-Carolina Division	1996	
Jonathan T. Stewart	51	Vice President, Human Resources	1993	

PART II

ITEM 5. MARKET FOR THE REGISTRANT'S COMMON EQUITY AND RELATED STOCKHOLDER MATTERS

There were approximately 1,550 holders of record of Martin Marietta Materials, Inc. Common Stock, $.01 par value, as of March 17, 2000. The Company's Common Stock is traded on the New York Stock Exchange (Symbol: MLM). Information concerning stock prices and dividends paid is included under the caption "Quarterly Performance (Unaudited)" on page 40 of the 1999 Annual Report, and that information is incorporated herein by reference.

On December 7, 1998, the Company sold $200,000,000 aggregate principal amount of 5.875% Notes due 2008 (the "Notes") to Goldman, Sachs & Co., J.P. Morgan Securities Inc. and Morgan Stanley & Co. Incorporated, as initial purchasers (the "Initial Purchasers"). Aggregate discounts and commissions to the Initial Purchasers were $2,326,000. The Notes were sold to the Initial Purchasers in a transaction not involving a public offering in reliance on the exemption from registration provided by Section 4(2) of the Securities Act of 1933 and Rule 144A. The Notes were exchanged into registered notes with substantially identical terms pursuant to an Offer to Exchange by the Company pursuant to a registration statement on Form S-4 (Registration No. 333-71793), effective February 18, 1999.

ITEM 6. SELECTED FINANCIAL DATA

The information required in response to this Item 6 is included under the caption "Five Year Summary" on page 41 of the 1999 Annual Report, and that information is incorporated herein by reference.

ITEM 7. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The information required in response to this Item 7 is included under the caption "Management's Discussion and Analysis of Financial Condition and Results of Operations" on pages 26 through 39 of the 1999 Annual Report, and that information is incorporated herein by reference.

ITEM 7A. QUALITATIVE AND QUANTITATIVE DISCLOSURES ABOUT MARKET RISK

The Company does not hold or issue derivative financial instruments for trading purposes. The Company, from time to time, uses on a limited basis derivative financial instruments to manage its exposure to fluctuations in interest rates and foreign exchange rates. In such case, the aggregate value of derivative financial instruments held or issued by the Company is not material to the Company nor is the market risk posed. The Company did not use any derivative financial instruments in 1999. For additional discussion of the Company's market risk see "Management's Discussion and Analysis of Financial Condition and Results of Operations, Capital Structure and Resources" on pages 37 through 39 of the 1999 Annual Report and "Note A: Accounting Policies and Accounting Changes" of the

Notes to Consolidated Financial Statements on pages 17 and 18 of the Audited Consolidated Financial Statements included in the 1999 Annual Report, and that information is incorporated herein by reference.

ITEM 8. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA

The information required in response to this Item 8 is included under the caption "Consolidated Statement of Earnings," "Consolidated Balance Sheet," "Consolidated Statement of Cash Flows," "Consolidated Statement of Shareholders' Equity," "Notes to Financial Statements," "Management's Discussion and Analysis of Financial Condition and Results of Operations" and "Quarterly Performance (Unaudited)" on pages 12 through 40 of the 1999 Annual Report, and that information is incorporated herein by reference.

ITEM 9. CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE

None.

PART III

ITEM 10. DIRECTORS AND EXECUTIVE OFFICERS OF THE REGISTRANT

The information concerning directors required in response to this Item 10 is included under the captions "Election of Directors" and "Compliance With Section 16(a) of the Exchange Act" in the Company's definitive proxy statement to be filed with the Securities and Exchange Commission pursuant to Regulation 14A within 120 days after the close of the Company's fiscal year ended December 31, 1999 (the "2000 Proxy Statement"), and that information is hereby incorporated by reference in this Form 10-K. Information concerning executive officers of the Company required in response to this Item 10 is included in Part I on page 15 of this Form 10-K.

ITEM 11. EXECUTIVE COMPENSATION

The information required in response to this Item 11 is included under the captions "Executive Compensation" and "Compensation Committee Interlocks and Insider Participation in Compensation Decisions" in the Company's 2000 Proxy Statement, and that information, except for the information required by Items 402(k) and (l) of Regulation S-K, is hereby incorporated by reference in this Form 10-K.

ITEM 12. SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT

The information required in response to this Item 12 is included under the captions "Voting Securities and Record Date" and "Beneficial Ownership of Shares" in the Company's 2000 Proxy Statement, and that information is hereby incorporated by reference in this Form 10-K.

ITEM 13. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS

The information required in response to this Item 13 is included under the captions "Compensation Committee Interlocks and Insider Participation in Compensation Decisions," and "Certain Related Transactions" in the Company's 2000 Proxy Statement, and that information is hereby incorporated by reference in this Form 10-K.

PART IV

ITEM 14. EXHIBITS, FINANCIAL STATEMENTS, FINANCIAL STATEMENT SCHEDULES AND REPORTS ON FORM 8-K

(a) (1) LIST OF FINANCIAL STATEMENTS FILED AS PART OF THIS FORM 10-K.

The following consolidated financial statements of Martin Marietta Materials, Inc. and consolidated subsidiaries, included in the 1999 Annual Report, are incorporated by reference into Item 8 on page 17 of this Form 10-K. Page numbers refer to the 1999 Annual Report:

(2) LIST OF FINANCIAL STATEMENT SCHEDULES FILED AS PART OF THIS FORM 10-K

The following financial statement schedule of Martin Marietta Materials, Inc. and consolidated subsidiaries is included in Item 14(d). The page number refers to this Form 10-K.

All other schedules have been omitted because they are not applicable, not required, or the information has been otherwise supplied in the financial statements or notes to the financial statements.

The report of the Company's independent auditors with respect to the above-referenced financial statements appears on page 10 of the 1999 Annual Report, and that report is hereby incorporated by reference in this Form 10-K. The report on the financial statement schedule and the consent of the Company's independent auditors appear on page 128 of this Form 10-K.

(3) EXHIBITS

The list of Exhibits on the accompanying Index of Exhibits on pages 21 through 23 of this Form 10-K is hereby incorporated by reference. Each management contract or compensatory plan or arrangement required to be filed as an exhibit is indicated by asterisks.

(b) REPORTS ON FORM 8-K

The Company filed Current Report on Form 8-K on February 2, 1999 and Current Report on Form 8-K/A on February 17, 1999.

(c) INDEX OF EXHIBITS

Exhibit No.	
3.01	--Restated Articles of Incorporation of the Company, as amended (incorporated by reference to Exhibits 3.1 and 3.2 to the Martin Marietta Materials, Inc. Current Report on Form 8-K, filed on October 25, 1996)
3.02	--Restated Bylaws of the Company, as amended (incorporated by reference to Exhibit 3.3 to the Martin Marietta Materials, Inc. Current Report on Form 8-K, filed on October 25, 1996)
4.01	--Specimen Common Stock Certificate (incorporated by reference to Exhibit 4.01 to the Martin Marietta Materials, Inc. registration statement on Form S-1 (SEC Registration No. 33-72648))
4.02	--Articles 2 and 8 of the Company's Restated Articles of Incorporation, as amended (incorporated by reference to Exhibit 4.02 to the Martin Marietta Materials, Inc. Annual Report on Form 10-K for the fiscal year ended December 31, 1996)
4.03	--Article I of the Company's Restated Bylaws, as amended (incorporated by reference to Exhibit 4.03 to the Martin Marietta Materials, Inc. Annual Report on Form 10-K for the fiscal year ended December 31, 1996)
4.04	--Indenture dated as of December 1, 1995 between Martin Marietta Materials, Inc. and First Union National Bank of North Carolina (incorporated by reference to Exhibit 4(a) to the Martin Marietta Materials, Inc. registration statement on Form S-3 (SEC Registration No. 33-99082))
4.05	--Form of Martin Marietta Materials, Inc. 7% Debenture due 2025 (incorporated by reference to Exhibit 4(a)(i) to the Martin Marietta Materials, Inc. registration statement on Form S-3 (SEC Registration No. 33-99082))
4.06	--Form of Martin Marietta Materials, Inc. 6.9% Notes due 2007 (incorporated by reference to Exhibit 4(a)(i) to the Martin Marietta Materials, Inc. registration statement on Form S-3 (SEC on Registration No. 33-99082))
4.08	--Indenture dated as of December 7, 1998 between Martin Marietta Materials, Inc. and First Union National Bank (incorporated by reference to Exhibit 4.08 to the Martin Marietta Materials, Inc. registration statement on Form S-4 (SEC Registration No. 333-71793))
4.09	--Form of Martin Marietta Materials, Inc. 5.875% Note due December 1, 2008 (incorporated by reference to Exhibit 4.09 to the Martin Marietta Materials, Inc. registration statement on Form S-4 (SEC Registration No. 333-71793))

Exhibit No.	
10.03	--Tax Assurance Agreement dated as of September 13, 1996 between the Company and Lockheed Martin Corporation (incorporated by reference to Exhibit 10.10 to the Martin Marietta Materials, Inc. Form 10-Q for the quarter ended September 30, 1996)
10.04	--Supplemental Tax Sharing Agreement dated as of September 13, 1996 between the Company and Lockheed Martin Corporation (incorporated by reference to Exhibit 10.09 to the Martin Marietta Materials, Inc. Form 10-Q for the quarter ended September 30, 1996)
10.05	--Rights Agreement, dated as of October 21, 1996, between the Company and First Union National Bank of North Carolina, as Rights Agent, which includes the Form of Articles of Amendment With Respect to the Junior Participating Class A Preferred Stock of Martin Marietta Materials, Inc., as Exhibit A, the Form of Rights Certificate, as Exhibit B, and the Summary of Rights to Purchase Preferred Stock, as Exhibit C (incorporated by reference to Exhibit 1 to the Martin Marietta Materials, Inc. registration statement on Form 8-A, filed with the Securities and Exchange Commission on October 21, 1996)
10.06	--Revolving Credit Agreement dated as of January 29, 1997 among the Company and Morgan Guaranty Trust Company of New York, as Agent Bank (incorporated by reference to Exhibit 10.06 to the Martin Marietta Materials, Inc. Annual Report on Form 10-K for the fiscal year ended December 31, 1996)
*10.07	--Martin Marietta Materials, Inc. Amended and Restated Shareholder Value Achievement Plan
*10.08	--Form of Martin Marietta Materials, Inc. Amended and Restated Employment Protection Agreement**
10.09	--Amended and Restated Martin Marietta Materials, Inc. Common Stock Purchase Plan for Directors** (incorporated by reference to Exhibit 10.10 to the Martin Marietta Materials, Inc. Annual Report on Form 10-K for the fiscal year ended December 31, 1996)
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10.11	--Martin Marietta Materials, Inc. Incentive Stock Plan (incorporated by reference to Exhibit 10.01 to the Martin Marietta Materials, Inc. Form 10-Q for the quarter ended June 30, 1995)**
10.12	--Amendment No. 1 to the Martin Marietta Materials, Inc. Incentive Stock Plan (incorporated by reference to Exhibit 10.01 to the Martin Marietta Materials, Inc. Form 10-Q for the quarter ended September 30, 1997)**
*10.13	--Amendment No. 2 to the Martin Marietta Materials, Inc. Incentive Stock Plan**

---

*Filed herewith

**Management contract or compensatory plan or arrangement required to be filed as an exhibit pursuant to Item 14(c) of Form 10-K

Exhibit No.	
10.14	--Martin Marietta Materials, Inc. Amended and Restated Stock-Based Award Plan (incorporated by reference to Exhibit 10.01 to the Martin Marietta Materials, Inc. Form 10-Q for the quarter ended March 31, 1998)**
10.15	--Martin Marietta Materials, Inc. Amended and Restated Omnibus Securities Award Plan (incorporated by reference to Exhibit 10.02 to the Martin Marietta Materials, Inc. Form 10-Q for the quarter ended March 31, 1998)**
*10.16	--Martin Marietta Materials, Inc. Supplemental Excess Retirement Plan**
*10.17	--Amended and Restated Revolving Credit Agreement dated as of August 11, 1999 among Martin Marietta Materials, Inc. and Morgan Guaranty Trust Company of New York, as agent bank
*12.01	--Computation of ratio of earnings to fixed charges for the year ended December 31, 1999
*13.01	--Martin Marietta Materials, Inc. 1999 Annual Report to Shareholders, portions of which are incorporated by reference in this Form 10-K. Those portions of the 1999 Annual Report to Shareholders that are not incorporated by reference shall not be deemed to be "filed" as part of this report
*21.01	--List of subsidiaries of Martin Marietta Materials, Inc.
*23.01	--Consent of Ernst & Young LLP, Independent Auditors for Martin Marietta Materials, Inc. and consolidated subsidiaries
*24.01	--Powers of Attorney (included in this Form 10-K at page 25)
*27.01	--Financial Data Schedule (for Securities and Exchange Commission use only)

Other material incorporated by reference:
Martin Marietta Materials, Inc.'s 2000 Proxy Statement filed pursuant to Regulation 14A, portions of which are incorporated by reference in this Form 10-K. Those portions of the 2000 Proxy Statement which are not incorporated by reference shall not be deemed to be "filed" as part of this report.

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FINANCIAL STATEMENT SCHEDULE

SCHEDULE II -- VALUATION AND QUALIFYING ACCOUNTS
MARTIN MARIETTA MATERIALS, INC. AND CONSOLIDATED SUBSIDIARIES

COL A	COL B	COL C		COL D	COL E
		ADDITIONS			
DESCRIPTION	BALANCE AT BEGINNING OF PERIOD	(1) CHARGED TO COSTS AND EXPENSES	(2) CHARGED TO OTHER ACCOUNTS-- DESCRIBE	DEDUCTIONS-- DESCRIBE	BALANCE AT END OF PERIOD
		(AMOUNTS IN THOUSANDS)			
YEAR ENDED DECEMBER 31, 1999					
Allowance for doubtful accounts	$ 4,430	$ 312	------	$ 35(a)	$ 4,707
Inventory valuation allowance	8,449	360	------	2,064(a)	6,745
Amortization of intangible assets	42,511	20,290	------	3,342(b) 673(c) 432(d)	58,354
YEAR ENDED DECEMBER 31, 1998					
Allowance for doubtful accounts	$ 4,789	$ 35	$ 500(c)	$ 894(a)	$ 4,430
Inventory valuation allowance	7,171	1,278	------	-----	8,449
Amortization of intangible assets	29,464	12,163	1,866(c)	338(b) 644(e)	42,511
YEAR ENDED DECEMBER 31, 1997					
Allowance for doubtful accounts	$ 2,950	$ 411	$1,733(c)	$ 305(a)	$ 4,789
Inventory valuation allowance	6,078	556	537(c)	----	7,171
Amortization of intangible assets	22,044	7,964	----	325(b) 219(e)	29,464

(a) To adjust allowance for change in estimates.
(b) Fully-amortized intangible assets written off.
(c) Purchase accounting adjustments.
(d) Sale of assets.
(e) Revaluation adjustments.

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

MARTIN MARIETTA MATERIALS, INC.

By: /s/ Bruce A. Deerson

Bruce A. Deerson
Vice President and General Counsel

POWER OF ATTORNEY

KNOW ALL PERSONS BY THESE PRESENTS, that each person whose signature appears below appoints Bruce A. Deerson and Roselyn R. Bar, jointly and severally, as his true and lawful attorney-in-fact, each with full power of substitution and resubstitution, for him and in his name, place and stead, in any and all capacities, to sign any and all amendments to this Annual Report on Form 10-K, and to file the same, with all exhibits thereto, and other documents in connection therewith, with the Securities and Exchange Commission, granting unto said attorneys-in-fact, jointly and severally, full power and authority to do and perform each in connection therewith, as fully to all intents and purposes as he might or could do in person, hereby ratifying and confirming all that said attorneys-in-fact, jointly and severally, or their or his or her substitute or substitutes, may lawfully do or cause to be done by virtue hereof.

Dated: March 24, 2000

Pursuant to the requirements of the Securities and Exchange Act of 1934, this report has been signed by the following persons on behalf of the registrant and in the capacities and on the dates indicated:

Signature	Title	Date
/s/ Stephen P. Zelnak, Jr. Stephen P. Zelnak, Jr.	Chairman of the Board, President and Chief Executive Officer	March 24, 2000
/s/ Janice K. Henry Janice K. Henry	Senior Vice President, Chief Financial Officer and Treasurer	March 24, 2000
/s/ Anne H. Lloyd Anne H. Lloyd	Chief Accounting Officer	March 24, 2000
/s/ Richard G. Adamson Richard G. Adamson	Director	March 24, 2000
/s/ Marcus C. Bennett Marcus C. Bennett	Director	March 24, 2000
/s/ Bobby F. Leonard Bobby F. Leonard	Director	March 24, 2000
/s/ William E. McDonald William E. McDonald	Director	March 24, 2000
/s/ Frank H. Menaker, Jr. Frank H. Menaker, Jr.	Director	March 24, 2000
/s/ James M. Reed James M. Reed	Director	March 24, 2000
/s/ William B. Sansom William B. Sansom	Director	March 24, 2000
/s/ Richard A. Vinroot Richard A. Vinroot	Director	March 24, 2000

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*23.01	--Consent of Ernst & Young LLP, Independent Auditors for Martin Marietta Materials, Inc. and consolidated subsidiaries
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EXHIBIT 10.07

AMENDED AND RESTATED MARTIN MARIETTA MATERIALS, INC. SHAREHOLDER VALUE ACHIEVEMENT PLAN

INTRODUCTION

Amended and Restated Martin Marietta Materials, Inc. Shareholder Value Achievement Plan (the "Plan") is designed to foster and promote the long-term growth and performance of the Company by enhancing the Company's ability to attract and retain qualified key employees and motivating key employees through stock ownership and performance-based incentives, and to more closely align the goals of such employees with that of the Company's shareholders. To achieve this purpose, this Plan provides authority for the grant of performance-based stock awards.

ARTICLE 1 - DEFINITIONS

1.1 "Acquiring Person" shall have the meaning ascribed to it in Section 1.6.

1.2 "Award" shall mean a performance-based stock award granted to a Participant pursuant to Article 5.

1.3 "Award Agreement" shall mean the agreement between the Company and a Participant that sets forth terms, conditions, and restrictions applicable to an Award.

1.4 "Board of Directors" shall mean the Board of Directors of the Company.

1.5 "Cause" shall mean the Participant's having been convicted in a court of competent jurisdiction of a felony or having been adjudged by a court of competent jurisdiction to be liable for fraudulent or dishonest conduct, or gross abuse of authority or discretion, with respect to the Company, and such conviction or adjudication has become final and non-appealable.

1.6 "Change of Control" shall mean, on or after the effective date of the Plan, (a) 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 (i) the fully diluted shares of common stock of the Company, as reflected on the Company's financial statements (the "Outstanding Company Common Stock"), or (ii) 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 (a), the following acquisitions shall not constitute a Change of Control: (A) any acquisition by the Company or any "affiliate" of the Company, within the meaning of 17 C.F.R. ss. 230.405 (an "Affiliate"), (B) any acquisition by any employee benefit plan (or related trust) sponsored or maintained by the

Company or any Affiliate of the Company or (C) any acquisition by any entity pursuant to a transaction which complies with clauses (i), (ii) and (iii) of subsection (c) of this definition; or

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

(c) 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, (i) 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 (ii) 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 (iii) 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

(d) Approval by the shareholders of the Company of a complete liquidation or dissolution of the Company.

1.7 "Code" shall mean the Internal Revenue Code of 1986, or any law that supersedes or replaces it, as amended from time to time.

1.8 "Committee" shall mean the Compensation Committee of the Board of Directors, or any other committee of the Board of Directors that the Board of Directors authorizes to administer this Plan. The Committee will be constituted in a manner intended to cause Awards to be exempt from the application of Section 16(b) of the Exchange Act pursuant to Rule 16b-3, and to be qualified as "qualified performance-based compensation" for purposes of Section 162(m).

1.9 "Common Stock " shall mean the common stock of the Company, $0.01 par value per share, including authorized and unissued shares.

1.10 "Company" shall mean Martin Marietta Materials, Inc., a North Carolina corporation.

1.11 "Disability" shall mean a medically determined physical or mental impairment which qualifies the Participant for benefits under the Company's long-term disability program. A Participant shall not be deemed to have incurred a Disability until such benefits actually become payable (i.e., after any applicable waiting period). If the Company does not maintain a long-term disability program, or if a Participant does not elect coverage under such program, Disability shall mean the incapacity of the Participant such that he is unable to perform his duties to the Company for a period of 150 out of 180 consecutive days, as determined in the reasonable judgment of the Committee.

1.12 "Exchange Act" shall mean the Securities Exchange Act of 1934, as amended, or any law that supersedes or replaces it, as the same may be amended from time to time.

1.13 "Fair Market Value" shall mean the closing price of a share of Common Stock on the relevant date or, if no sale was made on such date, then on the next preceding day on which such a sale was made (a) if the Common Stock is listed on the New York Stock Exchange ("NYSE"), as reported in the Wall Street Journal or (b) if the Common Stock is not listed on the NYSE but is listed on the NASDAQ National Market System, then as reported on such system, or (c) if the Common Stock not listed on either the NYSE or the NASDAQ National Market System, as determined by the Board of Directors or Committee.

1.14 "Fiscal Year" shall mean the fiscal year of the Company.

1.15 "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.

1.16 "Measurement Period" shall mean a period of three consecutive Fiscal Years or any other period selected and established by the Committee at the time the corresponding Awards are granted.

1.17 "Participant" shall mean any employee of the Company who has received an Award in accordance with Article 2 which Award has neither been fully paid out nor expired.

1.18 "Retirement" shall mean Participant's termination of employment with the Company (a) at a time at which the Participant is entitled to immediately commence receipt of benefits from the Company's qualified defined benefit retirement plan or (b) if the Company does not maintain such a plan at the time, either (i) at or after age 55 if employed by the Company or an "Affiliate" (as defined in Rule 12b-2 of the Exchange Act) for at least five years or (ii) at or after age 65.

1.19 "Rule 16b-3" shall mean Rule 16b-3 promulgated under the Exchange Act as the same may be amended, modified superseded or replaced from time to time.

1.20 "Section 162(m)" shall mean Section 162(m) of the Code, together with any and all regulations promulgated by the Internal Revenue Service thereunder, as the same may be amended, modified, superseded or replaced from time to time.

ARTICLE 2 - ELIGIBILITY

All key employees of the Company and any of its direct or indirect subsidiaries, including officers whether or not members of the Board of Directors, are eligible for the grant of Awards. The selection of key employees to receive Awards will be within the discretion of the Committee.

ARTICLE 3 - COMMON STOCK AVAILABLE FOR AWARDS; ADJUSTMENT

3.1 Number of Shares of Common Stock. Subject to adjustment as provided for in Section 3.3, the aggregate number of shares of Common Stock that may be subject to Awards granted under this Plan shall be 250,000 shares of Common Stock. The assumption of awards granted by an organization acquired by the Company, or the grant of Awards under this Plan in substitution of any such awards, will not reduce the number of shares of Common Stock available for the grant of Awards under this Plan.

Common Stock subject to an Award that expires or is forfeited, terminated, or canceled will again be available for grant under this Plan, without reducing the number of shares of Common Stock available for grant of Awards under this Plan.

3.2 No Fractional Shares. No fractional shares of Common Stock will be issued under the Plan, and the Committee will round the number of shares to which a Participant is entitled down to the nearest whole share.

3.3 Adjustment. The aggregate number of shares of Common Stock which may be issued pursuant to Awards granted hereunder, the number of shares of Common Stock covered by each outstanding Award and the price per share thereof shall be appropriately adjusted for any increase or decrease in the number of outstanding shares of Common Stock resulting from a stock split or other subdivision or consolidation of shares of Common Stock or for other capital adjustments or payments of stock dividends or distributions or other increases or decreases in the outstanding shares of Common Stock without receipt of consideration by the Company.

In the event of any change in the outstanding shares of Common Stock by reason of any recapitalization, merger, consolidation, spin-off, combination or exchange of shares or other corporate change, or any distributions to common shareholders other than cash dividends, the Committee shall make such substitution or adjustment, if any, as it deems to be equitable, as to the number or kind of shares of Common Stock or other securities issued or reserved for issuance pursuant to the Plan, and the number or kind of shares of Common Stock or other securities covered by outstanding Awards, and the price thereof. In instances where another corporation or other business entity is being acquired by the Company, and the Company has assumed outstanding employee award grants and/or the obligation to make future or potential grants under a prior existing plan of the acquired entity, similar adjustments are permitted at the discretion of the Committee. The adjustments provided for in this Section 3.3, and the manner of their application, shall be determined by the Committee in its sole discretion.

ARTICLE 4 - ADMINISTRATION

4.1 Committee. This Plan will be administered by the Committee. The Committee will, subject to the terms of this Plan, have the authority to (a) select the eligible employees who will receive Awards, (b) grant Awards, (c) determine the number of Awards to be granted to Participants, (d) determine the terms, conditions, and restrictions applicable to Awards (including the establishment of Performance Goals pursuant to Section 5.3), (e) adopt, alter, and repeal administrative rules and practices governing this Plan, (f) interpret the terms and provisions of this Plan and any Awards granted under this Plan, (g) prescribe the forms of any Award Agreement, or other instruments relating to Awards, and (h) otherwise supervise the administration of this Plan and exercise such rights and responsibilities as are delegated to it thereunder. All decisions by the Committee will be made with the approval of not less than a majority of its members.

4.2 Delegation. The Committee may delegate any of its authority to any other person or persons that it deems appropriate, provided the delegation does not cause this Plan or any Awards granted under this Plan to fail to qualify for the exemption provided by Rule 16b-3 or Section 162(m).

4.3 Decisions Final. All decisions by the Committee, and by any other person or persons to whom the Committee has delegated authority, will be final and binding on all persons.

ARTICLE 5 - AWARDS

5.1 General. The Committee may, in its discretion, grant to Participants Awards valued by reference to shares of Common Stock that are wholly contingent on the attainment of performance goals established by the Committee in accordance with the terms of this Plan.

5.2 Grant of Awards. (a) Awards shall be granted to Participants as of the beginning of a Measurement Period. The payment with respect to the Awards shall be conditioned on the satisfaction of the performance goals described in Section 5.3 at the end of the applicable Measurement Period. Once established, the Committee shall not have discretion to modify the terms of the Awards except with respect to any discretion specifically granted to the Committee under this Plan. It is intended that all payments hereunder to Participants will satisfy the requirements for the exemption under Section 162(m) and related regulations for "qualified performance-based compensation."

(b) Not later than 90 days after the beginning of the Measurement Period (or, if earlier, the date on which 25% of the Measurement Period has elapsed), the Committee shall grant a specified number of Awards to each Participant with respect to that Measurement Period.

No Participant may be granted an Award that has a target amount that is in excess of the lesser of (i) an aggregate of 20,000 shares of Common Stock or (ii) a dollar value of $500,000 based on the Fair Market Value of the target number of shares of Common Stock subject thereto on the first day of the applicable Measurement Period.

(c) At the end of the Measurement Period, the Committee shall determine the percentage, if any, of the Awards granted to the Participant for that Measurement Period that are earned by the Participant. That percentage shall be based on the degree to which the performance goals for that Measurement Period are satisfied. The formula for determining the correlation between the percentage of the Awards earned and the level of performance for a Measurement Period shall be established in writing by the Committee at the time the performance goals are determined. Prior to the payment of any Awards, the Committee must certify in writing the degree of attainment of the applicable performance goals.

5.3 Performance Goals. Performance goals used to compute Awards shall be adopted by the Committee in writing prior to the grant of any Awards to which such performance goals apply. The performance goals shall be based on one or more of the following performance measures: (a) total return to shareholders, (b) cash flow, (c) return on equity, (d) return on assets, (e) stock price, and (f) earnings per share. Any such performance goals and the applicable performance measures will be reflected in each Award Agreement to which such goals and measures relate. The number of Awards that will be paid out to any Participant for the applicable Measurement Period will depend on the extent to which the Company attains the established performance goals, as established pursuant to Section 5.2(c).

5.4 Nonforfeitability of the Award. (a) General. Except as provided in Section 5.4(b) and (c) and Article 6, a Participant must remain employed by the Company until the end of a Measurement Period to receive payment with respect to any Award.

(b) Death or Disability. Subject to Section 5.4(d), if during a Measurement Period a Participant terminates employment on account of death or Disability, (together, a "Qualifying Termination"), such Participant (or in the case of death, his estate) shall be entitled to a prorated payment with respect to Awards held by the Participant with respect to that Measurement Period, as described in the next sentence. The Participant shall be entitled to payment with respect to a percentage of such Awards as set forth below based on the Fiscal Year during the Measurement Period in which his Qualifying Termination occurs:

FISCAL YEAR	PERCENTAGE
1st	0%
2nd	33-1/3%
3rd	66-2/3%

For purposes of determining the payment with respect to a Participant's Awards under this Section 5.4(b), it shall be assumed that the Company has achieved the target level of performance it established for the Measurement Period. If the Measurement Period is other than three Fiscal Years, then the Committee shall make appropriate adjustments to the above schedule in its sole discretion.

Payment with respect to Awards under this Section 5.4(b), if any, will be made as soon as practicable after the Participant's Qualifying Termination occurs.

(c) Retirement and Certain Terminations. Subject to Section 5.4(d), if a Participant holding Awards terminates employment on account of Retirement, or is involuntarily terminated by the Company without Cause before the end of the applicable Measurement Period, the Participant shall be entitled to payment with respect to such Awards at the end of such Measurement Period as if he had remained employed until that time.

(d) Committee Negative Discretion. The Committee may, in its sole discretion, decide to reduce or eliminate any amount otherwise payable with respect to an Award under Section 5.4(b) or (c).

5.5 Payment of the Award. A Participant's Award shall be paid as soon as practicable after the end of the Measurement Period (or, in the case of a Participant who dies or incurs a Disability and becomes entitled to payment with respect to an Award pursuant to Section 5.4(b), as soon as practicable following death or the determination of Disability). Payment shall be made in shares of Common Stock or, in the discretion of the Committee, all or in part cash, based on the Fair Market Value of the applicable number of shares of Common Stock on the payment date.

ARTICLE 6 - CHANGE OF CONTROL

6.1 Effect of Change of Control. Notwithstanding any provision of this Plan to the contrary, in the event that a Change of Control occurs, all conditions applicable to outstanding Awards will be deemed to have been satisfied at the target level as of the date of the Change of Control. Payment with respect to such Awards shall be made as soon as practicable after the Change of Control in accordance with the last sentence of Section 5.5.

ARTICLE 7 - GENERAL

7.1 Nonassignability of Awards. No right or interest of a Participant under the Plan shall be subject in any manner to anticipation, alienation, sale, assignment, transfer, encumbrance, pledge, attachment, garnishment by creditors of the Participant or his successors, or shall be transferable by a Participant otherwise than by will or the laws of intestate succession. Any attempt to take an action with respect to an Award which is prohibited by the preceding sentence shall render such Award null and void.

7.2 No Right or Obligation of Continued Employment. Nothing contained in this Plan shall require the Company or a related company to continue to employ a Participant, nor shall the Participant be required to remain in the employment of the Company or a related company.

7.3 Withholding. The Company shall withhold all required local, state and federal taxes from any amount payable in respect of an Award, including withholding of shares of Common Stock otherwise payable pursuant to the Plan.

7.4 Effective Date. The Plan was effective as of October 16, 1996. This Amendment and Restatement shall be effective as of March 21, 2000 and, in accordance with Section 7.5, will apply to Awards previously granted with Measurement Periods ending after January 1, 2000.

7.5 Amendment and Termination of the Plan. The Plan may be amended or terminated at any time by the Board of Directors or by the Committee as delegated by the Board of Directors, provided that such termination or amendment shall not, without the consent of the Participant, adversely affect such Participant's rights with respect to Awards previously awarded to him. Shareholder approval for any amendment is required to the extent necessary to preserve the exemption for "qualified performance-based compensation" under Section 162(m). With the consent of the Participant affected, the Board of Directors, or by delegation of authority by the Board of Directors, the Committee, may amend outstanding Award Agreements in a manner not inconsistent with the Plan.

7.6 Binding on Successors. The obligations of the Company under the Plan shall be binding upon any organization which shall succeed to all or substantially all of the assets of the Company, or into which the Company may merge, and the term "Company," whenever used in the Plan, shall mean and include any such organization after the succession.

7.7 References. Any masculine personal pronoun shall be considered to mean also the corresponding feminine or neuter personal pronoun, as the context requires.

7.8 Applicable Law. The Plan shall be governed by and construed in accordance with the laws of the State of North Carolina.

[END]

EXHIBIT 10.08

AMENDED AND RESTATED
EMPLOYMENT PROTECTION AGREEMENT

THIS AGREEMENT, between Martin Marietta Materials, Inc., a North Carolina corporation (the "Company"), and ___________ (the "Employee"), dated as of this 11th day of November, 1999 (the "Effective Date")

W I T N E S S E T H :

WHEREAS, Employee is a valuable member of management of the Company and the Company desires to ensure the continuity of its senior management; and

WHEREAS, it is the determination of the Company that management continuity is most likely to occur if senior management is financially protected against involuntary termination following a "Change of Control" (as defined below) of the Company; and

WHEREAS, the Company and the Employee entered into an Employment Protection Agreement dated as of ________, 19__ (the "Prior Agreement") to provide the Employee with payments and benefits upon certain terminations of the Employee's employment with the Company in connection with a Change of Control, in consideration of the Employee's continued service to the Company (which the parties hereto agree constitutes adequate consideration to support to the Company's obligations under this Agreement); and

WHEREAS, the Company and the employee desire to more clearly reflect their intention with respect to certain provisions in the Prior Agreement, as set forth in this Agreement;

NOW, THEREFORE, in consideration of the premises and mutual covenants herein contained, and for other good and valuable consideration, the receipt and sufficiency of which are acknowledged, it is hereby agreed by and between the Company and the Employee, each of whom intends to be legally bound, as follows:

1. Definitions. For purposes of this Agreement,

(a) "Annual Bonus" shall mean the Employee's highest annual bonus paid during the period beginning five years prior to a Change of Control and ending on the date of termination of employment.

(b) "Base Salary" shall mean the highest annual rate of base salary that Employee receives from the Company or its affiliates within the twelve-month period ending on the date of a Change of Control.

(c) "Board" shall mean the Board of Directors of the Company.

(d) "Cause" shall mean the Employee's having been convicted in a court of competent jurisdiction of a felony or has been adjudged by a court of competent jurisdiction to be liable for fraudulent or dishonest conduct, or gross abuse of authority or discretion, with respect to the Company, and such conviction or adjudication has become final and non-appealable. The Employee shall not be deemed to have been terminated for Cause, unless the Company shall have given the Employee (A) notice setting forth, in reasonable detail, the facts and circumstances claimed to provide a basis for termination for Cause, (B) a reasonable opportunity for the Employee, together with his counsel, to be heard before the Board and (C) a notice of termination stating that, in the reasonable judgment of the Board, the Employee was guilty of conduct constituting Cause and specifying the particulars thereof in reasonable detail.

(e) "Change of Control" shall mean:

(i) The acquisition on or after October 18, 1996 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. ss. 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; 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.

(f) "COBRA" shall mean 29 U.S.C. ss.ss. 1161-1168, as amended from time to time.

(g) "Disability" shall mean a medically determined physical or mental impairment which qualifies the Employee for benefits under the Company's long-term disability program. An Employee shall not be deemed to have incurred a Disability until such benefits actually become payable (i.e., after any applicable waiting period). If the Company does not maintain a long-term disability program, or if the Employee does not elect coverage under such program, Disability shall mean the incapacity of the Employee such that he is unable to perform his duties to the Company for a period of 150 out of 180 consecutive days, as determined in the reasonable judgment of the Committee.

(h) "Good Reason" shall mean (i) a good faith determination by the Employee that the Company or any of its officers has (A) taken any action which materially and adversely changes the Employee's position (including titles), authority or responsibilities with the Company or reduces the Employee's ability to carry out his duties and responsibilities with the Company or (B) has failed to take any action where such failure results in material and adverse changes in the Employee's position (including titles), authority or responsibilities with the Company or reduces the Employee's ability to carry out his duties and responsibilities with the Company; (ii) a reduction in the Employee's Base Salary or a restriction on the eligibility requirements for other forms of monetary compensation that is inconsistent with the eligibility requirements used prior to a Change of Control; or (iii) requiring the Employee to be employed at any location more than 35 miles further from his principal residence than the location at which the Employee was employed immediately preceding the Change of Control, in any case of (i), (ii) or (iii) without the Employee's prior written consent.

(i) "Incumbent Board" shall mean 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.

(j) "IRS" shall mean the United States Internal Revenue Service.

(k) "Term" shall mean the term of this Agreement as set forth in Section 2.

(l) "Welfare Benefits" shall mean all benefits provided by the Company to its employees pursuant to an "employee welfare benefit plan" as defined in Section 3(1) of the Employee Retirement Income Security Act of 1974, as amended.

2. Effective Date; Term. This Agreement shall be effective as of the Effective Date, and shall remain in effect up to and including November 11, 2000, after which time this Agreement shall expire; provided, however, that on November 12, 2000, and on each subsequent anniversary thereof (each an "Anniversary Date"), the Term of this Agreement shall automatically be extended for one additional year, unless at least sixty (60) days prior to such Anniversary Date, either party to this Agreement gives written notice to the other party of an intent to cancel such automatic extension, in which case this Agreement shall expire upon the expiration of the then existing Term; further provided, however, that, notwithstanding the above, (a) if a Change of Control occurs prior to the termination of this Agreement, or (b) if prior to the termination of this Agreement the Board becomes aware of any circumstances which in the ordinary course result in a Change of Control (whether or not with respect to the party first coming to the Board's attention), then under no circumstances will this Agreement terminate prior to the date that is 31 days following the second anniversary of the Change of Control. Notwithstanding this Section 2, the Company's obligations under this Agreement shall survive the termination of this Agreement if all events giving rise to such obligations occurred prior to such termination.

3. Obligations of the Company upon Termination. If, during the two year period following the effective date of a Change of Control, the Company terminates the Employee's employment other than for Cause or Disability, or the Employee terminates his employment for Good Reason or if, during the thirty day period following the two year anniversary of the effective date of a Change of Control, the Employee terminates his employment for any reason:

(a) the Company shall pay to the Employee in a lump sum within 15 days following Employee's termination of employment:

(i) if not theretofore paid, an amount equal to any portion of the Employee's earned but unpaid Base Salary (including unused but accrued vacation time) through the date of termination of employment; and

(ii) a cash amount equal to twice the sum of:

(A) the Employee's annual Base Salary and

(B) the Employee's Annual Bonus.

(b) the Company shall provide, for the period of two years following the date of Employee's termination of employment, all Welfare Benefits for the Employee and his dependents and beneficiaries that are at least as favorable in all material respects as the benefits provided to such person immediately preceding the Change of Control and to employees employed by the Company or its successor in positions following the Change of Control that are similar to the position the Employee held immediately prior to the Change of Control ("Similarly Situated Active Employees"); provided, however, that, with respect to this Section 3(b), the Employee shall be required to pay the same share of the cost of such Welfare Benefits as Similarly Situated Active Employees.

(c) the Company shall continue to be obligated to provide all the benefits provided for under the Company's defined benefit retirement plans and defined contribution retirement plans, including the Company's Supplemental Excess Retirement Plan.

4. Certain Additional Payments by the Company

(a) Anything in this Agreement to the contrary notwithstanding, in the event it shall be determined that any payment or distribution by the Company to or for the benefit of the Employee, or any benefit provided by the Company to the Employee (whether paid or payable or distributed or distributable provided pursuant to the terms of this Agreement or otherwise, but determined without regard to any additional payments required under this Section 4) (a "Payment") would be subject to the excise tax imposed by Section 4999 of the Code (or any successor provision) or any interest or penalties are incurred by the Employee with respect to such excise tax (such excise tax, together with any such interest and penalties, are hereinafter collectively referred to as the "Excise Tax"), then the Employee shall be entitled to receive an additional payment (a "Gross-Up Payment") in an amount such that after payment by the Employee of all taxes with respect to the Gross-Up Payment (including any interest or penalties imposed with respect to such taxes), including, without limitation, any income taxes (and any interest and penalties imposed with respect thereto) and Excise Tax imposed upon the Gross-Up Payment, the Employee retains an amount of the Gross-Up Payment equal to the Excise Tax imposed upon the Payment.

(b) Subject to the provisions of Section 4(c), all determinations required to be made under this Section 4, including whether and when a Gross-Up Payment is required and the amount of such Gross-Up Payment and the assumptions to be utilized in arriving at such determination, shall be made by Ernst & Young or such other nationally recognized accounting firm then auditing the accounts of the Company (the "Accounting Firm") which shall provide detailed supporting calculations both to the Company and the Employee within 15 business days of the receipt of notice from the Employee that there has been a Payment, or such earlier time as is requested by the Company. In the event that the Accounting Firm is serving as accountant or auditor for the individual, entity or group effecting the Change of Control, or is unwilling or unable to perform its obligations pursuant to this Section 4, the Employee shall appoint another nationally recognized accounting firm to make the determinations required hereunder (which accounting firm shall then be referred to as the Accounting Firm hereunder). All fees and expenses of the Accounting Firm shall be borne solely by the Company. Any Gross-Up Payment, determined pursuant to this Section 4, shall be paid by the Company to the Employee within five days of the receipt of the Accounting Firm's determination. Any determination by the Accounting Firm shall be binding upon the Company and the Employee. As a result of the potential uncertainty in the application of Section 4999 of the Code (or any successor provision) at the time of the initial determination by the Accounting Firm hereunder, it is possible that Gross-Up Payments which will not have been made by the Company should have been made ("Underpayment"), consistent with the calculations required to be made hereunder. In the event that the Company exhausts its remedies pursuant to Section 4(c) and the Employee thereafter is required to make a payment of any Excise Tax, the Accounting Firm shall determine the amount of the Underpayment that has occurred and any such Underpayment shall be promptly paid by the Company to or for the benefit of the Employee.

(c) The Employee shall notify the Company in writing of any claim by the IRS that, if successful, would require the payment by the Company of the Gross-Up Payment. Such notification shall be given as soon as practicable but no later than 20 business days after the Employee is informed in writing of such claim and shall apprise the Company of the nature of such claim and the date on which such claim is requested to be paid. The Employee shall not pay such claim prior to the expiration of the 30-day period following the date on which he gives such notice to the Company (or such shorter period ending on the date that any payment of taxes with respect to such claim is due). If the Company notifies the Employee in writing prior to the expiration of such period that it desires to contest such claim, the Employee shall:

(i) give the Company any information reasonably requested by the Company relating to such claim,

(ii) take such action in connection with contesting such claim as the Company shall reasonably request in writing from time to time, including, without limitation, accepting legal representation with respect to such claim by an attorney reasonably selected by the Company,

(iii) cooperate with the Company in good faith in order effectively to contest such claim, and

(iv) permit the Company to participate in any proceedings relating to such claim;

provided, however, that the Company shall bear and pay directly all costs and expenses (including additional interest and penalties) incurred in connection with such contest and shall indemnify and hold the Employee harmless, on an after-tax basis, for any Excise Tax or income tax (including interest and penalties with respect thereto) imposed as a result of such representation and payment of costs and expenses. Without limiting the foregoing provisions of this Section 4(c), the Company shall control all proceedings taken in connection with such contest and, at its sole option, may pursue or forgo any and all administrative appeals, proceedings, hearings and conferences with the taxing authority in respect of such claim and may, at its sole option, either direct the Employee to pay the tax claimed and sue for a refund or contest the claim in any permissible manner, and the Employee agrees to prosecute such contest to a determination before any administrative tribunal, in a court of initial jurisdiction and in one or more appellate courts, as the Company shall determine; provided, however, that if the

Company directs the Employee to pay such claim and sue for a refund, the Company shall advance the amount of such payment to the Employee, on an interest-free basis, and shall indemnify and hold the Employee harmless, on an after-tax basis, from any Excise Tax or income tax (including interest or penalties with respect thereto) imposed with respect to such advance or with respect to any imputed income with respect to such advance; and further provided that any extension of the statute of limitations relating to payment of taxes for the taxable year of the Employee with respect to which such contested amount is claimed to be due is limited solely to such contested amount. Furthermore, the Company's control of the contest shall be limited to issues with respect to which a Gross-Up Payment would be payable hereunder and the Employee shall be entitled to settle or contest, as the case may be, any other issue raised by the IRS or any other taxing authority.

(d) If, after the receipt by the Employee of an amount advanced by the Company pursuant to Section 4(c), the Employee becomes entitled to receive any refund with respect to such claim, the Employee shall (subject to the Company's complying with the requirements of Section 4(c)) promptly pay to the Company the amount of such refund (together with any interest paid or credited thereon after taxes applicable thereto). If, after the receipt by the Employee of an amount advanced by the Company pursuant to Section 4(c), a determination is made that the Employee shall not be entitled to any refund with respect to such claim and the Company does not notify the Employee in writing of its intent to contest such denial of refund prior to the expiration of 30 days after such determination, then such advance shall be forgiven and shall not be required to be repaid and the amount of such advance shall offset, to the extent thereof, the amount of Gross-Up Payment required to be paid.

5. Other Compensation and Benefits. The amount payable under this Agreement in accordance with Section 3(a) shall not be reduced on account of any compensation received by the Employee from other employment. From and after the date the Employee is employed by a third party which provides any of the benefits described in Section 3(b), the Company shall not be obligated to provide the benefits to the extent provided by such third party.

6. Legal Fees and Expenses. The Company shall promptly reimburse the Employee for the reasonable legal fees and expenses incurred by the Employee in connection with enforcing any right of the Employee pursuant to and afforded by this Agreement; provided, however, that the Company only will reimburse the Employee for such legal fees and expenses if, in connection with enforcing any right of the Employee pursuant to and afforded by this Agreement, either (a) a judgment has been rendered in favor of the Employee by a duly authorized court of law, (b) a duly authorized court of law determines that the Employee's claim was not frivolous, or (c) the Company and the Employee have entered into a settlement agreement providing for the payment to the Employee of any or all amounts due hereunder.

7. Confidential Information. The Employee shall not disclose any secret or confidential information, knowledge or data relating to the Company or any of its affiliated companies, and their respective businesses, obtained by the Employee during his employment by the Company or any of its affiliated companies and which is not otherwise public knowledge. In no event shall an asserted violation of the provisions of this Section 7 constitute a basis for

deferring or withholding any amounts or benefits otherwise payable to the Employee under this Agreement.

8. Release from Other Severance Benefits; COBRA. The Employee hereby waives and releases the Company from the obligation to pay any severance benefits to the Employee on account of a termination of employment on or after a Change of Control, under any termination or severance policy of the Company other than this Agreement, so long as all payments are made, and benefits provided, to the Employee pursuant to Sections 3(a) and (b) herein. To the extent that the obligation of the Company to provide medical benefits pursuant to Section 3(b) is fulfilled, the period in which such medical benefits are provided shall be credited towards the continued health care coverage required to be offered to the Employee by COBRA, to the extent allowable under COBRA and the regulations promulgated thereunder. In the event that no payment or benefits are required pursuant to Sections 3(a) and (b), the Employee rescinds any such waiver and release. Except for payments provided pursuant to the Company's formal severance policy, if any, the benefits and payments to be provided by this Agreement will not reduce or eliminate any benefits or payments of any kind whatsoever that are to be provided to the Employee, including but not limited to, under any vacation policy, defined benefit retirement plan, defined contribution retirement plan, and the Company's Supplemental Excess Retirement Plan.

9. Successors. (a) This Agreement is personal to the Employee and, without the prior written consent of the Company, shall not be assignable by the Employee otherwise than by will or the laws of descent and distribution. This Agreement shall inure to the benefit of and be enforceable by the Employee's legal representatives.

(b) This Agreement shall inure to the benefit of and be binding upon the Company and its successors. The Company shall cause any successor to its business, in any transaction in which this Agreement would not be assumed by such successor by operation of law, to assume this Agreement by contract.

10. Miscellaneous. (a) Applicable Law. This Agreement shall be governed by and construed in accordance with the laws of the State of North Carolina, applied without reference to principles of conflict of laws.

(b) Notices. All notices and other communications hereunder shall be in writing and shall be given by hand delivery to the other party or by registered or certified mail, return receipt requested, postage prepaid, or overnight delivery service requiring acknowledgement of receipt, addressed as follows:

If to the Employee: _________________________

____

____

If to the Company: Martin Marietta Materials, Inc.
2710 Wycliff Road
Raleigh, North Carolina 27607
Attention: Vice President and
General Counsel

or to such other address as either party shall have furnished to the other in writing in accordance herewith. Notices and communications shall be effective when actually received by the addressee.

(c) Tax Withholding. The Company may withhold from any amounts payable under this Agreement such Federal, state or local taxes as shall be required to be withheld pursuant to any applicable law or regulation.

IN WITNESS WHEREOF, the Employee has hereunto set his hand and the Company has caused this Agreement to be executed in its name on its behalf, as of the day and year first above written.

MARTIN MARIETTA MATERIALS, INC.

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

EMPLOYEE

Name

EXHIBIT 10.13

AMENDMENT NO. 2 TO
INCENTIVE STOCK PLAN

The Martin Marietta Materials, Inc. Incentive Stock Plan, as amended from time to time, (the "Plan") is hereby amended by this Amendment No. 2 as follows, effective as of May 19, 1999.

Section 2.09 of the Plan is amended and restated as follows:

"2.09 Identified Employee means an Eligible Employee (a) who is the Chief Executive Officer of the Corporation or an elected vice president of the Corporation, in each case unless the Committee, in its sole discretion, determines not to designate such officer as an Identified Employee, or (b) who is otherwise designated by the Committee as an Identified Employee for any Plan Year."

All other terms and provisions of the Plan remain in full force and effect.

MARTIN MARIETTA MATERIALS, INC.
SUPPLEMENTAL EXCESS RETIREMENT PLAN

SECTION 1. ESTABLISHMENT AND PURPOSE OF PLAN

The Martin Marietta Materials, Inc. Supplemental Excess Retirement Plan ("Plan") is hereby established by Martin Marietta Materials, Inc., a North Carolina corporation (the "Corporation"). The purpose of this Plan is to provide additional, supplemental benefits to employees of Martin Marietta Materials, Inc. and certain of its subsidiaries or affiliates to replace vested retirement and death benefits that would otherwise be payable under certain other retirement plans of the Corporation and such subsidiaries or affiliates but for:

(1) the limitations of Sections 401(a)(17) and 415 of the Internal Revenue Code of 1986, as amended ("Code"); and

(2) the incidental death benefit rule of Treas. Reg. ss. 1.401-1(b)(1)(i).

Lockheed Martin Corporation, as successor to Martin Marietta Corporation, maintained the Martin Marietta Corporation Supplemental Excess Retirement Plan (the "Martin Marietta Corporation Plan") effective September 28, 1978. This Plan is intended to supersede and replace the Martin Marietta Corporation Plan with respect to Employees covered by this Plan.

This Plan is intended to be unfunded and is maintained primarily for the purpose of providing deferred compensation for a select group of management or highly compensated employees.

SECTION 2. DEFINITIONS

The following terms as used in this Plan shall have the following meanings:

"Administrator" (within the meaning of Section 3(16)(A) of ERISA) means Martin Marietta Materials, Inc. Martin Marietta Materials, Inc.'s responsibilities as Administrator, under this Plan and under law, shall, except as otherwise provided in this Plan, be carried out by or under the supervision of a Benefit Plan Committee appointed by and serving at the pleasure of Martin Marietta Materials, Inc.

"Base Salary" means the highest annual rate of base salary that the Employee receives from the Corporation or its affiliates within the twelve-month period ending on the date of a Change of Control.

"Board" means the Board of Directors of the Corporation.

"Cause" means the Employee's having been convicted in a court of competent jurisdiction of a felony or has been adjudged by a court of competent jurisdiction to be liable for fraudulent or dishonest conduct, or gross abuse of authority or discretion, with respect to the Company, and such conviction or adjudication has become final and non-appealable. The Employee shall not be deemed to have been terminated for Cause, unless the Corporation shall have given the Employee (A) notice setting forth, in reasonable detail, the facts and circumstances claimed to provide a basis for termination for Cause, (B) a reasonable opportunity for the Employee, together with his counsel, to be heard before the Board and (C) a notice of termination stating that, in the reasonable judgment of the Board, the Employee was guilty of conduct set forth in clauses (i), (ii), (iii) or (iv) above, and specifying the particulars thereof in reasonable detail.

"Change of Control" means:

(i) The acquisition on or after October 18, 1996 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 Corporation, 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: (X) any acquisition by the Corporation or any "affiliate" of the Corporation, within the meaning of 17 C.F.R. ss. 230.405 (an "Affiliate"), (Y) any acquisition by any employee benefit plan (or related trust) sponsored or maintained by the Corporation or any Affiliate of the Corporation 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; 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, and (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.

"Corporation" means Martin Marietta Materials, Inc.

"Disability" means a medically determined physical or mental impairment that qualifies the Employee for benefits under the Company's long-term disability program. An Employee shall not be deemed to have incurred a Disability until such benefits actually become payable (i.e., after any applicable waiting period). If the Corporation does not maintain a long-term disability program, or if the Employee does not elect coverage under such program, Disability shall mean the incapacity of the Employee such that he is unable to perform his duties to the

Corporation for a period of 150 out of 180 consecutive days, as determined in the reasonable judgment of the Administrator.

"Employee" means a person employed by the Corporation or a subsidiary or affiliate and who is a participant of a Retirement Plan of the Corporation.

"Good Reason" means (i) a good faith determination by the Employee that the Corporation or any of its officers has (A) taken any action which materially and adversely changes the Employee's position (including titles), authority or responsibilities with the Corporation or reduces the Employee's ability to carry out his duties and responsibilities with the Corporation or (B) has failed to take any action where such failure results in material and adverse changes in the Employee's position, (including titles), authority or responsibilities with the Corporation or reduces the Employee's ability to carry out his duties and responsibilities with the Corporation; (ii) a reduction in the Employee's Base Salary or a restriction on the eligibility requirements for other forms of monetary compensation that is inconsistent with the eligibility requirements used prior to a Change of Control; or (iii) requiring the Employee to be employed at any location more than 35 miles further from his principal residence than the location at which the Employee was employed immediately preceding the Change of Control, in any case of (i), (ii) or (iii) without the Employee's prior written consent.

"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.

"Lump Sum Value" means the actuarial present value of a Participant's benefits based upon the assumptions used to determine lump sum value under the applicable provisions of the

Retirement Plan for the purpose of determining whether the Retirement Plan benefit shall be paid in a lump-sum settlement. The Corporation may amend the foregoing definition of "Lump Sum Value" at any time, but such amendment shall not be effective with respect to a Participant unless both adopted by the Corporation and communicated to the Participant in writing by the Corporation at least fifteen (15) months prior to the Participant's commencement of benefits under this Plan.

"Participant" means an Employee to whom this Plan applies as provided in Section 3 or, (except as otherwise prohibited by the context) upon and following such Participant's death, his surviving spouse or beneficiary(ies), if any, with respect to any death benefit payable to them under this Plan.

"Retirement Date" means the Participant's normal retirement date or early retirement date, whichever is applicable, under the Retirement Plan.

"Retirement Plan" means the Martin Marietta Materials, Inc. Pension Plan for Salaried Employees as in effect from time to time (including such plan as it may be renamed and including any successor plan thereto for salaried employees or the portion of a plan which portion is a separate benefit structure for salaried employees and is a successor thereto).

SECTION 3. ELIGIBILITY

This Plan shall apply to any Employee who is a participant in the Retirement Plan and whose benefits under the Retirement Plan are limited or reduced by the limitations of Section 401(a)(17) or 415 of the Code, and, in the case of death, whose death benefits under the Retirement Plan are limited or reduced by the incidental death benefit rule of Treas. Reg. ss. 1.401-1(b)(1)(i).

SECTION 4. RETIREMENT BENEFIT COMMENCEMENT DATE

4.1 Except as provided in Section 11, a Participant's retirement benefit commencement date under this Plan shall be the same as his retirement benefit commencement date under the Retirement Plan.

SECTION 5. AMOUNT OF BENEFITS

5.1 A Participant shall receive a retirement benefit (including, without limitation, a deferred vested retirement benefit) from this Plan equal to the excess, if any, of (1) the benefit (adjusted by Section 11 if applicable) that would have been paid under the Retirement Plan (as the same may be in effect from time to time) if the Retirement Plan did not include the limitations imposed by Sections 401(a)(17) and 415 of the Code over (2) the benefit actually payable under the Retirement Plan.

5.2 The designated Retirement Plan beneficiary of a Participant who is entitled to receive a death benefit under Article VIII, Pre-Retirement Death Benefit, of the Retirement Plan shall receive a lump sum pre-retirement death benefit from this Plan equal to the excess, if any, of (1) the lump sum pre-retirement death benefit which would have been paid to such designated beneficiary pursuant to the Retirement Plan if such payment were not limited by (i) Section 401(a)(17) of the Code and (ii) the incidental death benefit rule of Treas. Reg. ss. 1.401-1(b)(1)(i) (as interpreted in Revenue Ruling 85-15) over (2) the lump sum death benefit actually payable under Article VIII of the Retirement Plan.

5.3 The surviving spouse of a Participant who is entitled to receive a death benefit under Article VII, Pre-Retirement Surviving Spouse Benefit, of the Retirement Plan shall receive a pre-retirement surviving spouse annuity from this Plan equal to the excess, if any, of (1) the pre-retirement surviving spouse annuity benefit which would have been paid to such surviving spouse pursuant to the Retirement Plan if such payment were not limited by (i) Sections 401(a)(17) and 415 of the Code and (ii) the incidental death benefit rule of Treas. Reg. ss. 1.401-1(b)(1)(i) (as interpreted in Revenue Ruling 85-15) over (2) the pre-retirement surviving spouse annuity benefit actually payable under Article VII of the Retirement Plan.

5.4 In no event shall the computation of benefits under this Plan take into account any service performed by a Participant after separation from employment with the Corporation or its subsidiaries and affiliates. (This limitation is not intended to prevent the addition of years of credited service as provided in Section 11.)

5.5 Notwithstanding anything to the contrary herein, the Corporation in its sole discretion may (but shall not be obligated to) make any payment under this Plan before it would otherwise be made if, based on any of the following events, it determines, in good faith based on consultation with counsel, that a Participant or his beneficiary has or is likely to recognize income for federal income tax purposes with respect to amounts payable under this Plan before such amounts are otherwise to be paid if such income is attributable to:

(1) a change in the Code, or the Treasury Regulations thereunder, or a binding or predominant judicial construction thereof;

(2) a published ruling or similar announcement issued by the Internal Revenue Service;

(3) a decision by a court of competent jurisdiction involving a Participant, a Participant's beneficiary, the Corporation, or any entity involved in making payments under this Plan; or

(4) a final determination of tax liability following a contested dispute on audit (or a closing agreement made under Section 7121 of the Code) that involves a Participant, a Participant's beneficiary(ies), the Corporation, or any entity involved in making payments under this Plan.

5.6 Benefits shall be payable under this Plan only to Participants who retire or otherwise terminate employment from the Corporation or any designated subsidiary or affiliate after the effective date of this Plan or, with respect to death benefits under Sections 5.2 and 5.3, who die after the effective date of this Plan. (Any former Employee who was covered under the Martin Marietta Corporation Plan and whose benefits commenced prior to such effective date under the Martin Marietta Corporation Plan shall continue to receive from this Plan the same benefits such former Employee was receiving under the Martin Marietta Corporation Plan.) The benefit payable to or with respect to a Participant under this Plan shall be determined based on the Participant's entire Retirement Plan benefit without distinction as to what part of such benefit, if any, may have accrued before and what part after the effective date of this Plan.

5.7 A Participant shall be entitled to receive vested retirement and death benefits under this Plan if and only if the Participant's retirement benefit under the Retirement Plan (including, without limitation, a deferred vested retirement benefit) is vested. Except as provided in Section 11, the benefits payable under this Plan to a Participant who terminates employment before retirement shall be paid on a deferred vested basis if the Participant's Retirement Plan benefits are paid on a deferred vested basis.

SECTION 6. PAYMENTS OF BENEFITS

6.1 Except as provided in Section 6.4 and by Section 11, payment of benefits (including, without limitation, benefits under Sections 5.1 and 5.3) to any person under this Plan shall be made in a cash lump sum payment equal to the Lump Sum Value of the benefits at the same time (including payment on a deferred vested basis) as benefits commence to such person under the Retirement Plan (or as soon thereafter as reasonably practicable). The determination of such Lump Sum Value shall be made as soon as reasonably practicable and shall be made as of the same date such a determination would be made under the Retirement Plan in order to determine whether, at the time they actually commence and regardless of their actual form of payment, such Retirement Plan benefits would be payable in a lump-sum settlement.

6.2 Any amount required to be withheld under applicable Federal, state and local income tax laws shall be withheld from any payments under this Plan and the amount of the payments shall be reduced by the amount so withheld.

6.3 All payments under this Plan shall be made from the general funds of the Corporation. The Corporation may, at its discretion, establish a trust to hold assets from which benefits payments may be made. This Plan is intended in all events to be unfunded within the meaning of ERISA and for all purposes under the Code.

6.4

(a) The Participant may elect that the benefits payable to any person under Sections 5.1 and 5.3 shall be paid at the same time, to the same person and under the same form as benefits paid to such person under the Retirement Plan and in accordance with all the terms and conditions applicable to payment of such benefits under the Retirement Plan. In order to be effective, the Participant's election under this Section 6.4(a) must be made in writing and must be delivered to the Secretary of the Corporation no later than one year prior to the date of the commencement of benefits. Any such election may be revoked in writing by the Participant. In order to be effective, such written revocation must be delivered to the Secretary of the Corporation no later than one year prior to the date of the commencement of benefits. Notwithstanding the foregoing, the Participant may designate a beneficiary to receive after the Participant's death any benefit payments continuing after the Participant's death, which beneficiary is different from the person who is receiving the Retirement Plan benefits (however, if such death benefits hereunder are based on a life of any individual, the benefits hereunder shall be based on the life of the same individual as under the Retirement Plan even though paid to a different person). Such beneficiary designation must be made in writing and received by the Administrator prior to the Participant's death. In the absence of such a designation, the benefits shall be paid to same person who is receiving the Retirement Plan benefits.

(b) Notwithstanding Section 6.1 or Section 6.4(a), in the event that the Lump Sum Value of the sum of the benefits payable to a Participant or surviving spouse under this Plan is $20,000 or less, determined as of the date of the Participant's termination of employment, then all such benefits will be paid in a cash lump-sum settlement equal to the Lump Sum Value of such benefits in full discharge of all liabilities with respect to such benefits. The Corporation shall determine such Lump Sum Value and pay such lump-sum settlement as soon as reasonably practicable following the date of the Participant's termination of employment.

SECTION 7. AMENDMENT AND TERMINATION

The Corporation may:

(1) terminate this Plan with respect to future Participants or future benefit accruals for current Participants; and

(2) amend this Plan in any respect, at any time (except that the definition of "Lump Sum Value" may be amended only as provided in connection with such definition, above in Section 2).

However, without the agreement of the Participant, no such termination or amendment may reduce the amount of any then accrued benefit of any Participant or otherwise diminish the rights of any Participant with respect to such accrued benefit (except as provided above in Section 7(2) and in Section 2 with respect to amendment of the definition of "Lump Sum Value"), and any such purported termination or amendment shall be void. The prohibition against reduction in the accrued benefit shall not be interpreted in any manner that would result in a Participant, beneficiary or surviving spouse actually receiving from the Retirement Plan and this Plan, combined, a benefit greater than such person would be entitled to receive under the Retirement Plan alone (except as a result of Section 11) if the limitations of Sections 401(a)(17) and 415 of the Code and the incidental death benefit rule of Treas. Reg. ss. 1.401-1(b)(1)(i) (as interpreted in Revenue Ruling 85-15) did not apply.

SECTION 8. ADMINISTRATION

8.1 The Corporation is the plan sponsor under Section 3(16)(B) of ERISA.

8.2 The Administrator is the named fiduciary of this Plan and as such shall have the authority to control and manage the operation and administration of this Plan except as otherwise expressly provided in this plan document. The named fiduciary may designate persons other than the named fiduciary to carry out fiduciary responsibilities under this Plan. Any such designation must be in writing and must be accepted in writing by any such other person.

8.3 The Administrator has the authority (without limitation as to other authority) to delegate its duties to agents and to make rules and regulations that it believes are necessary or appropriate to carry out this Plan.

8.4 The Administrator has the discretion as a Plan fiduciary (i) to interpret and construe the terms and provisions of this Plan (including any rules or regulations adopted under this Plan), (ii) to determine eligibility to participate in this Plan and (iii) to make factual determinations in connection with any of the foregoing. A decision of the Administrator with respect to any matter pertaining to this Plan including without limitation the Employees determined to be Participants, the benefits payable, and the construction or interpretation of any provision thereof, shall be conclusive and binding upon all interested persons.

SECTION 9. CLAIMS PROCEDURE

9.1 A Participant with an interest in this Plan shall have the right to file a claim for benefits under this Plan and to appeal any denial of a claim for benefits. Any request for a Plan benefit or to clarify the Participant's rights to future benefits under the terms of this Plan shall be considered to be a claim.

9.2 A claim for benefits will be considered as having been made when submitted in writing by the Participant (or by such claimant's authorized representative) to the Administrator. No particular form is required for the claim, but the written claim must identify the name of the claimant and describe generally the benefit to which the claimant believes he is entitled. The claim may be delivered personally during normal business hours or mailed to the Administrator.

9.3 The Administrator will determine whether, or to what extent, the claim may be allowed or denied under the terms of this Plan. If the claim is wholly or partially denied, the claimant shall be so informed by written notice within 90 days after the day the claim is submitted unless special circumstances require an extension of time for processing the claim. If such an extension of time for processing is required, written notice of the extension shall be furnished to the claimant prior to the termination of the initial 90-day period. Such extension may not exceed an additional 90 days from the end of the initial 90-day period. The extension notice shall indicate the special circumstances requiring an extension of time and the date by which the Administrator expects to render the final decision. If written notice of denial of a claim (in whole or in part) is not furnished within the initial 90-day period after the claim is sent to the Administrator (or, if applicable, the extended 90-day period), the claimant shall consider that his claim has been denied just as if he had received actual notice of denial.

9.4 The notice informing the claimant that his claim has been wholly or partially denied shall be written in a manner calculated to be understood by the claimant and shall include:

(1) The specific reason(s) for the denial.

(2) Specific reference to pertinent Plan provisions on which the denial is based.

(3) A description of any additional material or information necessary for the claimant to perfect the claim and an explanation of why such material or information is necessary.

(4) Appropriate information as to the steps to be taken if the participant or beneficiary wishes to submit his claim for review.

9.5 If the claim is wholly or partially denied, the claimant (or his authorized representative) may file an appeal of the denied claim with the Administrator requesting that the claim be reviewed. The Administrator shall conduct a full and fair review of each appealed claim and its denial. Unless the Administrator notifies the claimant that due to the nature of the benefit and other attendant circumstances he is entitled to a greater period of time within which to submit his request for review of a denied claim, the claimant shall have 60 days after he (or his authorized representative) receives written notice of denial of his claim within which such request must be submitted to the Administrator.

9.6 The request for review of a denied claim must be made in writing. In connection with making such request, the claimant or his authorized representative may:

(1) Review pertinent documents.

(2) Submit issues and comments in writing.

9.7 The decision of the Administrator regarding the appeal shall be promptly given to the claimant in writing and shall normally be given no later than 60 days following the receipt of the request for review. However, if special circumstances (for example, if the Administrator decides to hold a hearing on the appeal) require a further extension of time for processing, the decision shall be rendered as soon as possible, but no later than 120 days after receipt of the request for review. However, if the Administrator holds regularly scheduled meetings at least quarterly, a decision on review shall be made by no later than the date of the meeting which immediately follows the Administrator's receipt of a request for review, unless the request is filed within 30 days preceding the date of such meeting. In such case, a decision may be made by no later than the date of the second meeting following the Administrator's receipt of the request for review. If special circumstances (for example, if the Administrator decides to hold a hearing on the appeal) require a further extension of time for processing, the decision shall be rendered as soon as possible, but no later than the third meeting following the Administrator's receipt of the request for review. If special circumstances require that the decision will be made beyond the initial time for furnishing the decision, written notice of the extension shall be furnished to the claimant (or his authorized representative) prior to the commencement of the extension. The decision on review shall be in writing and shall be furnished to the claimant or to his authorized representative within the appropriate time for the decision. If a written decision on review is not furnished within the appropriate time, the claim shall be deemed to have been denied on appeal.

9.8 The Administrator may, in its sole discretion, decide to hold a hearing if it determines that a hearing is necessary or appropriate in order to make a full and fair review of the appealed claim.

9.9 The decision on review shall include specific reasons for the decision, written in a manner calculated to be understood by the claimant, as well as specific references to the pertinent Plan provisions on which the decision is based.

9.10 A Participant must exhaust his rights to file a claim and to request a review of the denial of his claim before bringing any civil action to recover benefits due to him under the terms of this Plan, to enforce his rights under the terms of this Plan, or to clarify his rights to future benefits under the terms of this Plan.

9.11 The Administrator shall exercise its responsibility and authority under this claims procedure as a fiduciary and, in such capacity, shall have the discretionary authority and responsibility (1) to interpret and construe this Plan and any rules or regulations under this Plan, (2) to determine the eligibility of Employees to participate in this Plan, and the rights of

Participants to receive benefits under this Plan, and (3) to make factual determinations in connection with any of the foregoing.

SECTION 10. GENERAL PROVISIONS

10.1 Nothing in this Plan shall be deemed to give any person the right to remain in the employ of the Corporation, its subsidiaries or affiliates or affect the right of the Corporation to terminate any Participant's employment with or without cause.

10.2 No right or interest of any person entitled to a benefit under this Plan shall be subject to voluntary or involuntary alienation, assignment, or transfer of any kind.

10.3 This Plan shall be construed and administered in accordance with the laws of the State of North Carolina to the extent that such laws are not preempted by Federal law.

SECTION 11. CHANGE OF CONTROL

11.1 In the event of a Change of Control, the Participant's benefits under this Plan shall be determined by taking into account the rules of Section 11.2 through 11.5 (including Appendix I); provided, that, at the time of or in anticipation of the Change of Control, or after the Change of Control if the Incumbent Board constitutes a majority of the Board of Directors of the Corporation, the Incumbent Board by vote of a majority of such board may determine that any or all of the actions described in Section 11.5 (and Section 11.2 to the extent it refers to Section 11.5) are not required or appropriate in its honest, good faith judgment to achieve the fair and equitable treatment of some or all of the Participants, including but not limited to making the determination that the immediate lump sum payment described in Section 11.5 will be equal to the actuarial present value of such benefit payments based on the mortality table applicable under the Retirement Plan and an assumed interest rate no greater than the interest rate then used under the Retirement Plan to determine the amount of a lump sum payment.

11.2 If, during the two year period following the effective date of a Change in Control, the Corporation terminates the Participant's employment other than for Cause or Disability, or the Participant terminates his employment for Good Reason or if, during the thirty day period following the two year anniversary of the effective date of a Change of Control, the Participant terminates his employment for any reason, then the Participant's benefits under this Plan shall be determined and paid (i) as provided in Sections 11.3 through 11.5 if the Participant has an Employment Protection Agreement with the Corporation and (ii) as provided in Section 11.5 if the Participant does not have an Employment Protection Agreement with the Corporation. The application of the provisions of Sections 11.3, 11.4 and 11.5 are illustrated by the examples in Appendix I, which shall be deemed to be a part of this Plan. If for any reason benefits are not payable under this Section 11, this Section 11 shall in no way apply to or restrict the payment of benefits otherwise provided for under this Plan. For example, if following a Change in Control the Corporation terminates the Participant's employment for Cause, then notwithstanding that the Participant shall not have his benefits determined and paid under this Section 11, the Participant shall continue to be entitled to his benefits as otherwise provided under this Plan.

11.3 For the purpose of determining the benefit under Section 5.1, the benefit that would have been paid under the Retirement Plan (but for the limitations of Sections 401(a)(17) and 415 of the Code) shall be determined by taking into account (i) the amount of the Employee's lump sum payment under Section 3(a) of the Employee's Employment Protection Agreement with the Corporation, as provided in Section 11.4, and (ii) additional years of credited service equal to the number ("multiplier") that is multiplied by the Employee's annual base salary and annual bonus (both as defined in the Employee's Employment Protection Agreement) to determine the amount of the payment under Section 3(a) of such Employment Protection Agreement. (Such additional years of credited service shall not, however, be taken into account for vesting purposes.) In addition, for Participants with Employment Protection Agreements there shall be no reduction for benefit commencement prior to age 65 and as early as age 55 on the net benefit (after reduction for the payment under the Retirement Plan) payable under this Plan.

11.4 The lump sum payment shall be taken into account by dividing the amount of the lump sum payment by the multiplier and by treating the Employee as having additional pensionable earnings, for the purpose of determining the Participant's final-average pensionable earnings, equal to such amount for a number of additional calendar years equal to the multiplier. Moreover, such additional calendar years shall extend the number of calendar years taken into account in determining final-average pensionable earnings.

11.5 The Participant shall receive an immediate lump sum payment that is the actuarial present value of the Participant's benefits commencing as of the Participant's earliest retirement date (age 55 or current age if older) under this Plan. The actuarial present value shall be based on the mortality table applicable under the Retirement Plan determined as of the date of the Participant's termination of employment and based on an interest rate of 0.0 percent. Such lump sum payment shall be paid to the Participant no later than 30 days after the Participant's termination of employment.

11.6 In the event of a Change of Control, then with respect to any matter involving or relating to a disputed benefit under this Plan, all administrative decisions, determinations, and interpretations, administrative rules, claims decisions and the like shall be made on behalf of the Administrator only by a majority of the Incumbent Board, provided that the Incumbent Board then constitutes a majority of the Board. If the Incumbent Board does not then constitute a majority of the Board, then any such decisions, determinations, interpretations and rules shall be made on behalf of the Administrator only by an arbitration panel. The arbitration shall be binding and shall be conducted pursuant to the Federal Arbitration Act before an independent arbitration panel mutually agreed upon by the Participant and the Administrator. In the event the parties are unable to agree upon a suitable independent arbitration panel, arbitration shall be before the American Arbitration Association. The arbitration panel shall consist of three members, one selected by the Administrator, one selected by the Participant, and the third selected by the first two arbitrators. The decisions made by a majority of the panel shall be final and binding on the parties and may be entered and enforced in any court of competent jurisdiction.

SECTION 12. COMMUTATION OF BENEFITS

If as a result of a change in the tax laws or as a result of any other event any benefit payment (or the value thereof) hereunder becomes taxable to a person (the payment of whose benefits hereunder have commenced) prior to the time the benefit payment is actually received by such person, the Corporation shall commute all remaining benefit payments into a single lump sum payment equal to the Lump Sum Value of such remaining benefit payments. The amount of such lump sum payment shall be determined and paid to such person as soon as reasonably practicable.

This Plan shall be effective as of October 18, 1996, which date shall be referred to as the effective date of this Plan. This plan document has been executed on behalf of the Corporation this 21st day of March, 2000.

MARTIN MARIETTA MATERIALS, INC.

By: /s/ Stephen P. Zelnak, Jr.

Name

Chairman and Chief Executive Officer

Title

By: /s/ Jonathan T. Stewart

Name

Vice President

Title

MARTIN MARIETTA MATERIALS, INC.
SUPPLEMENTAL EXCESS RETIREMENT PLAN

APPENDIX I

EXAMPLE ONE. The application of Sections 11.3 and 11.4 is illustrated by the following example, which assumes that the Participant has an Employment Protection Agreement with the Corporation. Assume: the Employee's lump sum payment under Section 3(a) of the Employee's Employment Protection Agreement is twice the Employee's annual base salary and annual bonus. The multiplier, therefore, is two (2). Assume: the Employee's lump sum payment under Section 3(a) of the Employment Protection Agreement is $500,000. The Employee shall be entitled to two (2) additional calendar years of pensionable earnings of $250,000 each. Assume: the Retirement Plan provides that the Employee's final-average pensionable earnings thereunder is the average of the annual pensionable earnings for the five (5) consecutive calendar years selected from the most recent ten (10) consecutive calendar years that would provide the highest average. Assume: without regard to this Plan the Participant's pensionable earnings under the Retirement Plan for the ten (10) most recent consecutive calendar years are:

Year 1	=	$190,000
Year 2	=	$195,000
Year 3	=	$200,000
Year 4	=	$195,000
Year 5	=	$210,000
Year 6	=	$220,000
Year 7	=	$220,000
Year 8	=	$250,000
Year 9	=	$250,000
Year 10	=	$240,000

Under the Retirement Plan, the Participant's final-average pensionable earnings would be the average of his pensionable earnings for years 6 through 10, or $236,000. For the purpose of determining the benefit under Section 5.1 of this Plan, the benefit that would have been paid under the Retirement Plan (but for the limitations of Sections 401(a)(17) and 415 of the Code) shall be determined by taking into account pensionable earnings of $250,000 for each of two additional years, Year 11 and Year 12, without dropping Year 1 and Year 2, with the result that Participant's final-average pensionable earnings would be the average of his pensionable earnings for Years 8 through 12, or $248,000 (the highest 5 consecutive calendar years out of the most recent 12 years). Assume: without regard to this Plan the Participant would have 19 years of credited service under the Retirement Plan. For the purpose of determining the benefit under Section 5.1 of this Plan, the benefit that would have been paid under the Retirement Plan (but for the limitations of Sections 401(a)(17) and 415 of the Code) shall be determined by treating the Participant as having 21 years of credited service (19 years plus 2 years (from the multiplier)). Assume that the annual retirement benefit provided under the Retirement Plan is 0.0175 multiplied by the Participant's final-average pensionable earnings multiplied by the Participant's years of credited service. Under the Retirement Plan the Participant's annual benefit disregarding Sections 401(a)(17) and 415 of the Code would be: $236,000 X 19 X 0.0175 = $78,470. Assume: the Participant's annual benefit under the Retirement Plan taking into account the limitations of Sections 401(a)(17) and 415 of the Code would be: $195,000 X 19 X 0.0175 = $64,837.50. Then, the Participant's annual benefit under this Plan would be: ($248,000 X 21 X 0.0175) or $91,140 minus $64,837.50 = $26,302.50 commencing as of the Participant's earliest retirement date (age 55); note that no reduction is applied on the net benefit ($26,302.50) for commencement as early as age 55.

EXAMPLE TWO. The application of Section 11.5 is illustrated by the following example. Assume that the Participant in Example One terminated employment at age 49. Assume: under the mortality table then in effect under the Retirement Plan, the actuarial present value factor at age 49 of annual benefits commencing at age 55 is 26.5. The amount of the Participant's lump sum payment at age 49 under this Plan would be 26.5 X $26,302.50 = $697,016.25 (unless the Incumbent Board votes to use an interest rate higher than 0.0 percent to determine the actuarial present value of such $26,302.50 benefit payments).

EXAMPLE THREE. The application of Section 11.5 is further illustrated by the following example. Assume the same facts as in Example One and Example Two, except that the Participant did not have an Employment Protection Agreement. Under the Retirement Plan the Participant's annual benefit commencing at age 65 and disregarding Sections 401(a)(17) and 415 of the Code would be $236,000 x 19 x 0.0175 = $78,470.00. The annual benefit commencing at age 65 under the Retirement Plan taking into account the limitations of Sections 401(a)(17) and 415 of the Code would be $195,000 x 19 x 0.0175 = $64,837.50. Assume that the reduction factor for benefits commencing at age 55 is 0.64. Then the annual benefit commencing at age 55 under this Plan would be ($78,470.00 - $64,837.50) x 0.64 = $8,724.80 and the amount of the Participant's lump sum payment at age 49 under this Plan would be 26.5 x $8,724.80 = $231,207.20 (unless the Incumbent Board votes to use an interest rate higher than 0.0 percent to determine the actuarial present value of such $8,724.80 benefit payments).

EXHIBIT 10.17

EXECUTION COPY

AMENDED AND RESTATED REVOLVING CREDIT AGREEMENT

AMENDED AND RESTATED REVOLVING CREDIT AGREEMENT dated as of August 11, 1999 among MARTIN MARIETTA MATERIALS, INC. (the "Borrower"), the BANKS listed on the signature pages hereof (the "Banks") and MORGAN GUARANTY TRUST COMPANY OF NEW YORK, as Agent (the "Agent").

W I T N E S S E T H :

WHEREAS, certain of the parties hereto have heretofore entered into a Revolving Credit Agreement dated as of December 3, 1998 (the "Agreement");

WHEREAS, at the date hereof, there are no Loans outstanding under the Agreement; and

WHEREAS, the parties hereto desire to make the amendments specified below and to restate the Agreement in its entirety to read as set forth in the Agreement with the amendments specified below;

NOW, THEREFORE, the parties hereto agree as follows:

SECTION 1. Definitions; References.

(a) Unless otherwise specifically defined herein, each term used herein which is defined in the Agreement shall have the meaning assigned to such term in the Agreement. Each reference to "hereof", "hereunder," "herein" and "hereby" and each other similar reference and each reference to "this Agreement" and each other similar reference contained in the Agreement shall from and after the date hereof refer to the Agreement as amended hereby.

(b) The following definitions are added to Section 1.01 of the Agreement, in appropriate alphabetical order:

"YEAR 2000 COMPLIANT" means the ability to perform properly date-sensitive functions for all dates before and from and after January 1, 2000.

"YEAR 2000 PROBLEM" means the risk that computer applications used by the Borrower, its Subsidiaries, or the suppliers and vendors of the Borrower and its Subsidiaries may be unable to recognize and perform properly date sensitive functions involving certain dates prior to and any date after December 31, 1999.

SECTION 2. Extension of Facility. The date "December 2, 1999" in the definition of "Termination Date" in Section 1.01 of the Agreement is changed to "August 9, 2000."

SECTION 3. New Pricing Schedule. The Schedule annexed hereto is hereby substituted for the Pricing Schedule as annexed to the Agreement.

SECTION 4. Change in Conditions to Borrowing. Section 3.02(e) of the Agreement is amended to read as follows:

> (e) the fact that, except as otherwise described by the Borrower in a writing to the Agent and waived by the Required Banks, the representations and warranties of the Borrower contained in this Agreement (except, in the case of any Borrowing subsequent to the Closing Date, the representations and warranties set forth in Sections 4.04(c), 4.05, 4.06, 4.08, 4.13, 4.14 and 4.16) shall be true on and as of the date of such Borrowing.

SECTION 5. Updated Representations. (a) Each reference to "1997" in Section 4.04(a) of the Agreement is replaced with "1998."

(b) Each reference to "September 30, 1998" in Section 4.04(b) and Section 4.04(c) of the Agreement is replaced with "March 31, 1999."

(c) Each reference to "nine months" in Section 4.04(b) in the Agreement is replaced with "three months."

(d) Each reference to "September 30, 1998" in the definition of "Borrower's Latest Form 10-Q" is replaced with "March 31, 1999."

(e) The following new Section 4.16 is added to the Agreement:

> SECTION 4.16. Year 2000 Compliance. The Borrower has (i) initiated a review and assessment of all areas within its and each of its Subsidiaries' business and operations (including those affected by suppliers and vendors) that could be adversely affected by the Year 2000 Problem, (ii) developed a plan and timeline for addressing the Year 2000 Problem on a timely basis and (iii) to date, implemented such plan in accordance with such timetable. The Borrower is exercising commercially reasonable efforts to cause the computer hardware and software within the critical

business systems of the Borrower and its Subsidiaries to be Year 2000 Compliant. The Borrower has no reason to believe that such critical business systems will not function on any given date in a manner which would be reasonably likely to have a Material Adverse Effect.

SECTION 6. Change in Commitments. With effect from and including the date this Amendment and Restatement becomes effective in accordance with Section 8 hereof, (i) each Person listed on the signature pages hereof which is not a party to the Agreement shall become a Bank party to the Agreement and (ii) the Commitment of each Bank shall be the amount set forth opposite the name of such Bank in the Commitment Schedule annexed hereto. Any Bank whose Commitment is changed to zero shall upon such effectiveness cease to be a Bank party to the Agreement, and all accrued fees and other amounts payable under the Agreement for the account of such Bank shall be due and payable on such date; provided that the provisions of Sections 8.03 and 9.03 of the Agreement shall continue to inure to the benefit of each such Bank.

SECTION 7. Representations and Warranties. The Borrower hereby represents and warrants that as of the date hereof and after giving effect hereto:

(a) no Default has occurred and is continuing; and

(b) each representation and warranty of the Borrower set forth in the Agreement after giving effect to this Amendment and Restatement is true and correct as though made on and as of such date.

SECTION 8. Governing Law. This Amendment and Restatement shall be governed by and construed in accordance with the laws of the State of New York.

SECTION 9. Counterparts; Effectiveness. This Amendment and Restatement may be signed in any number of counterparts, each of which shall be an original, with the same effect as if the signatures thereto and hereto were upon the same instrument. This Amendment and Restatement shall become effective as of the date hereof when the Agent shall have received:

(a) duly executed counterparts hereof signed by the Borrower and the Banks (or, in the case of any party as to which an executed counterpart shall not have been received, the Agent shall have received telegraphic, telex or other written confirmation from such party of execution of a counterpart hereof by such party);

(b) an opinion of Willkie Farr & Gallagher, counsel for the Borrower (or such other counsel for the Borrower as may be acceptable to the Agent) substantially to the effect of Exhibit E to the Agreement with reference to this Amendment and Restatement and the Agreement as amended and restated hereby; and

(c) all documents it may reasonably request relating to the existence of the Borrower, the corporate authority for and the validity of this Agreement, and any other matters relevant hereto, all in form and substance satisfactory to the Agent;

provided that this Amendment and Restatement shall not become effective or binding on any party hereto unless all of the foregoing conditions are satisfied not later than August 15, 1999. The Agent shall promptly notify the Borrower and the Banks of the effectiveness of this Amendment and Restatement, and such notice shall be conclusive and binding on all parties hereto.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed by their respective authorized officers as of the day and year first above written.

MARTIN MARIETTA MATERIALS, INC.

By: /s/ Stephen P. Zelnak, Jr.

Name: Stephen P. Zelnak, Jr.
Title: Chairman & CEO
Address:

Facsimile:

MORGAN GUARANTY TRUST COMPANY OF NEW YORK

By: /s/ Robert Bottamedi

Name: Robert Bottamedi
Title: Vice President

FIRST UNION NATIONAL BANK

By: /s/ G. Mendel Lay, Jr.

Name: G. Mendel Lay, Jr.
Title: Senior Vice President

WACHOVIA BANK, N.A.

By: /s/ Keith A. Sherman

Name: Keith A. Sherman
Title: Senior Vice President

BANK OF AMERICA, N.A.

By: /s/ Kathryn W. Robinson

Name: Kathryn W. Robinson
Title: Managing Director

BANQUE NATIONALE DE PARIS,
HOUSTON AGENCY

By: /s/ Henry F. Setina

Name: Henry F. Setina
Title: Vice President

BRANCH BANKING & TRUST COMPANY

By: /s/ Richard E. Fowler

Name: Richard E. Fowler
Title: Senior Vice President

CENTURA BANK

By: /s/ J. Michael Dickinson

Name: J. Michael Dickinson
Title: Corporate Banking Officer

STATE STREET BANK

By: /s/ Jacqueline Kuss

Name: Jacqueline Kuss
Title: Vice President

NORWEST BANK COLORADO,
NATIONAL ASSOCIATION

By: /s/ Carol A. Ward

Name: Carol A. Ward
Title: Vice President

MORGAN GUARANTY TRUST COMPANY
OF NEW YORK, as Agent

By: /s/ Robert Bottamedi

Name: Robert Bottamedi
Title: Vice President
Address: 60 Wall Street,
New York, NY 10260
Facsimile:

COMMITMENT SCHEDULE

BANK	COMMITMENT
Morgan Guaranty Trust Company of New York	$44,500,000
First Union National Bank	43,500,000
Wachovia Bank, N.A.	43,500,000
Bank of America, N.A.	43,500,000
Banque Nationale de Paris, Houston Agency	25,000,000
Branch Banking & Trust Company	25,000,000
Centura Bank	25,000,000
State Street Bank	25,000,000
Norwest Bank Colorado, National Association	25,000,000
TOTAL	$300,000,000

PRICING SCHEDULE

Each of "Facility Fee Rate" and "Euro-Dollar Margin" means, for any day, the rate set forth below (in basis points per annum) in the row opposite such term and in the column corresponding to the Pricing Level that apply for such day:

PRICING LEVEL	LEVEL I	LEVEL II	LEVEL III
Facility Fee Rate	7.0	8.0	11.0
Euro-Dollar Margin			
if Utilization is less than 25%	18.0	27.0	39.0
if Utilization is greater than or equal to 25%	38.0	47.0	64.0

For purposes of this Schedule, the following terms have the following meanings, subject to the further provisions of this Schedule:

"LEVEL I PRICING" applies at any date if, at such date, the Borrower's long-term debt is rated A or higher by S&P and no lower than A3 by Moody's or A2 or higher by Moody's and no lower than A- by S&P.

"LEVEL II PRICING" applies at any date if, at such date, (i) the Borrower's long-term debt is rated A- or higher by S&P and no lower than Baa1 by Moody's or A3 or higher by Moody's and no lower than BBB+ by S&P and (ii) Level I Pricing does not apply.

"LEVEL III PRICING" applies at any date if, at such date, neither Level I Pricing nor Level II Pricing applies.

"MOODY'S" means Moody's Investors Service, Inc.

"PRICING LEVEL" refers to the determination of which of Level I, Level II or Level III applies at any date.

"S&P" means Standard & Poor's Ratings Group.

"UTILIZATION" means, at any date, the percentage equivalent of a fraction the numerator of which is the aggregate outstanding principal amount of the Loans at such date and the denominator of which is the aggregate amount of the Commitments at such date. If for any reason any Loans remain outstanding following termination of the Commitments, Utilization shall be deemed to be in excess of 25%.

The credit ratings to be utilized for purposes of this Schedule are those assigned to the senior unsecured long-term debt securities of the Borrower without third-party credit enhancement, and any rating assigned to any other debt security of the Borrower shall be disregarded. The ratings in effect for any day are those in effect at the close of business on such day. The ratings in effect for any day are those in effect at the close of business on such day, and the Euro-Dollar Margin and Facility Fee Rate may change from time to time during any Interest Period as a result of changes in the Pricing Level during such Interest Period.

EXHIBIT 12.01

MARTIN MARIETTA MATERIALS, INC. AND CONSOLIDATED SUBSIDIARIES

COMPUTATION OF RATIO OF EARNINGS TO FIXED CHARGES

FOR THE YEAR ENDED DECEMBER 31, 1999
(AMOUNTS IN THOUSANDS)

EARNINGS:	
Earnings before income taxes	$ 194,313
Earnings of less than 50%-owned associated companies, net	(487)
Interest expense	39,411
Portion of rents representative of an interest factor	2,807
ADJUSTED EARNINGS AND FIXED CHARGES	$ 236,044
FIXED CHARGES:	
Interest Expense	$ 39,411
Capitalized interest	834
Portion of rents representative of an interest factor	2,807
TOTAL FIXED CHARGES	$ 43,052
RATIO OF EARNINGS TO FIXED CHARGES	5.48

EXHIBIT 13.01

REPORT OF ERNST & YOUNG LLP, INDEPENDENT AUDITORS

BOARD OF DIRECTORS AND SHAREHOLDERS
MARTIN MARIETTA MATERIALS, INC.

We have audited the accompanying consolidated balance sheet of Martin Marietta Materials, Inc., and subsidiaries at December 31, 1999 and 1998,and the related consolidated statements of earnings, shareholders' equity and cash flows for each of the three years in the period ended December 31, 1999.These financial statements are the responsibility of the Corporation's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the consolidated financial position of Martin Marietta Materials, Inc., and subsidiaries at December 31, 1999 and 1998,and the consolidated results of their operations and their cash flows for each of the three years in the period ended December 31, 1999,in conformity with accounting principles generally accepted in the United States.

/s/ Ernst & Young LLP

Raleigh, North Carolina
January 24,2000

STATEMENT OF FINANCIAL RESPONSIBILITY

SHAREHOLDERS
MARTIN MARIETTA MATERIALS, INC.

The management of Martin Marietta Materials, Inc., is responsible for the consolidated financial statements and all related financial information contained in this report. The financial statements, which include amounts based on estimates and judgments, have been prepared in accordance with accounting principles generally accepted in the United States applied on a consistent basis.

The Corporation maintains a system of internal accounting controls designed and intended to provide reasonable assurance that assets are safeguarded, that transactions are executed and recorded in accordance with management's authorization, and that accountability for assets is maintained. An environment that establishes an appropriate level of control-consciousness is maintained and monitored, and includes examinations by an internal audit staff and by the independent auditors in connection with their annual audit.

The Corporation's management recognizes its responsibility to foster a strong ethical climate. Management has issued written policy statements which document the Corporation's business code of ethics. The importance of ethical behavior is regularly communicated to all employees through the distribution of the Code of Ethics and Standards of Conduct booklet and through ongoing education and review programs designed to create a strong commitment to ethical business practices.

The Audit Committee of the Board of Directors, which consists of four outside directors, meets periodically and when appropriate, separately with the independent auditors, management and the internal auditors to review the activities of each.

The consolidated financial statements have been audited by Ernst & Young LLP, independent auditors, whose report appears on the preceding page.

/s/ Janice K. Henry

Janice K. Henry
Senior Vice President, Chief Financial Officer and Treasurer

CONSOLIDATED STATEMENT OF EARNINGS

for years ended December 31

(add 000, except per share)	1999	1998	1997
NET SALES	$ 1,258,827	$ 1,057,691	$ 900,863
Cost of sales	948,128	776,043	665,594
GROSS PROFIT	310,699	281,648	235,269
Selling, general and administrative expenses	92,621	82,041	69,093
Research and development	2,789	3,053	3,406
EARNINGS FROM OPERATIONS	215,289	196,554	162,770
Interest expense on debt	39,411	23,759	16,899
Other income and (expenses), net	18,435	1,347	5,341
Earnings before taxes on income	194,313	174,142	151,212
Taxes on income	68,532	58,529	52,683
NET EARNINGS	$ 125,781	$ 115,613	$ 98,529
NET EARNINGS PER COMMON SHARE			
-BASIC	$ 2.70	$ 2.49	$ 2.14
-DILUTED	$ 2.68	$ 2.48	$ 2.13
AVERAGE NUMBER OF COMMON SHARES OUTSTANDING			
-BASIC	46,668	46,454	46,122
-DILUTED	46,947	46,708	46,238
CASH DIVIDENDS PER COMMON SHARE	$ 0.52	$ 0.50	$ 0.48

CONSOLIDATED BALANCE SHEET

for years ended December 31

ASSETS (add 000)	1999	1998
CURRENT ASSETS:		
Cash and cash equivalents	$ 3,403	$ 14,586
Accounts receivable, net	197,554	171,511
Inventories	172,865	157,104
Current deferred income tax benefits	21,899	18,978
Other current assets	7,644	7,209
TOTAL CURRENT ASSETS	403,365	369,388
Property, plant and equipment, net	846,993	777,528
Costs in excess of net assets acquired	375,327	348,026
Other intangibles	31,497	27,952
Other noncurrent assets	85,392	65,695
TOTAL ASSETS	$ 1,742,574	$ 1,588,589
LIABILITIES AND SHAREHOLDERS' EQUITY (add 000)		
CURRENT LIABILITIES:		
Accounts payable	$ 55,872	$ 57,720
Accrued salaries, benefits and payroll taxes	24,887	23,502
Accrued insurance and other taxes	26,705	25,370
Income taxes	4,293	7,201
Current maturities of long-term debt and commercial paper	39,722	15,657
Other current liabilities	31,217	22,783
TOTAL CURRENT LIABILITIES	182,696	152,233
Long-term debt and commercial paper	602,011	602,113
Pension, postretirement and postemployment benefits	85,839	76,209
Noncurrent deferred income taxes	81,857	75,623
Other noncurrent liabilities	16,165	14,712
TOTAL LIABILITIES	968,568	920,890
SHAREHOLDERS' EQUITY:		
Common stock,$0.01 par value;100,000,000 shares authorized	467	466
Additional paid-in capital	354,046	349,245
Retained earnings	419,493	317,988
TOTAL SHAREHOLDERS' EQUITY	774,006	667,699
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	$ 1,742,574	$ 1,588,589

The notes on pages 16 to 25 are an integral part of these financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS

for years ended December 31

(add 000)	1999	1998	1997
CASH FLOWS FROM OPERATING ACTIVITIES:			
Net earnings	$ 125,781	$ 115,613	$ 98,529
Adjustments to reconcile net earnings to cash provided by operating activities:			
Depreciation, depletion and amortization	124,754	98,765	79,720
Other items, net	(6,257)	(4,573)	(3,638)
Changes in operating assets and liabilities:			
Deferred income taxes	(3,266)	(3,457)	7,090
Net changes in receivables, inventories and payables	(31,513)	(9,661)	(2,865)
Other assets and liabilities, net	14,177	25,886	16,782
NET CASH PROVIDED BY OPERATING ACTIVITIES	223,676	222,573	195,618
CASH FLOWS FROM INVESTING ACTIVITIES:			
Additions to property, plant and equipment	(137,820)	(123,926)	(86,440)
Acquisitions, net	(77,080)	(347,882)	(279,056)
Transactions with Lockheed Martin Corporation	--	--	23,768
Other investing activities, net	339	(34,014)	8,359
NET CASH USED FOR INVESTING ACTIVITIES	(214,561)	(505,822)	(333,369)
CASH FLOWS FROM FINANCING ACTIVITIES:			
Repayments of long-term debt	(618)	(1,704)	(226,367)
Increase in long-term debt	280	198,994	349,947
Commercial paper, net	15,000	105,000	60,000
Debt issue costs	--	(1,745)	(938)
Dividends paid	(24,276)	(23,233)	(22,134)
Issuances of common stock	2,022	1,862	164
Repurchases of common stock	(12,706)	--	--
NET CASH (USED FOR) PROVIDED BY FINANCING ACTIVITIES	(20,298)	279,174	160,672
NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS	(11,183)	(4,075)	22,921
CASH AND CASH EQUIVALENTS (BOOK OVERDRAFT), BEGINNING OF YEAR	14,586	18,661	(4,260)
CASH AND CASH EQUIVALENTS, END OF YEAR	$ 3,403	$ 14,586	$ 18,661

CONSOLIDATED STATEMENT OF SHAREHOLDERS' EQUITY

for years ended December 31

(add 000)	Common Stock	Additional Paid-In Capital	Retained Earnings	Total Shareholders' Equity
Balance at December 31, 1996	$ 461	$ 331,303	$ 149,213	$ 480,977
Net earnings	-	-	98,529	98,529
Dividends declared ($0.48 a share)	-	-	(22,134)	(22,134)
Net stock transactions	1	4,463	-	4,464
Balance at December 31, 1997	462	335,766	225,608	561,836
Net earnings	-	-	115,613	115,613
Dividends declared ($0.50 a share)	-	-	(23,233)	(23,233)
Net stock transactions	4	13,479	-	13,483
Balance at December 31, 1998	466	349,245	317,988	667,699
NET EARNINGS	-	-	125,781	125,781
DIVIDENDS DECLARED ($0.52 A SHARE)	-	-	(24,276)	(24,276)
NET STOCK TRANSACTIONS	4	17,504	-	17,508
REPURCHASES OF COMMON STOCK	(3)	(12,703)	-	(12,706)
BALANCE AT DECEMBER 31, 1999	$ 467	$ 354,046	$ 419,493	$ 774,006

The notes on pages 16 to 25 are an integral part of these financial statements.

NOTE A: ACCOUNTING POLICIES

ORGANIZATION. Martin Marietta Materials, Inc. ("Martin Marietta Materials" or the "Corporation") is engaged principally in the construction aggregates business. Aggregates products are used primarily for construction of highways and other infrastructure projects in the United States and in the domestic commercial and residential construction industries. In addition, the Corporation produces magnesia-based chemicals, refractories and dolomitic lime products used in a wide variety of industrial, environmental and agricultural applications with a majority of its products used by customers in the worldwide steel industry.

BASIS OF CONSOLIDATION AND USE OF ESTIMATES. The consolidated financial statements include the accounts of the Corporation and its wholly owned and majority-owned subsidiaries. Partially owned affiliates are accounted for at cost or as equity investments depending on the level of ownership interest or the Corporation's ability to exercise control over the affiliates' operations. In particular, the Corporation's 14% investment in Meridian Aggregates Company ("Meridian") is recorded at cost. The Corporation may be required to purchase some or all of the other investors' interests in Meridian. The other investors, by the terms of the original investment agreement, have an option, exercisable at the end of each year beginning December 31, 2000, to require the Corporation to purchase their interests at a predetermined formula price. The Corporation also has an option to purchase Meridian at a predetermined formula price beginning September 30, 2003.

All significant intercompany balances and transactions have been eliminated in consolidation. The preparation of the Corporation's financial statements in conformity with generally accepted accounting principles requires management to make certain estimates and assumptions. Such judgments affect the reported amounts in the consolidated financial statements and accompanying notes. Actual results could differ from those estimates.

REVENUE RECOGNITION. Substantially all revenues are recognized, net of discounts, if any, when finished products are shipped to unaffiliated customers or services have been rendered, with appropriate provision for uncollectible amounts. Revenues generally represent sales of materials to customers, excluding freight and delivery charges.

CASH AND CASH EQUIVALENTS. Cash and cash equivalents are net of outstanding checks that are funded daily as presented for payment. Cash equivalents are comprised generally of highly liquid instruments with original maturities of three months or less from the date of purchase. The Corporation's cash and cash equivalents were invested with its former parent, Lockheed Martin Corporation, through January 31, 1997. At that time, all funds held by Lockheed Martin were transferred to the Corporation and invested under its own cash management arrangements with third party commercial banks.

INVENTORIES VALUATION. Inventories are stated at the lower of cost or market. Costs are determined principally by the first-in, first-out ("FIFO") method.

PROPERTIES AND DEPRECIATION. Property, plant and equipment are stated at cost. Depreciation is computed over estimated service lives principally by the straight-line method. The estimated service life for buildings ranges from 10 to 20 years and from 4 to 20 years for machinery and equipment. Depletion of mineral deposits is calculated over estimated recoverable quantities principally by the units-of-production method. Depreciation and depletion expense was $103,928,000, $86,602,000 and $71,756,000 for the years ended December 31, 1999, 1998 and 1997, respectively.

INTANGIBLE ASSETS. Costs in excess of net assets acquired ("goodwill") represent the excess purchase price paid for acquired businesses over the estimated fair value of identifiable assets and liabilities. Goodwill is amortized ratably over appropriate periods ranging from 10 to 30 years. At December 31, 1999 and 1998, the amounts for accumulated amortization of costs in excess of net assets acquired were approximately $36,104,000 and $21,685,000, respectively. Other intangibles represent amounts assigned principally to noncompete agreements and are amortized ratably over periods based on related contractual terms, generally 2 to 20 years. At December 31, 1999 and 1998, the amounts for accumulated amortization of other intangibles were approximately $22,250,000 and $20,826,000, respectively. Amortization expense for intangibles was $20,290,000, $12,163,000 and $7,964,000 for the years ended December 31, 1999, 1998 and 1997, respectively.

The carrying value of goodwill and other intangibles is reviewed if the facts and circumstances indicate potential impairment. If this review indicates that the carrying value of goodwill and other intangibles is not recoverable, as determined based on estimated cash flows of the business acquired over the remaining amortization period, goodwill and other intangibles are reduced by the estimated shortfall of discounted cash flows.

STOCK-BASED COMPENSATION. In 1996, the Corporation adopted the Statement of Financial Accounting Standards No. 123, Accounting for Stock-Based Compensation ("FAS 123"). In accordance with FAS 123, the Corporation has elected to follow Accounting Principles Board Opinion No. 25, Accounting for Stock Issued to Employees, and related interpretations in accounting for certain of its employee stock-based compensation plans.

ENVIRONMENTAL MATTERS. The Corporation records an accrual for environmental remediation liabilities in the period in which it is probable that a liability has been incurred and the appropriate amount can be estimated reasonably. Such accruals are adjusted as further information develops or circumstances change. Costs of future expenditures for environmental remediation obligations are generally not discounted to their present value.

Certain normal reclamation and other environmental-related costs are treated as normal ongoing operating expenses and expensed generally in the period in which they are incurred.

INCOME TAXES. Deferred income tax assets and liabilities on the consolidated balance sheet reflect the net tax effects of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for income tax purposes.

RELATED PARTY TRANSACTIONS. The Corporation entered into certain agreements with Meridian. These agreements require the Corporation to provide certain advisory and consulting services at agreed-upon rates. In 1999, the Corporation provided funds to finance certain Meridian expansion projects at market rates of interest. Further, the Corporation is negotiating a multi-year supply agreement whereby Meridian will provide aggregates to certain operations in 2000 and beyond. The Corporation recorded an investment in Meridian, including receivables and a convertible note, of $53,511,000 and $42,267,000 at December 31, 1999 and 1998, respectively, and Meridian-related revenue of $3,395,000 during 1999.

RESEARCH AND DEVELOPMENT AND SIMILAR COSTS. Research and development and similar costs are charged to operations as incurred. Pre-operating costs and start-up costs for new facilities and products are generally charged to operations as incurred.

SEGMENT INFORMATION. Information concerning business segment data is included in Management's Discussion and Analysis of Financial Condition and Results of Operations on pages 34 through 36.

EARNINGS PER COMMON SHARE. Basic earnings per common share are based on the weighted-average number of common shares outstanding during the year. Diluted earnings per common share were computed assuming that the weighted-average number of common shares was increased by the conversion of fixed awards (employee stock options and incentive stock awards) and nonvested stock awards to be issued to employees and non-employee members of the Corporation's Board of Directors under certain stock-based compensation arrangements. The diluted per-share computations reflect a change in the number of common shares outstanding (the "denominator") to include the number of additional shares that would have been outstanding if the potentially dilutive common shares had been issued. In each year presented, the income available to common shareholders (the "numerator") is the same for both basic and dilutive per-share computations. The following table sets forth a reconciliation of the denominators for the basic and diluted earnings per share computations for each of the years ended December 31:

	1999	1998	1997
BASIC EARNINGS PER COMMON SHARE:			
Weighted-average number of shares	46,667,600	46,453,900	46,121,800
EFFECT OF DILUTIVE SECURITIES:			
Employee fixed awards	238,500	234,800	113,300
Employee and Director nonvested stock	40,900	18,900	2,700
DILUTED EARNINGS PER COMMON SHARE:			
Weighted-average number of shares and assumed conversions	46,947,000	46,707,600	46,237,800

ACCOUNTING CHANGES. In June 1998, the Financial Accounting Standards Board ("FASB") issued the Statement of Financial Accounting Standards No. 133, Accounting for Derivative Instruments and Hedging Activities ("FAS 133"), which was required to be adopted in years beginning after June 15, 1999. The FASB amended FAS 133 to defer the effective date of adoption until all fiscal quarters of all fiscal years beginning after June 15, 2000. Statement of Financial Accounting Standards

No. 137, Accounting for Derivative Instruments and Hedging Activities - Deferral of the Effective Date of FASB Statement No. 133, was issued in June 1999. Because of the Corporation's minimal use of derivatives, if any, management does not anticipate that the adoption of FAS 133 will have a significant impact on net earnings or the financial position of the Corporation.

NOTE B: BUSINESS COMBINATIONS

As of December 4, 1998, the Corporation purchased all of the outstanding common stock of Redland Stone Products Company ("Redland Stone") from an affiliate of Lafarge SA. The operating results of the acquired business have been included with those of the Corporation since that date.

The purchase price consisted of approximately $272 million in cash plus normal balance sheet liabilities, subject to certain post-closing adjustments relating to working capital, and approximately $8 million estimated for certain other assumed liabilities and transaction costs. The acquisition has been accounted for under the purchase method of accounting wherein the Corporation recognized approximately $166 million in costs in excess of net assets acquired after recording other purchase adjustments necessary to allocate the purchase price to the fair value of assets acquired and liabilities assumed. Goodwill is being amortized over a 30-year period. The preliminary purchase price allocation was adjusted in 1999 within the applicable period provided by Accounting Principles Bulletin No. 16, Business Combinations. The post-closing adjustments related to working capital and other fair-value adjustments were finalized without a significant impact on the preliminary purchase price allocation.

For comparative purposes, the following unaudited pro forma summary financial information presents the historical results of operations of the Corporation and the Redland Stone business for the year ended December 31, 1998. The financial information reflects pro forma adjustments as if the acquisition had been consummated as of the beginning of the period presented. The pro forma financial information is based upon certain estimates and assumptions that management of the Corporation believes are reasonable in the circumstances. The unaudited pro forma information presented below is not necessarily indicative of what results of operations actually would have been if the acquisition had occurred on the date indicated. Moreover, they are not necessarily indicative of future results.

PRO FORMA INFORMATION (Unaudited)
year ended December 31

(add 000, except per share)	1998
Net sales	$ 1,185,278
Net earnings	$ 113,113
Earnings per common share:	
Basic	$ 2.44
Diluted	$ 2.42

Information concerning other business combinations completed during 1999 is included in Management's Discussion and Analysis of Financial Condition and Results of Operations on page 26.

NOTE C: ACCOUNTS RECEIVABLE
December 31

(add 000)	1999	1998
Customer receivables	$ 193,380	$ 172,372
Other current receivables	8,881	3,569
	202,261	175,941
Less allowances	(4,707)	(4,430)
Total	$ 197,554	$ 171,511

NOTE D: INVENTORIES
December 31

(add 000)	1999	1998
Finished products	$ 143,776	$ 127,904
Products in process and raw materials	9,972	12,342
Supplies and expendable parts	25,862	25,307
	179,610	165,553
Less allowances	(6,745)	(8,449)

Total	$ 172,865	$ 157,104

NOTE E: PROPERTY, PLANT AND EQUIPMENT, NET
December 31

(add 000)	1999	1998
Land and improvements	$ 182,670	$ 164,362
Mineral deposits	156,870	150,684
Buildings	69,273	63,205
Machinery and equipment	1,170,592	1,072,258
Construction in progress	73,803	52,003
	1,653,208	1,502,512
Less allowances for depreciation and depletion	(806,215)	(724,984)
Total	$ 846,993	$ 777,528

NOTE F: LONG-TERM DEBT
December 31

(add 000)	1999	1998
5.875% Notes, due 2008	$ 199,059	$ 198,980
6.9% Notes, due 2007	124,956	124,952
7% Debentures, due 2025	124,215	124,204
Commercial Paper, interest rates ranging from 5.50% to 7.14%	180,000	165,000
Acquisition notes, interest rates ranging from 5.50% to 10.00%	12,395	3,299
Other notes	1,108	1,335
Total	641,733	617,770
Less current maturities	(39,722)	(15,657)
Long-term debt	$ 602,011	$ 602,113

The 5.875% Notes were offered and sold by the Corporation, through a private placement, in December 1998, at 99.5% of their principal amount of $200,000,000. The Corporation exchanged the Notes for publicly registered notes with substantially identical terms. The effective interest rate on these securities is 6.03%. The Notes are not redeemable prior to their maturity on December 1, 2008.

During August 1997, the Corporation offered and sold the 6.9% Notes at 99.7% of their principal amount of $125,000,000. The entire amount of these long-term fixed rate debt securities was registered under the Corporation's shelf registration statement on file with the Securities and Exchange Commission. The effective interest rate on these securities is 6.91%. The Notes are not redeemable prior to their maturity on August 15, 2007.

The 7% Debentures were sold at 99.3% of their principal amount of $125,000,000 in December 1995. The entire amount of these long-term fixed rate debt securities was registered under the Corporation's shelf registration statement on file with the Securities and Exchange Commission. The effective interest rate is 7.05%,and the Debentures are not redeemable prior to their maturity date of December 1, 2025.

These Notes and Debentures are carried net of original issue discount, which is being amortized by the effective interest method over the life of the issue.

The Corporation entered into revolving credit agreements, syndicated with a group of domestic and foreign commercial banks, which provide for borrowings of up to $150,000,000 for general corporate purposes through January 2002 and $300,000,000 for general corporate purposes through August 2000 (collectively the "Agreements"). Borrowings under these Agreements are unsecured and bear interest, at the Corporation's option, at rates based upon: (i) the Eurodollar rate (as defined on the basis of a LIBOR plus basis points related to a pricing grid); (ii) a bank base rate (as defined on the basis of a published prime rate or the Federal Funds Rate plus 1/2 of 1%); or (iii) a competitively determined rate (as defined on the basis of a bidding process). These Agreements contain restrictive covenants relating to leverage, requirements for limitations on encumbrances, and provisions that relate to certain changes in control. The Corporation is required to pay an annual loan commitment fee to the bank group.

No borrowings were outstanding under the revolving credit agreements at December 31, 1999. However,the Agreements support a commercial paper program of $450,000,000,of which borrowings of $180,000,000 and $165,000,000 were outstanding at December 31, 1999 and 1998, respectively. Of these amounts, $150,000,000 at December 31, 1999 and 1998, was classified as long-term debt on the Corporation's consolidated balance sheet based on management's ability and intention to maintain this debt outstanding for at least one year. The remaining $30,000,000 at December 31, 1999, and $15,000,000 at December 31, 1998, was classified as a current liability.

Excluding commercial paper, the Corporation's long-term debt maturities for the five years following December 31, 1999,are:

(add 000)	
2000	$ 9,722
2001	1,060
2002	893
2003	277
2004	213
Thereafter	449,568
Total	$ 461,733

Total interest paid was $37,108,000, $23,677,000 and $14,487,000 for the years ended December 31, 1999, 1998 and 1997, respectively.

Amounts reflected in acquisitions, net, in the consolidated statement of cash flows include assumed or incurred indebtedness of $9,208,000, $3,373,000 and $1,364,000 for the years ended December 31, 1999, 1998 and 1997,respectively. In addition, the amount reflected in acquisitions, net, for 1999, 1998 and 1997 excludes the effect of the issuance of approximately 311,100,280,100 and 123,500 shares, respectively, of the Corporation's common stock.

NOTE G: FINANCIAL INSTRUMENTS

In addition to its long-term debt arrangements, the Corporation's financial instruments also include temporary cash investments, customer accounts and notes receivable, and commercial paper borrowings. Temporary investments are placed with creditworthy financial institutions, primarily in Euro-time deposits. The Corporation's cash equivalents principally have maturities of less than three months. Due to the short maturity of these investments, they are carried on the consolidated balance sheet at cost, which approximates market value. Customer receivables are due from a large number of customers who are dispersed across wide geographic and economic regions. At December 31, 1999 and 1998, the Corporation had no significant concentrations of credit risk.

The estimated fair values of customer receivables and commercial paper borrowings approximate their carrying amounts. The estimated fair values of the Corporation's long-term debt instruments (excluding commercial paper borrowings) at December 31, 1999,was approximately $420,768,000 compared with a carrying amount of $461,733,000 on the consolidated balance sheet. The fair values of long-term debt were estimated based on quoted market prices for those instruments publicly traded. For privately placed debt, the fair values were estimated based on the quoted market prices for similar issues, or on current rates offered to the Corporation for debt of the same remaining maturities.

NOTE H: INCOME TAXES

The components of the Corporation's tax expense (benefit) on income are as follow:

years ended December 31 (add 000)	1999	1998	1997
Federal income taxes:			
Current	$ 61,349	$ 52,663	$40,916
Deferred	(4,081)	(4,486)	2,566
Total federal income taxes	57,268	48,177	43,482
State income taxes:			
Current	12,128	11,360	9,032
Deferred	(864)	(1,008)	169
Total state income taxes	11,264	10,352	9,201
Total provision	$ 68,532	$ 58,529	$52,683

The Corporation's effective income tax rate varied from the statutory United States' income tax rate because of the following permanent tax differences:

years ended December 31,	1999	1998	1997
Statutory tax rate	35.0%	35.0%	35.0%
Increase (reduction) resulting from:			
Effect of statutory depletion	(6.4)	(6.6)	(5.8)
State income taxes	3.8	3.9	4.0
Other items	2.9	1.3	1.6
Effective tax rate	35.3%	33.6%	34.8%

The principal components of the Corporation's deferred tax assets and liabilities at December 31 are as follows:

	Deferred Assets (Liabilities)	
(add 000)	1999	1998
Property, plant and equipment	$ (85,609)	$ (77,954)
Employee benefits	21,395	15,159
Financial reserves	7,549	7,436
Other items, net	(3,293)	(1,286)
Total	$ (59,958)	$ (56,645)

Deferred income taxes on the consolidated balance sheet reflect the net tax effects of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for income tax purposes. The Corporation does not believe a valuation allowance is required at December 31, 1999 or 1998.

The Corporation's total income tax payments were $71,644,000, $59,466,000 and $54,181,000, respectively, during the years ended December 31, 1999, 1998 and 1997.

NOTE I: RETIREMENT PLANS, POSTRETIREMENT AND POSTEMPLOYMENT BENEFITS

DEFINED BENEFIT PLANS. The Corporation sponsors a number of noncontributory defined benefit retirement plans, covering substantially all employees. The assets of the Corporation's retirement plans are held in the Corporation's Master Retirement Trust and are invested principally in commingled funds. The underlying investments are invested in listed stocks and bonds and cash equivalents. Defined benefit plans for salaried employees provide benefits based on each employee's years of service and average compensation for a specified period of time before retirement. Defined retirement plans for hourly employees generally provide benefits of stated amounts for specified periods of service.

The Corporation's defined benefit pension plans comply with two principal standards: the Employee Retirement Income Security Act of 1974, as amended ("ERISA"), which, in conjunction with the Internal Revenue Code, determines legal minimum and maximum deductible funding requirements, and Statement of Financial Accounting Standards No. 87, Employers Accounting for Pensions ("FAS 87") and Statement of Financial Accounting Standards No. 132, Employers' Disclosures About Pensions and Other Postretirement Benefits, which establish rules for financial accounting and reporting. When any funded plan exceeds the full-funding limits of ERISA, no contribution is made to that plan. FAS 87 specifies that certain key actuarial assumptions be adjusted annually to reflect current, rather than long-term, trends in the economy.

It is the Corporation's funding policy to stabilize annual contributions with assumptions selected on the basis of expected long-term trends. The net periodic pension benefit cost of defined benefit plans included the following components:

years ended December 31 (add 000)	1999	1998	1997
Components of net periodic benefit cost:			
Service cost	$ 7,578	$ 5,965	$ 5,039
Interest cost	10,071	9,231	8,245
Expected return on assets	(12,946)	(11,454)	(9,598)
Amortization of:			
Prior service cost	531	512	537
Actuarial gain	(485)	(464)	(648)
Transition asset	(357)	(331)	(360)
Net periodic benefit cost	$ 4,392	$ 3,459	$ 3,215

Weighted-average assumptions used as of December 31 are as follows:

	1999	1998	1997
Discount rates	8.00%	6.75%	7.25%
Rate of increase in future compensation levels	5.00%	5.00%	5.50%
Expected long-term rate of return on assets	9.00%	9.00%	9.00%

The following table sets forth the defined benefit plans' change in benefit obligations, change in plan assets, funded status and amounts recognized in the respective consolidated balance sheet as of:

years ended December 31 (add 000)	1999	1998
Change in benefit obligations:		
Net obligation at beginning of year	$ 144,109	$ 125,973
Service cost	7,578	5,965
Interest cost	10,071	9,231
Actuarial (gain)/loss	(26,718)	4,473
Acquisitions/divestitures	1,216	4,600
Gross benefits paid	(5,587)	(6,133)
Net benefit obligation at end of year	$ 130,669	$ 144,109

years ended December 31 (add 000)	1999	1998
Change in plan assets:		
Fair value of plan assets at beginning of year	$ 147,187	$ 130,345
Actual return on plan assets, net	27,291	20,180
Acquisitions	--	2,600
Employer contributions	52	195
Gross benefits paid	(5,587)	(6,133)
Fair value of plan assets at end of year	$ 168,943	$ 147,187

December 31 (add 000)	1999	1998

Funded status of the plan at end of year	$ 38,274	$ 3,078
Unrecognized net actuarial gain	(63,003)	(21,998)
Unrecognized prior service cost	4,130	4,661
Unrecognized net transition asset	(748)	(1,105)
Accrued benefit cost	$ (21,347)	$ (15,364)

December 31 (add 000)	1999	1998
Amounts recognized in the consolidated balance sheet consist of:		
Prepaid benefit cost	$ 118	$ 101
Accrued benefit cost	(21,465)	(15,465)
Net amount recognized at end of year	$ (21,347)	$ (15,364)

The projected benefit obligation, accumulated benefit obligation and fair value of plan assets for pension plans with accumulated benefit obligations in excess of plan assets were $3,900,000, $2,478,000 and $0, respectively, as of December 31, 1999,and $3,124,000, $1,375,000 and $0, respectively,as of December 31, 1998.

POSTRETIREMENT BENEFITS. The Corporation provides other postretirement benefits including medical benefits for retirees and their spouses (and Medicare Part B reimbursement for certain retirees) and retiree life insurance. The net periodic postretirement benefit cost of postretirement plans included the following components:

years ended December 31 (add 000)	1999	1998	1997
Components of net periodic benefit cost:			
Service cost	$ 2,738	$ 1,732	$ 1,360
Interest cost	3,782	4,034	3,539
Expected return on assets	(35)	(121)	(246)
Amortization of:			
Prior service cost	(35)	25	36
Actuarial gain	(419)	(85)	(372)
Net periodic benefit cost	$ 6,031	$ 5,585	$ 4,317

The postretirement health care plans' change in benefit obligation, change in plan assets, funded status and amounts recognized in the Corporation's consolidated balance sheet are as follows:

years ended December 31 (add 000)	1999	1998
Change in benefit obligations:		
Net benefit obligation at beginning of year	$ 62,381	$ 52,158
Service cost	2,738	1,732
Interest cost	3,782	4,034
Participants' contribution	31	164
Plan amendments	(6,410)	--
Actuarial (gain)/loss	(13,208)	6,713
Gross benefits paid	(2,879)	(2,420)
Net benefit obligation at end of year	$ 46,435	$ 62,381

years ended December 31 (add 000)	1999	1998
Change in plan assets:		
Fair value of plan assets at beginning of year	$ 578	$ 2,926
Actual return on plan assets, net	15	(92)
Participants' contributions	31	164
Gross benefits paid	(624)	(2,420)
Fair value of plan assets at end of year	$ 0	$ 578

December 31 (add 000)	1999	1998
Funded status of the plan at end of year	$ (46,435)	$ (61,803)
Unrecognized net actuarial (gain)/loss	(10,469)	2,270
Unrecognized prior service cost	(5,918)	456
Accrued benefit cost	$ (62,822)	$ (59,077)

December 31 (add 000)	1999	1998
Amounts recognized in the consolidated balance sheet consist of:		

Accrued benefit cost	$ (62,822)	$ (59,077)
Net amount recognized at end of year	$ (62,822)	$ (59,077)

Weighted-average assumptions used as of December 31 are as follows:

	1999	1998	1997
Discount rate	8.00%	6.75%	7.25%
Expected long-term rate of return on assets	9.00%	9.00%	9.00%

The assumed trend rate for health care inflation used in measuring the net periodic benefit cost and benefit obligation is 8% for 1999, declining to 4.5% in 2004 and remaining at that level thereafter. The assumed health care trend rate has a significant impact on the amounts reported. A one-percentage point change in the assumed health care trend rate would have the following effects at December 31, 1999:

	One Percentage Point	
(add 000)	Increase	(Decrease)
Total service and interest cost components	$ 506	$ (416)
Postretirement benefit obligation	$ 4,811	$ (4,041)

In November 1999, the Corporation amended its postretirement medical benefits to, among other things, realign the maximum annual medical benefits available to retirees, modify the retiree premium schedules and limit future retiree participation.

DEFINED CONTRIBUTION PLANS. The Corporation maintains two defined contribution plans, which cover substantially all employees. These plans, intended to be qualified under Section 401(a) of the Internal Revenue Code, are retirement savings and investment plans for the Corporation's salaried and hourly employees. The employees of Redland Stone participate in a separate defined contribution plan established prior to the Corporation's acquisition. The Corporation will continue to support the existing plan in the near term. Under certain provisions of these 401(k) plans, the Corporation, at established rates, matches employees' eligible contributions. The Corporation's matching obligations were $3,144,000 in 1999, $2,381,000 in 1998 and $1,418,000 in 1997.

Postemployment Benefits. The Corporation provides certain benefits to former or inactive employees after employment but before retirement, such as workers' compensation and disability benefits. The Corporation has accrued postemployment benefits of $1,734,000 at each of December 31, 1999 and 1998.

NOTE J: STOCK OPTIONS AND AWARD PLANS

In 1994, the shareholders of the Corporation approved an Amended Omnibus Securities Award Plan (an "Amended Omnibus Plan") that provided authorization for the Corporation to repurchase 2,000,000 shares of the Corporation's Common Stock for issuance under the Amended Omnibus Plan. On May 8, 1998, the repurchase authorization was decreased to approximately 1,007,000 shares, which represented the aggregate number of shares that were subject to grants made through May 8, 1998. The shareholders approved, on May 8, 1998, the Martin Marietta Materials, Inc. Stock-Based Award Plan (the "Plan"), as amended from time to time (collectively the "Plans", along with the "Amended Omnibus Plan"). In connection with the Plan, the Corporation was authorized to repurchase up to 5,000,000 shares of the Corporation's Common Stock for issuance under the Plan.

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. These options become exercisable in three equal annual installments beginning one year after date of grant and expire ten years from such date. The Plans allow the Corporation to provide for financing of purchases, subject to certain conditions, by interest-bearing notes payable to the Corporation. However, the Corporation has provided no such financing.

Additionally, an incentive stock plan has been adopted under the Plans whereby certain participants elect to use up to 50% of their annual incentive compensation to acquire 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. Stock unit awards, representing 32,648 shares for 1999, 22,905 shares for 1998 and 28,029 shares for 1997 of the Corporation's common stock, were awarded under the incentive stock plan. Such awards are granted in the subsequent year. Under the awards outstanding, participants earn the right to acquire their respective shares at the discounted value generally at the end of a three-year period of additional employment from the date of award. 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.

The Plan provides that each non-employee director receives 1,500 non-qualified stock options annually. The Corporation grants the non-employee directors options to purchase its common stock at a price equal to the market value at the date of grant. These options become exercisable in one year from the grant date assuming completion of the service year by the non-employee director and expire ten years from such date.

A summary of the Corporation's stock-based plans' activity and related information follows:

	Number of Shares		
	Available for Grant	Awards Outstanding	Weighted-Avg. Exercise Price
December 31, 1996	1,317,141	682,859	$ 21.96
Granted	(315,327)	315,327	$ 34.10
Exercised	--	(10,030)	$ 21.33
Terminated	2,334	(2,334)	$ 25.57
December 31, 1997	1,004,148	985,822	$ 25.84
Additions	5,000,000	--	--
Authorization decrease	(993,000)	--	--
Granted	(360,779)	360,779	$ 46.31
Exercised	--	(165,612)	$ 21.09
Terminated	7,166	(7,166)	$ 30.17
December 31, 1998	4,657,535	1,173,823	$ 32.78
GRANTED	(433,155)	433,155	$ 48.20
EXERCISED	--	(124,938)	$ 22.53
TERMINATED	7,912	(7,912)	$ 37.56
DECEMBER 31, 1999	4,232,292	1,474,128	$ 38.15

Approximately 712,000,519,000 and 411,000 outstanding awards were exercisable at December 31, 1999, 1998 and 1997, respectively. Exercise prices for awards outstanding as of December 31, 1999, ranged from $20.00 to $63.44. The weighted-average remaining contractual life of those awards is 7.7 years. The weighted-average exercise price of outstanding exercisable awards at December 31, 1999, is $29.85.

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 are reserved for grant. Stock units potentially representing 16,791 and 24,324 shares of the Corporation's com-

mon stock were granted under this plan in 1999 and 1998, respectively. The Corporation issued 10,872 net shares of common stock to key senior employees in January 2000 representing stock unit awards granted for 1997.

Also, the Corporation adopted the Amended and Restated Common Stock Purchase Plan for Directors, which provides non-employee directors the election to receive all or a portion of their total fees in the form of the Corporation's common stock. Under the terms of this plan, 50,000 shares of common stock are reserved for issuance. Currently, directors are required to defer at least 30% of the retainer portion of their fees in the form of common stock. Directors elected to defer portions of their fees representing 3,551 and 6,328 shares of the Corporation's common stock under this plan during 1999 and 1998, respectively.

Pro forma information regarding net income and earnings per share is required by FAS 123, which also requires that the information be determined as if the Corporation had accounted for its employee stock options and other stock-based awards and grants subsequent to December 31, 1994, under the fair value method prescribed by FAS 123. The fair value for these stock-based plans was estimated as of the date of grant using a Black-Scholes valuation model with the following weighted-average assumptions as of December 31:

	1999	1998	1997
Risk-free interest rate	6.20%	5.40%	6.40%
Dividend yield	1.40%	1.80%	1.70%
Volatility factor	27.70%	17.90%	20.40%
Expected life	7 years	7 years	7 years

The Black-Scholes valuation model was developed for use in estimating the fair value of traded awards which have no vesting restrictions and are fully transferable. In addition, valuation models require the input of highly subjective assumptions, including the expected stock price volatility factor. Because changes in the subjective input assumptions can materially affect the fair value estimate, in management's opinion, the existing models do not necessarily provide a reliable single measure of the fair value of its stock-based plans.

For purposes of pro forma disclosure, the estimated fair value of the stock-based plans is amortized hypothetically over the vesting period of the related grant or award. The Corporation's pro forma information for the years ended December 31 is as follows:

(add 000, except per share)	1999	1998	1997
Basic earnings per common share:			
Net earnings	$122,791	$113,658	$97,557
Earnings per share	$ 2.63	$ 2.45	$ 2.12
Diluted earnings per common share:			
Net earnings	$122,791	$113,343	$97,072
Earnings per share	$ 2.62	$ 2.43	$ 2.10

NOTE K: LEASES

Total rent expense for all operating leases was $26,761,000, $23,460,000 and $19,700,000 for the years ended December 31, 1999,1998 and 1997, respectively. The Corporation's operating leases generally contain renewal and/or purchase options with varying terms. Total mineral royalties for all leased properties were $23,482,000, $19,988,000 and $17,750,000 for the years ended December 31, 1999,1998 and 1997, respectively. Future minimum rental and royalty commitments for all non-cancelable operating leases and royalty agreements as of December 31, 1999, are as follows:

(add 000)	
2000	$ 8,915
2001	6,767
2002	5,252
2003	4,113
2004	3,353
Thereafter	41,575
Total	$ 69,975

NOTE L: SHAREHOLDERS' EQUITY

The authorized capital structure of Martin Marietta Materials, Inc., includes 10,000,000 shares of preferred stock with par value of $0.01 a share, none of which is issued currently; however, 100,000 shares of Class A Preferred Stock have been reserved in connection with the Corporation's Shareholders' Rights Plan. In addition, the capital structure includes 100,000,000 shares of common stock, with a par value of $0.01 a share. As of December 31, 1999 and 1998, there were approximately 46,715,000 and 46,621,000 shares, respectively, of the Corporation's common stock issued and outstanding. Approximately 8,307,000 common shares have been reserved for issuance under benefit and stock-based incentive plans.

In 1999, the Corporation repurchased 322,300 shares of its common stock at public market prices at various purchase dates. The repurchase of shares was authorized under the Corporation's stock-based award plans' authorizations (see Note J). There were no shares repurchased in 1998 or 1997. Further, during 1999, the Corporation issued 311,100 restricted shares of common stock as part of an acquisition (see Management's Discussion and Analysis of Financial Condition and Results of Operations, page 37).

Under the North Carolina Business Corporation Act, shares of common stock reacquired by a corporation constitute unissued shares. For financial reporting purposes, reacquired shares are recorded as reductions to issued common stock and to additional paid-in capital.

NOTE M: COMMITMENTS AND CONTINGENCIES

The Corporation is engaged in certain legal and administrative proceedings incidental to its normal business activities. While it is not possible to determine the ultimate outcome of those actions at this time, in the opinion of management and counsel, it is unlikely that the outcome of such litigation and other proceedings, including those pertaining to environmental matters (see Note A and Management's Discussion and Analysis of Financial Condition and Results of Operations, page 39), will have a material adverse effect on the results of the Corporation's operations or on its financial position.

ENVIRONMENTAL MATTERS. The Corporation's operations are subject to and affected by federal, state and local laws and regulations relating to the environment, health and safety and other regulatory matters. Certain of the Corporation's operations may, from time to time, involve the use of substances that are classified as toxic or hazardous within the meaning of these laws and regulations. Environmental operating permits are, or may be, required for certain of the Corporation's operations and such permits are subject to modification, renewal and revocation. The Corporation regularly monitors and reviews its operations, procedures and policies for compliance with these laws and regulations. Despite these compliance efforts, risk of environmental liability is inherent in the operation of the Corporation's businesses, as it is with other companies engaged in similar businesses, and there can be no assurance that environmental liabilities will not have a material adverse effect on the Corporation in the future.

The Corporation currently has no material provisions for estimated costs in connection with expected remediation costs or other environmental-related expenditures because it is impossible to quantify the impact of all actions regarding environmental matters, particularly the extent and cost of future remediation and other compliance efforts. However, in the opinion of management, it is unlikely that any additional liability the Corporation may incur for known environmental issues or compliance with present environmental-protection laws would have a material adverse effect on the Corporation's consolidated financial position or on its results of operations (see Note A and Management's Discussion and Analysis of Financial Condition and Results of Operations on page 39).

LETTERS OF CREDIT. The Corporation has entered into a standby letter of credit agreement relating to workers' compensation self-insurance requirements. At December 31, 1999, the Corporation had a contingent liability on this outstanding letter of credit of approximately $6,700,000.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

Martin Marietta Materials, Inc. ("Martin Marietta Materials" or the "Corporation"), is the nation's second largest producer of construction aggregates and a leading producer of magnesia-based chemicals, refractories and dolomitic lime products, used in a wide variety of industries. The discussion and analysis that follows reflects management's assessment of the financial condition and results of operations of Martin Marietta Materials and should be read in conjunction with the audited consolidated financial statements on pages 12 through 25.

BUSINESS COMBINATIONS

In 1999, the Corporation completed ten transactions, excluding its new technology investment in Industrial Microwave Systems, for a combined $77.1 million in cash, stock and certain other consideration, that strategically expanded its aggregates, asphalt and ready mixed concrete businesses in Texas, Tennessee, Louisiana, Arkansas, West Virginia, Mississippi and Alabama. Of the ten transactions, two are particularly noteworthy. In Texas, the Corporation began serving the Dallas/Fort Worth area through the purchase of Marock, Inc. The Marock acquisition included a limestone quarry and a sand and gravel operation with annual production capacity of 4.5 million tons. The purchase also included three asphalt plants with annual capacity of 700,000 tons. The Corporation also acquired L.J. Earnest, Inc., with operations in Shreveport, Louisiana, and Texarkana, Arkansas. L.J. Earnest operates a major aggregates distribution yard, to which the Corporation was supplying aggregates via rail from Arkansas; three asphalt plants with annual capacity in excess of 800,000 tons; and two ready mixed concrete plants. L.J. Earnest is also a major road-paving contractor in Louisiana and Arkansas. Vertical integration -- that is, owning and operating facilities that use materials from the company's quarries -- is more common in the industry as the Corporation continues its expansion west of the Mississippi River. While management has no current plan to become a significant participant in the road-paving industry, the Corporation will continue to look selectively at acquisitions, like L.J. Earnest, that are complementary to the aggregates business.

The ten acquisitions in 1999 were accounted for under the purchase method of accounting, and the operating results of the businesses acquired were included with those of the Corporation from the acquisition dates forward. The Liquidity and Cash Flow discussion, which follows, outlines the impact of these acquisitions on financing and investing activities. During 1999,the Corporation finalized the purchase price allocation related to its acquisition of Redland Stone Products Company ("Redland Stone"). The Redland Stone acquisition, completed on December 4, 1998, for $272 million in cash plus normal balance sheet liabilities, subject to certain post-closing adjustments in working capital, and $8 million estimated for certain other assumed liabilities and transaction costs, has been included in operating results since the acquisition date. The post-closing adjustments related to working capital and other fair-value adjustments were finalized without a significant impact on the preliminary purchase price allocation.

Costs in excess of net assets acquired ("goodwill") represent the excess of the purchase price paid for acquired businesses over the estimated fair value of identifiable assets and liabilities. The carrying value of goodwill is reviewed if the facts and circumstances indicate potential impairment. If this review indicates that the carrying value of goodwill will not be recoverable, as determined based on estimated discounted cash flows of the business acquired over the remaining amortization period, goodwill is reduced by the estimated shortfall of cash flows. Goodwill is as follows at December 31:

	Costs in Excess of Net Assets Acquired	% of Total Assets	% of Shareholders' Equity
	(in millions)		
1999	$375.3	21.5%	48.5%
1998	$348.0	21.9%	52.1%

RESULTS OF OPERATIONS

The Corporation's Aggregates division's business is characterized by a high level of dependence on construction-sector spending; and the Magnesia Specialties product lines, particularly refractories and dolomitic lime products, are used principally within the steel industry. Therefore, the Corporation's operating results are highly dependent upon activity within the construction and steel-related marketplaces, both of which are subject to interest rate fluctuations and economic cycles within the public and private business sectors. Factors such as seasonal and other weather-related conditions also affect the Corporation's business production schedules and levels of profitability. Accordingly, the financial results for a particular year, or year-to-year comparisons of reported results, may not be indicative of future operating results. Further, the Corporation's sales and earnings are predominantly derived from its Aggregates division. The following comparative analysis and discussion should be read in that context.

The Corporation's 1999 net earnings of $125.8 million, or $2.68 per diluted share, represent an increase of 9% over 1998 net earnings of $115.6 million, or $2.48 per diluted share. The 1998 net earnings were 17% higher than 1997 net earnings of $98.5 million, or $2.13 per diluted share. The Corporation's consolidated net sales of $1.259 billion in 1999 represent an increase of $201.1 million, or 19%,over 1998 net sales of $1.058 billion. The 1997 consolidated net sales were $900.9 million. Consolidated earnings from operations were $215.3 million in 1999 and $196.6 million in 1998, reflecting an increase of $18.7 million, or 10%, in 1999 and $33.8 million, or 21%,in 1998, both over the prior year. The Corporation's 1997 operating earnings were $162.8 million.

In 1999, the Corporation's results reflected the impact of weather-related events, changing agricultural and commercial construction demand, positive performance from the recently acquired Redland Stone and nonrecurring other income. Hurricane Floyd, and two other hurricanes that occurred in the third and fourth quarters, most significantly affected the Corporation's operations in its largest production state, North Carolina. Historic levels of flooding in North Carolina left seven quarries temporarily inoperable after the hurricanes. However, by the end of the year, all quarries had resumed normal operations. During this period, Hurricane Floyd continued to impact the level of sales in North Carolina, as well as increase production and transportation costs. Certain storm-related property damage and business interruption costs may be recovered under the Corporation's insurance program. Certain of these amounts were recorded as receivables at year end. Further, five weeks of unusually wet weather in the Midwest and Southeast during the second quarter of 1999 also contributed to relatively flat year-over-year volume at heritage operations and rising production costs.

The agricultural economy in the Midwest began to decline during the year and significantly affected performance during the third quarter, as farm commodity prices reached record low levels. Sales of agricultural-use lime and base road stone declined in Iowa, the Corporation's fourth largest production state. However, United States' federal government agricultural subsidies late in the year partially offset the decline in these product areas. Weaker-than-expected demand in commercial construction in the central region of the United States had further impact on the Corporation's performance during 1999.

Acquisitions, particularly Redland Stone, somewhat mitigated the impact of weather-related events and changing agricultural market and commercial construction demand. The Texas Department of Transportation was one of the country's leaders in utilizing federal-aid highway funds under the Transportation Equity Act for the 21st Century ("TEA-21"),with a backlog of engineered and approved projects awaiting funding. Favorable market conditions were experienced for all product lines as dry weather conditions in 1999 provided Redland Stone with the opportunity to work through a backlog of projects created from significant flooding in late 1998.

The Corporation's operating performance was negatively affected by declining sales and earnings in its Magnesia Specialties division. The division's sales and earnings continued to reflect the weak economic performance of the steel industry. Operating results were further reduced as management slowed production rates to better match production to declining sales volume.

The Corporation's operating margin of 17.1% in 1999 declined from 18.6% in 1998, primarily as a result of hurricane- and other weather-related costs and lower volumes at heritage aggregates operations (which exclude acquisitions that have not been included in prior-year operations for a full year). Lower margin asphalt, ready mixed and paving operations associated with certain acquisitions, along with Magnesia Specialties' declining results, also contributed to the operating margin reduction.

Other income and expenses, net, for the year ended December 31, 1999, was $18.4 million in income, compared to income of $1.3 million and $5.3 million in 1998 and 1997, respectively. In addition to other offsetting amounts, other income and expenses, net, is comprised generally of interest income, gains and losses associated with the disposition of certain assets, gains and losses related to certain accounts receivable, income from nonoperating services, costs associated with the commercialization of certain new technologies, and net equity earnings from nonconsolidated investments. In 1999, other income and expenses, net, includes nonrecurring settlements from antitrust claims and a higher-than-normal level of planned property sales, both principally relating to the Aggregates division. Further, beginning in the third quarter of 1999, income from certain nonoperating services was recorded as operating income, as the activities associated with these services became a recurring feature of business operations. The prospective classification between operating and nonoperating income did not materially affect operating earnings.

[GRAPH]

1999 Aggregates Division Markets

48% Infrastructure
17% Residential
28% Commercial
7% Chemical, Railroad Ballast & Other

Interest expense for the year ended December 31, 1999,was $39.4 million. This represents an increase of $15.7 million, or 66%,in 1999 over 1998. Interest expense was $23.8 million in 1998,an increase of $6.9 million, or 41%, over 1997 interest expense of $16.9 million. The increased interest expense in 1999 results primarily from the full-year impact of borrowings to finance the acquisition of Redland Stone. The interest expense increase from 1998,as compared to 1997, resulted primarily from additional borrowings to finance the acquisition of Redland Stone, coupled with the full-year impact of borrowings to finance the acquisition of American Aggregates Corporation ("American Aggregates"), which was consummated in May 1997.

The Corporation's effective income tax rate for 1999 was 35.3%,compared with 33.6% in 1998 and 34.8% in 1997. The variance in the effective income tax rates for these years, when compared to the federal corporate tax rate of 35%,is due to the effect of several factors. In this regard, the Corporation's effective tax rates for these years reflect the impact of differences in financial and tax accounting arising from the net permanent benefit associated with the depletion allowances for mineral reserves, nondeductible amortization of certain good-will balances, foreign operating earnings, and earnings from nonconsolidated investments. As expected, the 1999 effective tax rate increased as a result of the Redland Stone acquisition, principally from the amortization of nondeductible goodwill.

The Corporation's debt-to-capitalization ratio decreased from 48% at December 31, 1998,to 45% at December 31, 1999, with total debt, including commercial paper obligations, increasing from $617.8 million to $641.7 million, and shareholders' equity increasing from $667.7 million to $774.0 million. During 1999,the Corporation paid common stock dividends of $24.3 million, or $0.52 per common share. Additional information regarding the Corporation's debt and capital structure is contained in Note F to the audited financial statements on page 19 and under "Liquidity and Cash Flows" and "Capital Structure and Resources" on pages 36 through 39.

BUSINESS ENVIRONMENT

The Corporation's principal lines of business include Martin Marietta Aggregates, which primarily serves commercial customers in the construction aggregates-related markets, and Martin Marietta Magnesia Specialties, which manufactures and markets magnesia-based products and dolomitic lime, principally for use in the steel industry. These businesses are strongly affected by activity within the construction and steel-related marketplaces, respectively, both of which represent industries that are cyclical in nature.

The Aggregates division markets its products primarily to the construction industry, with approximately half of its aggregates shipments made to contractors in connection with highway and other public infrastructure projects and the balance of its shipments made primarily to contractors in connection with commercial and residential construction projects. Accordingly, the Corporation's profitability is sensitive to national, as well as regional and local, economic conditions, and particularly to cyclical swings in construction spending. The cyclical swings in construction spending are affected by fluctuations in interest rates, changes in the levels of infrastructure funding by the public sector and demographic and population shifts. Further, the Corporation's asphalt, ready mixed and road paving operations generally follow trends in the construction industry. Due to the high level of fixed costs associated with aggregates production, the Corporation's operating leverage can be substantial.

[GRAPH]

(1) Aggregates Division Capacity
(in millions of tons)

1995	117.3
1996	120.0
1997	165.8
1998	222.6
1999	233.7

Note: 1999 and 1998 include 25 million tons from the Meridian investment.

(2) United States Aggregates Consumption
(in millions of tons)

	Crushed Stone	Sand & Gravel	Total
1995	1,389	1,003	2,392
1996	1,437	1,008	2,445
1997	1,565	1,046	2,611
1998	1,664	1,190	2,854
1999 (est.)	1,700	1,211	2,911

While construction spending in the public and private market sectors is affected by changes in economic cycles, there has been a tendency for the level of spending for infrastructure projects in the public-sector portion of this market to be more stable than spending for projects in the private sector. Governmental appropriations and expenditures are less interest-rate sensitive than private-sector spending, and generally improved levels of funding have enabled highway and other infrastructure projects to register improvement over the past few years. The Corporation believes publicworks projects consumed more than 50% of the total annual aggregates consumption in the United States during 1999. This has consistently been the trend in construction spending for each year since 1990. Additionally, since public sector-related shipments account for almost 50% of the Corporation's 1999 aggregates shipments, the Aggregates division also enjoys the benefit of the high level of public-works construction projects. Accordingly, the Corporation's management believes the Corporation's exposure to fluctuations in commercial and residential, or private sector, construction spending is lessened somewhat by the division's broad mix of public sector-related shipments.

Public-sector construction projects are funded through a combination of federal, state, and local sources, with TEA-21 providing the principal source of federal funding. Congress passed TEA-21 legislation on June 9, 1998. TEA-21 provides federal transportation funding authorization of $218 billion ($168 billion for highway construction and $50 billion for other programs) over a six-year period ending in 2003. TEA-21 increases funding by approximately 40% over the prior federal funding level and increases funding for highway construction alone by an average of 44%.

In a change from previous legislation, TEA-21 provides a minimum funding guarantee firewall for the Highway Account of the Highway Trust Fund and minimum percentage of funding guarantees for each state. TEA-21 requires that 100% of the federal gasoline tax revenues collected be directed into the Highway Trust Fund as a minimum funding guarantee. However, Congress must annually appropriate highway funding levels and could choose to fund at a level below the minimum funding guarantee. Further, TEA-21 includes a revised highway funding distribution formula that guarantees that each state will receive a minimum percentage of highway funding, equal to 90.5% of the state's share of total gasoline tax contributions. Many states in the South are expected to experience an increase in funding in excess of the 44%

national average as a result of the revised highway funding distribution formula. Highway construction spending is expected to increase further as state departments of transportation match, as required, the federal funds received under TEA-21.

The federal transportation appropriation bill for fiscal 2000 fully funded the guaranteed highway funding level authorized under TEA-21 of $26.7 billion. Further, the fiscal 2000 transportation appropriations bill includes an additional $1.5 billion for guaranteed highway funding. The additional $1.5 billion of guaranteed funding results from the adjustment of TEA-21 Federal-Aid Highways authorizations as gasoline tax receipt projections were amended to reflect actual receipts.

However, to balance the federal budget, federal funding for fiscal 2000 appropriations is subject to a 0.38% across-the-board spending reduction provision for all federal agencies. The spending reduction provides the Clinton Administration with the flexibility to determine which programs within each federal agency will be reduced but would prevent any program from being reduced by more than 15%. TEA-21 transportation appropriations will be reduced by $105.2 million for fiscal 2000. Further, the 2001 Transportation Budget released by the Clinton Administration proposes to reallocate a portion of the additional $3.0 billion of guaranteed highway funding between TEA-21 and non-TEA-21 transportation programs. These and other potential proposals may impact the additional funding available for the Highway Fund. There is no assurance that Congress will continue to follow the TEA-21 legislated minimum funding guarantee firewall. Management currently believes that reductions in TEA-21 funding, if any, will not have a significant impact on the Corporation.

The Corporation's six largest production states are expected to experience an approximately 55% increase in six-year weighted average annual public-works construction funding under TEA-21 (see graph) as compared to the prior bill. As expected, TEA-21 did not significantly impact operations in 1999. However, management expects that the ultimate level of spending for publicworks construction projects will continue to increase in 2000 as a result of TEA-21. In the Corporation's survey of transportation departments across its production states, management reaffirmed its TEA-21 expectations. Those expectations include that most states are utilizing federal TEA-21 funding obligations, have the ability to raise the needed matching funds and are experiencing an increase in highway projects. However, the highway projects are more complex in nature and require more extensive feasibility, engineering and environmental studies before letting contracts and beginning construction. Many transportation departments, based on the survey, are increasing the utilization of consultants to handle engineering and environmental work for these additional projects. Therefore, as expected, there is a lag between the appropriation of highway funds and the actual commencement of construction. Annual highway funds under all TEA-21 programs are available for obligation within a four-year period, including the year of appropriation. Once obligated, TEA-21 funds are available until expended. The Corporation's capital expansion program is focused on taking advantage of the TEA-21 growth through investment in both permanent and portable quarrying operations. However, there is no guarantee that the Corporation will fully benefit from the expected increase in public-works construction projects.

[GRAPH]

TEA-21 Funding Increases
Six largest Aggregates division production states

NC	55%
TX	61%
OH	37%
IA	43%
GA	70%
IN	52%
Wtd. Avg.	55%

Because of the Aggregates division's operations in the southeastern, southwestern, midwestern and central regions of the nation, the division's -- and, consequently, the Corporation's -- operating performance and financial results depend on the strength of these specific regional economies. In recent years, the economic growth in these regions of the United States, particularly in the Southeast and Southwest, has been generally strong. However, if federal appropriation levels are reduced, if a reduction occurs in state and local spending, or if the specific regional economies decline, similar to the impact experienced in the Midwest as a result of a declining agricultural economy, the Aggregates division could be adversely affected.

The general economy, spurred by rising business productivity, strong consumer spending, improving foreign economies and negligible inflation, outside of certain sectors, has exceeded the previously-set record expansion of 106 months, which occurred during the 1960's. Further, the Federal Reserve, as a result of controlled inflation, continues to have the flexibility to adjust monetary policy and sustain the economic growth curve. Therefore, generally, economists expect the U.S. economy to continue to grow in 2000 at, or slightly lower than, the level in 1999. Management believes that the construction industry will continue to benefit from enhanced public-works construction funding. Management also expects growth in commercial construction, albeit slower growth than in 1999. However, within the construction industry, the anticipated increases in public-works and commercial construction could be offset by potential decreases, triggered by anticipated higher interest rates, in the residential construction markets. However, as discussed previously, public-works construction spending is principally driven by the level of gasoline tax revenues and the appropriation guidelines under TEA-21. As such, the volatility of public-works construction spending to interest-rate changes is somewhat mitigated.

Currently, management believes the construction industry's overall consumption levels and the Corporation's heritage production and shipments will grow by 2% to 4% in 2000. However, there is no assurance that these levels will be achieved or will continue. Over the next five years, management expects that the Aggregates division's business and financial results will continue to grow, as a result of increased infrastructure construction spending generated by TEA-21,coupled with moderate growth in residential and commercial construction. Further, the Aggregates division will generally follow national, regional and local general economic, construction and industry trends.

The aggregates industry expansion and growth is also subject to increasing challenges from environmental and political advocates who want to control the pace of future development and preserve open space. Rail and other transportation alternatives are being supported by these groups as solutions to mitigate traffic congestion and overcrowding.

The Clean Air Act, originally passed in 1963 and periodically updated by amendments, is the United States' national air pollution control program that granted the Environmental Protection Agency ("EPA") the authority to set limits on the level of various air pollutants. Recently, environmental groups have been successful in lawsuits against the federal and certain state departments of transportation, asserting that highway construction should be delayed until the municipal area is in compliance with the Clean Air Act. For example, during 1999 in the Atlanta, Georgia, metro area, 44 of 61 funded highway projects were delayed because of nonattainment of air pollutant standards. The EPA lists ten major metropolitan areas in the Corporation's markets, including Atlanta and Houston/Galveston, Texas, as nonattainment areas with deadlines to reduce air pollutants or face fines or control by the EPA. Other environmental groups have published lists of targeted municipal areas, including areas within the Corporation's marketplace, for environmental and suburban growth control. The impact of these initiatives on the Corporation's growth is typically localized, and further challenges are expected as these initiatives gain momentum.

Seasonal changes and other weather-related conditions on business production schedules can also significantly affect the aggregates industry. Consequently, the Aggregates division's production and shipment levels coincide with general construction activity levels, most of which occur in the division's markets, typically in the spring, summer and fall. The division's operations that are concentrated principally in the north central region of the Midwest generally experience more severe winter weather conditions than the division's operations in the Southeast and Southwest.

The Corporation's management believes the overall long-term trend for the construction aggregates industry continues to be one of consolidation. The Corporation's Board of Directors and management continue to review and monitor the Corporation's strategic long-term plans. These plans include assessing business combinations and arrangements with other companies engaged in similar businesses, building market share in the Corporation's core businesses and pursuing new technological opportunities that are related to the Corporation's existing markets.

During 1999,the Corporation expanded its market opportunities by consummating ten transactions for the acquisition of aggregates, asphalt, ready mixed concrete or road paving operations, and either opened, or began the process of opening, three quarry locations - known as greensiting - in the Southeast and Midwest.

The Corporation's aggregates reserves, including its investment in Meridian Aggregates Company ("Meridian"), exceed 50 years of production based on current levels of activity.

Through its Magnesia Specialties division, the Corporation also manufactures and markets magnesia-based products, including heat-resistant refractories products for the steel industry and magnesia-based chemicals products for industrial, agricultural and environmental uses, including wastewater treatment and acid neutralization. Magnesia Specialties' products, particularly refractories products and dolomitic lime, which are used within the steel industry, currently account for approximately 68% of the division's net sales. Accordingly, the division's profitability is dependent on the production of steel and the related marketplace, and a significant portion of the division's product pricing structure is affected by current business economic trends within the steel industry. Further, due to the high level of fixed costs associated with production, the division's operating leverage can be substantial.

In 1999, particularly in the second half of the year, the United States' steel industry began to show signs of improvement. Foreign steel imports that flooded the United States' markets in 1998 slowed during the year as these foreign economies began to improve. Although the United States assisted in slowing foreign imports by reaching agreements with select foreign countries, no broad tariffs or duties were passed to provide long-term restriction of foreign steel imports.

[GRAPH]

Raw Steel Production and Imports
(in millions of short tons)

	North American Production	U.S. Imports	Total
1995	134.1	27.2	161.3
1996	136.0	32.1	168.1
1997	138.2	34.4	172.6
1998	140.9	41.5	182.4
1999 (est.)	140.7	35.7	176.4

The Magnesia Specialties division's steel-related products areas' performance followed the steel industry's performance. Refractories and dolomitic lime products, as expected, continued to experience declining volumes and sales during 1999 as a result of instabilities in the steel industry. While refractories and dolomitic lime volumes and sales improved in the second half of 1999, compared with the second half of 1998, pricing pressures continued as the steel industry exercised its pricing power. Also, consolidation among manufacturers of refractory brick may remove a significant periclase customer from the market in the near term.

The division's chemicals products achieved record volume and sales in 1999 as a result of increased sales in chemicals used as flame retardants and in wastewater treatment. The division also added several new customers that utilize magnesia to reduce stack pollution. Further, improving Asian economies reduced the global pressures experienced in the chemicals products area during 1998. However, competitive pricing pressures continued throughout 1999.

As expected, sales and earnings for the division declined in 1999; however,the second half of 1999 began to show marked improvement compared to the previous twelve-month period. The division's performance will continue to be directly tied to the steel industry and, although improving, the absence of federal restrictions on foreign steel imports continues to weaken prospects for long-term improvements. Therefore, management expects competitive pressure within its steel-related products areas to continue throughout 2000. Management further expects continued growth in its chemicals products in 2000, offset somewhat by competitive pricing pressures. While management expects sales and earnings from operations of the Magnesia Specialties division to improve in 2000, management does not expect a full return to 1998's and previous years' performances. The Corporation continues to explore opportunities, including possible divestiture of all or part of the Magnesia Specialties division, with a goal of creating additional value for the Corporation. However, there can be no assurance that management will continue to pursue these opportunities, if any.

Approximately 16% of the Magnesia Specialties division's products are sold in foreign jurisdictions, with no single country accounting for 10% or more of the division's sales. While the division's products are manufactured and sold principally in the United States, the division also markets its products in the Canadian, Mexican, European (principally England and Germany) and Pacific Rim (primarily Korea) markets. As a result of these foreign market sales, the division's financial results could be affected by factors such as changes in foreign currency exchange rates or weak economic conditions in the foreign markets in which the division distributes its products. To mitigate the short-term effects of changes in currency exchange rates on the division's operations, the division principally uses the U.S. dollar as the functional currency in substantially all foreign transactions. However, adverse general economic conditions within a foreign market where the Magnesia Specialties division conducts business could have a negative impact on the division's results of operations.

To mitigate its exposure to market dependence on the steel industry, the division's management has taken steps to emphasize new product development and concentrate on additional products for use in environmental, agricultural and other industrial applications and transition its existing products toward higher margin specialty applications.

The four-year union contract for the division's employees at its major operating facility in Manistee, Michigan, was ratified in August 1999. The union contract for the division's employees at its Woodville, Ohio, operating facility expires in June 2000.

The Corporation continued research and development activities during 1999 in several technological product areas. Composite materials have been used for bridge deck installation and replacement, and research is continuing in a variety of other construction-related uses. Management believes that additional funds for innovative technologies in roadways, from the TEA-21 program, offer opportunities to put new bridge decks in service and to focus more attention on the long-life and low-maintenance costs expected from the composite materials. The Corporation also made an investment in a start-up company in 1999, Industrial Microwave Systems ("IMS"). IMS has proprietary technology for use in industrial heating and drying applications, as well as food processing and aseptic packaging. Commercial viability of these technological product areas is not assured.

As expected, the Corporation had limited revenue in 1999 for both ECO-MIN(R) fertilizer, a patented soil remineralization product, and SC27(TM) soil inoculant, a microbial soil enhancer, both used to enhance plant growth, along with a laser-measuring device for use in measuring refractory thickness in steel production furnaces. Further, as expected, these technologies did not generate profits in 1999. Commercialization of microwave technology, used for cleaning ready mixed concrete equipment, has been deferred for the near future as research and development continues. The Corporation will continue to pursue opportunities that provide proprietary technology in high growth-rate markets that it understands, that require limited research and development with minimal capital investment relative to revenue and profit generation potential, and that have the potential to provide above-average returns while minimizing risk. There can be no assurance that these technologies can achieve profitability.

Generally, the impact of inflation on the Corporation's businesses has become less significant with the benefit of continued lower inflation rates in recent years. However, energy sector inflation affects the cost of transportation and asphalt production. Wage inflation, triggered by low unemployment and the resulting increase in labor costs, is somewhat mitigated by increases in productivity. Generally, when the Corporation incurs higher costs to replace productive facilities and equipment, increased capacity and productivity and various other offsetting factors generally counterbalance increased depreciation costs.

The Corporation's management successfully completed the conversion of its information technology computer hardware and software and its non-information technology equipment to enable effective functioning on and after January 1, 2000. The total costs for the year 2000 system conversion were $3.7 million, $1.1 million in 1999 and $2.6 million in 1998, all funded from operating cash flows. The Corporation's focus is now directed at replacing its existing systems with an enterprise-wide information solution. In 2000,the Corporation expects to complete the needs assessment and system selection. However, system implementation will take a period of three to five years.

DISCUSSION OF BUSINESS SEGMENTS

The Corporation conducts its operations through two reportable business segments: Aggregates and Magnesia Specialties. The Aggregates division is the second largest producer of construction aggregates in the United States. The Corporation's sales and earnings are predominantly derived from its aggregates segment which processes and sells granite, sandstone, limestone, sand and gravel and other aggregates products for use primarily by commercial customers. The division's products are used principally in domestic construction of highways and other infrastructure projects and for commercial and residential buildings. The Aggregates division also includes the operations of its other construction materials businesses. These businesses, acquired through continued selective vertical integration by the Corporation, include primarily asphalt, ready mixed concrete and road paving operations. The Corporation's Magnesia Specialties division produces refractories materials and dolomitic lime used in domestic and foreign basic steel production and chemicals products used in domestic and foreign industrial, agricultural and environmental applications. The magnesia-based products segment generally derives a major portion of its sales and earnings from the products used in the steel industry.

The Corporation's evaluation of performance and allocation of resources is based primarily on earnings from operations. Earnings from operations is total revenue less operating expenses; selling, general and administrative expenses; and research and development, and excludes interest expense and other income (expense). The accounting policies of the reportable segments are the same as those described in Note A to the audited financial statements on pages 16 through 18. Assets employed by segment include assets directly identified with those operations. Corporate headquarters' assets consist primarily of cash and cash equivalents, and property, plant and equipment for corporate operations. Substantially all debt, and the related interest expense, is held at corporate headquarters. Property additions include property, plant and equipment that has been purchased through acquisitions in the amount of $44,747,000 in 1999, $154,445,000 in 1998 and $174,339,000 in 1997.

The following tables display selected financial data for the Corporation's reportable business segments for each of the three years in the period ended December 31,1999.

SELECTED FINANCIAL DATA BY BUSINESS SEGMENT

year ended December 31
(add 000)

NET SALES

	1999	1998	1997
Aggregates	$1,125,636	$ 920,767	$ 760,702
Magnesia Specialties	133,191	136,924	140,161
Total	$1,258,827	$1,057,691	$ 900,863

GROSS PROFIT

	1999	1998	1997
Aggregates	$ 283,998	$ 249,516	$ 202,197
Magnesia Specialties	26,701	32,132	33,072
Total	$ 310,699	$ 281,648	$ 235,269

SELLING, GENERAL AND ADMINISTRATIVE EXPENSES

	1999	1998	1997
Aggregates	$ 75,568	$ 64,106	$ 52,062
Magnesia Specialties	17,053	17,935	17,031
Total	$ 92,621	$ 82,041	$ 69,093

EARNINGS FROM OPERATIONS

	1999	1998	1997
Aggregates	$ 208,011	$ 184,648	$ 148,944
Magnesia Specialties	7,278	11,906	13,826
Total	$ 215,289	$ 196,554	$ 162,770

ASSETS EMPLOYED

	1999	1998	1997
Aggregates	$1,598,948	$1,423,031	$ 959,883
Magnesia Specialties	105,362	117,549	115,682
Corporate headquarters	38,264	48,009	30,148
Total	$1,742,574	$1,588,589	$1,105,713

DEPRECIATION, DEPLETION AND AMORTIZATION

	1999	1998	1997
Aggregates	$ 114,457	$ 89,487	$ 70,552
Magnesia Specialties	8,468	8,738	8,716
Corporate headquarters	1,829	540	452
Total	$ 124,754	$ 98,765	$ 79,720

PROPERTY ADDITIONS

	1999	1998	1997
Aggregates	$ 177,318	$ 260,112	$ 248,215
Magnesia Specialties	3,942	6,874	11,072
Corporate headquarters	1,307	11,385	1,492
Total	$ 182,567	$ 278,371	$ 260,779

AGGREGATES. The Aggregates division's sales increased 22% to $1.126 billion for the year ended December 31,1999, compared with the prior year's sales. This increase in sales reflects a 15.7 million-ton increase in total aggregates tons shipped during 1999 to 165.2 million tons. The acquisition of Redland Stone and other acquisitions made during 1998 and 1999 accounted for all of the increase in total tons shipped. The division's heritage operations, which exclude acquisitions that have not been included in prior-year operations for a full year, experienced pricing improvements during 1999 of approximately 4% in average net selling price, while the division's overall average net selling price increased 3.6% when compared with prior year's prices. As in 1998, the pricing structure in acquired operations reflects lower overall net average selling prices, principally because of differences in product groups, production costs, demand and competitive conditions when compared with product sales from the Corporation's heritage operations.

The division's operating earnings for the full year 1999 increased 13% to $208.0 million from the prior year's earnings from operations of $184.6 million. As discussed previously in the Results of Operations section of this Management's Discussion and Analysis, the division's operating earnings for the year increased principally as a result of the acquisition of Redland Stone, which was somewhat offset by the impact of weather-related events and weakening agricultural and commercial construction demand.

For the year ended December 31, 1998 ,the Aggregates division had net sales of $920.8 million, which were $160.1 million or 21% higher than the 1997 net sales of $760.7 million. This improvement reflects a 20.4 million-ton increase in total tons shipped during 1998 to 149.5 million-tons and reflects an increase of approximately 3% in the division's overall average net selling price when compared with the prior year's. Earnings from operations in the year were $184.6 million, an increase of 24% over the division's operating earnings for 1997. The division's operating profits during the year reflected continued record volume, price increases at heritage locations and growth from acquisitions. 1997 operating results reflect an approximately 4% increase in prices and certain operating performance improvements both in its heritage operations, as well as synergies achieved in the acquired businesses, which were offset somewhat by costs associated with higher levels of greensiting activities during the year.

MAGNESIA SPECIALTIES. For the year ended December 31,1999, the Magnesia Specialties division had sales of $133.2 million, a decrease of $3.7 million, or 3%,from 1998 sales of $136.9 million. The division's earnings from operations for 1999 of $7.3 million were down $4.6 million, or 39%,when compared to 1998 earnings from operations of $11.9 million. As discussed earlier, during 1999 the division continued to feel the effects of poor performance in the steel industry. The division's steel-related products areas experienced declining volumes and competitive pricing pressures that continued to depress 1999 sales and earnings. In spite of global pricing pressures, the division's chemicals products achieved record volume and net sales and achieved strong earnings in 1999. As expected, the division's operating earnings in 1999 were also negatively affected as production rates were slowed to adjust production levels to anticipated sales volume. Currently, although selective inventory reductions continue, management believes it has stabilized its inventory and production levels.

Magnesia Specialties division's 1998 net sales of $136.9 million were 2% below the prior year's. The division's operating earnings for 1998 of $11.9 million were 14% below the 1997 operating earnings. The division experienced softening in its refractories and dolomitic lime products as a direct result of decreased steel production from United States mills. While U.S. steel demand was strong, foreign imports, principally from Japan, Korea, Russia and Brazil, supplied a substantially increased percentage of U.S. demand. Also, worldwide competition in the periclase and chemicals products areas intensified. As a result, sales and operating earnings declined significantly during the year, despite favorable operations. The division's 1998 operating earnings were also negatively affected by the operating losses of a calcium carbonate grinding facility that was closed at the end of the year. The Magnesia Specialties division's 1997 net sales of $140.2 million were 7% above the prior year. Shipment levels for all of the division's product lines increased in 1997 and the division experienced some modest pricing improvements when compared with the year-earlier period. The division's operating earnings for 1997 of $13.8 million were 23% over the 1996 operating earnings.

LIQUIDITY AND CASH FLOWS

A primary source of the Corporation's liquidity during the past three years has been cash generated from its operating activities. Cash provided by its operations was $223.7 million in 1999, as compared to $222.6 million in 1998 and $195.6 million in 1997. These cash flows were derived, substantially, from net earnings before deduction of certain noncash charges for depreciation, depletion and amortization of its properties and intangible assets, as well as from changes in operating assets and liabilities.

[GRAPH]

Consolidated Operating Cash Flow
(in millions)

1995	$128.6
1996	$134.9
1997	$195.6
1998	$222.6
1999	$223.7

Working capital increases for 1999 included in the above-referenced changes in operating assets and liabilities, were due primarily to increases in Aggregates division inventories as a result of expected increases in demand in 2000 and an increase in accounts receivable balances primarily associated with the increased level of sales. The 1998 working capital increases included in changes in operating assets and liabilities reflect an increase in the Magnesia Specialties division's inventory as a result of strong production in 1998, coupled with reduced demand in certain product areas, and a decrease in overall trade accounts payable balances, partially offset by a decrease in accounts receivable balances resulting from accelerated cash collections. The 1997 working capital increases included in changes in operating assets and liabilities reflect increases in accounts receivable balances resulting from increased sales volume activity, offset by increased trade accounts payable balances and reduction of inventory balances on hand at the end of the year. In addition to other offsetting amounts, other assets and liabilities, net, in 1999, changed principally due to the decline in the rate of increase in certain self-insurance reserves, as compared to a significant increase in 1998 as a result of higher-than-average claims.

Net cash used for investing activities was $214.6 million in 1999, a decrease of $291.3 million from $505.8 million reported in 1998. Of that amount, the Corporation used $77.1 million for the purchase of ten Aggregates division-related acquisitions, compared with $347.9 million in 1998 that financed the acquisition of Redland Stone and nine other acquisitions, and $279.1 million in 1997 that included the acquisition of American Aggregates and eight smaller acquisitions. Other investing activities in 1999 included the Corporation's 19% investment in Industrial Microwave Systems and loans to Meridian, among other things, while the same activities, in 1998, principally included the Corporation's initial investment in Meridian. Additions to property, plant and equipment, excluding acquisitions, of $137.8 million, were 11% higher in 1999, compared with 1998. Comparable full-year capital expenditures were $123.9 million in 1998 and $86.4 million in 1997, with this increase primarily as a result of the impact of American Aggregates, which was acquired in May 1997, and capacity expansion projects. The Corporation's acquisition and capital expenditures reflect planned strategic growth and capital spending activities that are consistent with management's strategy for investment and expansion within the consolidating aggregates industry. For the year 1999, the Corporation's management had anticipated a more significant increase in property, plant and equipment additions. However, as planned growth in the heritage operations was delayed due to weather-related conditions and softening commercial and agricultural markets, management scaled back capacity expansion to better match the timing of market expansion. Through January 1997, the Corporation's cash and cash equivalents balances were invested under a cash management agreement with its former parent, Lockheed Martin Corporation (see Note A to the audited financial statements on pages 16 through 18). During the year ended December 31, 1997, the Corporation reduced the balance of cash and cash equivalents invested with Lockheed Martin Corporation by $23.8 million.

Approximately $20.3 million of cash was used for financing activities during 1999,compared with $279.2 million and $160.7 million of cash provided by financing activities in 1998 and 1997,respectively. The Corporation incurred $14.7 million of net indebtedness in 1999,excluding $9.2 million reflected in acquisitions, net, principally in connection with the ten acquisitions completed during the year. The Corporation used cash of $12.7 million during 1999 to finance the repurchase of 322,300 shares of its common stock at public market prices at various purchase dates. The repurchase of shares was authorized under the Corporation's 6.0 million-share authorization from the Board of Directors for the Stock-Based Award Plan and the Amended Omnibus Securities Award Plan. There were no shares repurchased in 1998 or 1997. Further, during 1999,the Corporation issued stock under its stock-based award plans, as well as issuing approximately 311,100 restricted shares of common stock, along with other consideration to purchase L.J. Earnest, Inc. Comparable cash provided by issuance of common stock was $1.9 million in 1998,principally for the stock-based award plans and an acquisition; and $0.2 million in 1997. Excluding commercial paper obligations,$9.7 million of long-term debt will mature in 2000. In 1999,the Board of Directors approved total cash dividends on the Corporation's common stock of $0.52 a share. Regular quarterly dividends were authorized and paid by the Corporation at a rate of $0.13 a share.

During 1998,the Corporation incurred $302.3 million of net indebtedness, principally in connection with the consummation of the Redland Stone acquisition, which was financed initially through the issuance of United States' commercial paper. A portion of the commercial paper borrowings was repaid, with the proceeds obtained from the private placement of 5.875% Notes due December 1,2008,issued in the aggregate principal amount of $200 million. The private placement borrowings remained outstanding at December 31,1998,and were publicly registered in 1999. In 1997,the Corporation paid net cash consideration of $242 million for the acquisition of all of the outstanding common stock of American Aggregates. The sources of funds for this acquisition were a combination of borrowings under revolving credit facilities and the issuance of commercial paper. The Corporation subsequently issued $125 million of long-term debt securities, the net proceeds of which were used to repay amounts outstanding under the revolving credit agreements and to reduce the amount of commercial paper outstanding.

CAPITAL STRUCTURE AND RESOURCES

Long-term debt, including current maturities of long-term debt and commercial paper, increased to $641.7 million at the end of 1999 from $617.8 million at the end of 1998. Total debt represented approximately 45% of total capitalization at December 31,1999,compared with 48% at December 31, 1998. The Corporation's debt is in the form of publicly and privately issued long-term fixed-rate notes and debentures and United States' commercial paper (see Note F to the audited consolidated financial statements on page 19). Shareholders' equity grew to $774.0 million at December 31, 1999,from $667.7 million at December 31,1998.

The Corporation has $450 million in revolving credit facilities, which are syndicated through a group of commercial domestic and foreign banks, and a United States commercial paper program with available funds of a comparable amount. The credit facilities consist of a five-year, unsecured revolving credit agreement in the amount of $150 million (the "Long-Term Credit Agreement") which expires in January 2002 and a 364-day unsecured revolving credit agreement in the amount of $300 million (the "Short-Term Credit Agreement"), which expires in August 2000 (see Note F to audited consolidated financial statements on page 19).The Corporation's management believes it will be able to amend its Short-Term Credit Agreement for an additional 364-day period beyond August 2000.

No borrowings were outstanding under either of the revolving credit agreements at December 31,1999. However, the Long- and Short-Term Credit Agreements support commercial paper borrowings of $180 million outstanding at December 31,1999,of which $150 million has been classified as long-term debt on the Corporation's consolidated balance sheet, based on management's ability and intention to maintain this debt outstanding for at least one year. The remaining outstanding commercial paper of $30 million has been classified as current on the Corporation's consolidated balance sheet.

As discussed earlier, 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 (see "Business Environment" on pages 28 through 34). 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 outstanding commercial paper obligations and temporary cash investments, including overnight investments in Eurodollars. However, management believes that the Corporation's exposure to short-term interest rate market risk is not material.

Long-term interest rates influence assumptions used to develop the costs for the Corporation's employee retirement and postretirement benefit plans. The Corporation's management anticipates a reduction in pension and postretirement benefit expense in 2000.This reduction is a result of the increased discount rate for the retirement and postretirement benefit plans, favorable 1999 investment returns on employee retirement plan assets and the changes to the postretirement benefit plan. There is no assurance that retirement and postretirement expense reductions will continue due to the underlying volatility of interest rates and investment returns (see Note I to the audited consolidated financial statements on pages 20 through 23).

Certain agreements expose the Corporation to foreign currency fluctuations. However, management believes this exposure is not material to the Corporation.

The Corporation has entered into a standby letter of credit agreement relating to workers' compensation self-insurance requirements. On December 31,1999,the Corporation had a contingent liability on this outstanding letter of credit of approximately $6.7 million.

The 5.875% Notes, with an effective rate of 6.03%,that were issued in December 1998 through private placement in connection with the acquisition of Redland Stone were subsequently registered with the Securities and Exchange Commission (the "Commission") in February 1999.The initial purchasers in the private placement offering exchanged their outstanding notes for registered notes with substantially identical terms.

Currently, the Board has granted management the authority to file a universal shelf registration statement with the Commission for up to $500 million in issuance of either debt or equity securities. However, management has not determined the timing when, or the amount for which, it may file such shelf registration. In January 2000,the Corporation terminated and deregistered the unissued debt securities in its $300 million effective shelf registration on file with the Commission that had up to $50 million of debt securities outstanding.

Martin Marietta Materials' internal cash flows and availability of financing resources, including its access to capital markets, both debt and equity, and its revolving credit agreements, are expected to continue to be sufficient to provide the capital resources necessary to support anticipated operating needs, to cover debt service requirements, to meet capital expenditures and discretionary investment needs and to allow for payment of dividends for the foreseeable future. The Corporation's ability to borrow or issue securities is dependent upon, among other things, prevailing economic, financial and market conditions.

The Corporation may be required to purchase some or all of the other investors' interests in Meridian in 2000. The other investors, by the terms of the original investment agreement consummated in 1998,have an annual option to require the Corporation to purchase their interests, at a predetermined formula price, beginning December 31,2000. The required purchase option is accelerated in the event of the death of an investor. The Corporation may finance the acquisition of the remaining Meridian interests in the public or private markets.

The Corporation's senior unsecured debt has been rated "A" by Standard & Poor's and "A3"by Moody's. The Corporation's $450 million commercial paper program is rated "A-1"by Standard & Poor's,"P-2"by Moody's and "F-1"by Fitch IBCA, Inc. 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.

ENVIRONMENTAL MATTERS

The Corporation's operations are subject to and affected by federal, state and local laws, and regulations relating to the environment, health and safety and other regulatory matters. Certain of the Corporation's operations may, from time to time, involve the use of substances that are classified as toxic or hazardous within the meaning of these laws and regulations. Environmental operating permits are, or may be, required for certain of the Corporation's operations, and such permits are subject to modification, renewal and revocation. The Corporation regularly monitors and reviews its operations, procedures and policies for compliance with these laws and regulations. Despite these compliance efforts, risk of environmental liability is inherent in the operation of the Corporation's businesses, as it is with other companies engaged in similar businesses, and there can be no assurance that environmental liabilities will not have a material adverse effect on the Corporation in the future.

The Corporation records appropriate financial statement accruals for environmental matters in the period in which liability is established and the appropriate amount can be estimated reasonably. Among the variables that management must assess in evaluating costs associated with environmental issues are the evolving environmental regulatory standards. The nature of these matters makes it difficult to estimate the amount of any costs that may be necessary for future remedial measures. The Corporation currently has no material provisions for estimated costs in connection with expected remediation or other environmental-related expenditures because it is impossible to quantify the impact of all actions regarding environmental matters, particularly the extent and cost of future remediation and other compliance efforts. However, in the opinion of management, it is unlikely that any additional liability the Corporation may incur for known environmental issues or compliance with present environmental-protection laws would have a material adverse effect on the Corporation's consolidated financial position or on its results of operations (see Note M to the audited consolidated financial statements on page 25).

NEW ACCOUNTING STANDARDS

In June 1998,the Financial Accounting Standards Board (the "FASB") issued Statement of Financial Accounting Standards No. 133, Accounting for Derivative Instruments and Hedging Activities ("FAS 133"),which is required to be adopted in years beginning after June 15,1999.The FASB amended FAS 133 to defer the effective date of adoption until all fiscal quarters of all fiscal years beginning after June 15, 2000.Statement of Financial Accounting Standards No.137, Accounting for Derivative Instruments and Hedging Activities-Deferral of the Effective Date of FASB Statement No.133,was issued in June 1999.Because of the Corporation's minimal use of derivatives, if any, management does not anticipate that the adoption of FAS 133 will have a significant impact on net earnings or the financial position of the Corporation.

CAUTIONARY STATEMENTS

This Annual Report contains statements that constitute "forward-looking statements" within the meaning of Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934. Investors are cautioned that all forward-looking statements involve risks and uncertainties, including those arising out of economic, climatic, political, regulatory, competitive and other factors. The forward-looking statements in this document are intended to be subject to the safe harbor protection provided by Sections 27A and 21E. For a discussion identifying some important factors that could cause actual results to vary materially from those anticipated in the forward-looking statements, see the Corporation's filings with the Securities and Exchange Commission including, but not limited to, the discussion of "Competition" in the Corporation's Annual Report on Form 10-K for the fiscal year ended December 31,1999 (Form 10-K);"Management's Discussion and Analysis of Financial Condition and Results of Operations" on pages 26 through 39 of this Annual Report; "Note A: Accounting Policies" on pages 16 through 18 and "Note M: Commitments and Contingencies" on page 25 of the Notes to Financial Statements of the Audited Consolidated Financial Statements included in this Annual Report, incorporated by reference into the Form 10-K.

QUARTERLY PERFORMANCE

unaudited

(add 000,except per share)	Net Sales		Gross Profit		Net Earnings		Basic Earnings Per Common Share(*)	
Quarter	1999	1998	1999	1998	1999	1998	1999	1998
First	$ 241,061	$ 186,535	$ 39,742	$ 29,479	$ 7,940	$ 2,636	$ 0.17	$ 0.06
Second	328,865	277,737	90,227	83,235	41,273	36,356	0.88	0.78
Third	353,792	312,445	99,661	95,830	43,951	45,907	0.94	0.99
Fourth	335,109	280,974	81,069	73,104	32,617	30,714	0.70	0.66
Totals	$1,258,827	$1,057,691	$ 310,699	$ 281,648	$ 125,781	$ 115,613	$ 2.70	$ 2.49

	Diluted Earnings Per Common Share(*)		Common Dividends Paid and Stock Prices Per Common Share					
			Dividends Paid		Market Prices			
					High	Low	High	Low
Quarter	1999	1998	1999	1998	1999		1998	
First	$ 0.17	$ 0.06	$ 0.13	$ 0.12	$ 61	$49 3/16	$ 47 3/4	$35 13/16
Second	0.88	0.78	0.13	0.12	68 1/8	54 7/8	49 5/16	42 3/16
Third	0.94	0.98	0.13	0.13	60 3/8	35 1/4	51 1/4	41 11/16
Fourth	0.70	0.66	0.13	0.13	42 5/8	35 3/8	62 3/16	38 5/8
Totals	$ 2.68	$ 2.48	$ 0.52	$ 0.50				

(*)The sum of per-share earnings by quarter may not equal earnings per share for the year due to changes in average share calculations. This is in accordance with prescribed reporting requirements.

FIVE YEAR SUMMARY

(add 000,except per share)	1999	1998	1997	1996	1995
CONSOLIDATED OPERATING RESULTS					
Net sales	$ 1,258,827	$ 1,057,691	$ 900,863	$ 721,947	$ 664,406
Cost of sales, other costs and expenses	1,043,538	861,137	738,093	601,271	556,841
EARNINGS FROM OPERATIONS	215,289	196,554	162,770	120,676	107,565
Interest expense on debt	39,411	23,759	16,899	10,121	9,733
Other income and (expenses), net	18,435	1,347	5,341	8,398	5,959
Earnings before taxes on income	194,313	174,142	151,212	118,953	103,791
Taxes on income	68,532	58,529	52,683	40,325	36,240
NET EARNINGS	$ 125,781	$ 115,613	$ 98,529	$ 78,628	$ 67,551
BASIC EARNINGS PER COMMON SHARE	$ 2.70	$ 2.49	$ 2.14	$ 1.71	$ 1.47
DILUTED EARNINGS PER COMMON SHARE	$ 2.68	$ 2.48	$ 2.13	$ 1.71	$ 1.47
CASH DIVIDENDS PER COMMON SHARE	$ 0.52	$ 0.50	$ 0.48	$ 0.46	$ 0.44
CONDENSED CONSOLIDATED BALANCE SHEET DATA					
Current deferred income tax benefits	$ 21,899	$ 18,978	$ 16,873	$ 15,547	$ 12,622
Current assets - other	381,466	350,410	305,139	255,619	301,733
Property, plant and equipment, net	846,993	777,528	591,420	408,820	392,223
Costs in excess of net assets acquired	375,327	348,026	148,481	39,952	37,245
Other intangibles	31,497	27,952	26,415	23,216	23,967
Other noncurrent assets	85,392	65,695	17,385	25,764	21,581
TOTAL	$ 1,742,574	$ 1,588,589	$ 1,105,713	$ 768,918	$ 789,371
Current liabilities - other	$ 142,974	$ 136,576	$ 106,804	$ 86,871	$ 69,596
Current maturities of long-term debt and commercial paper	39,722	15,657	1,431	1,273	103,740
Long-term debt and commercial paper	602,011	602,113	310,675	125,890	124,986
Pension and postretirement benefits	85,839	76,209	63,070	52,646	47,483
Noncurrent deferred income taxes	81,857	75,623	50,008	13,592	10,606
Other noncurrent liabilities	16,165	14,712	11,889	7,669	9,415
Shareholders' equity	774,006	667,699	561,836	480,977	423,545
TOTAL	$ 1,742,574	$ 1,588,589	$ 1,105,713	$ 768,918	$ 789,371

EXHIBIT 21.01

SUBSIDIARIES OF MARTIN MARIETTA MATERIALS, INC.
AS OF MARCH 12, 2000

NAME OF SUBSIDIARY	PERCENT OWNED
Alamo Gulf Coast Railroad Company, a Texas corporation	99.5%(1)
American Aggregates Corporation, a Delaware corporation	100%
American Stone Company, a North Carolina corporation	50%(2)
B&B Gravel Company, a Texas corporation	100%(3)
B&B Materials and Hauling, Inc., a Texas corporation	100%(4)
Bahama Rock Limited, a Bahamas corporation	100%
Bayou Mining, Inc., a Louisiana corporation	100%
Caldwell/Mellott, Inc., a North Carolina corporation	100%
Central Rock Company, a North Carolina corporation	100%
Eastside Development Limited Partnership, a Texas limited partnership	99%(5)
Fredonia Valley Railroad, Inc., a Delaware corporation	100%
Harding Street Corporation, a Delaware corporation	100%
Martin Marietta Aggregates of Arkansas, Inc., a Delaware corporation	100%
Martin Marietta Aggregates of Iowa, Inc., an Iowa corporation	100%
Martin Marietta Aggregates of Southern Iowa, Inc., an Iowa corporation	100%
Martin Marietta Composites, Inc., a Delaware corporation	100%

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1 Alamo Gulf Coast Railroad Company is owned by Martin Marietta Materials Southwest, Inc. (99.5%) and certain individuals (0.5%).

2 Central Rock Company, a wholly-owned subsidiary of the Company, owns a 50% interest in American Stone Company.

3 B&B Gravel Company is a wholly-owned subsidiary of Martin Marietta Materials Southwest, Inc.

4 B&B Materials and Hauling, Inc. is a wholly-owned subsidiary of by Martin Marietta Materials Southwest, Inc.

5 Eastside Development Limited Partnership is owned by Martin Marietta Materials Southwest, Inc. (99%) and Redland Development Company (1%), a wholly-owned subsidiary of Martin Marietta Materials Southwest, Inc.

Martin Marietta Exports, Inc., a Barbados corporation	100%
Martin Marietta Magnesia Specialties Inc., a Delaware corporation	100%
Martin Marietta Materials Canada Limited, a Nova Scotia, Canada corporation	100%
Martin Marietta Materials Canada Holdings Limited, a Nova Scotia, Canada corporation	100%(6)
Martin Marietta Materials of Louisiana, Inc., a Delaware corporation	100%
Martin Marietta Materials de Mexico, S.A. de C.V., a Mexican corporation	100%(7)
Martin Marietta Materials Southwest, Inc., a Texas corporation	100%
Martin Marietta Materials of Tennessee, Inc., a Delaware corporation	100%
Martin Marietta Materials of Texas, Inc., a Delaware corporation	100%
Martin Marietta Technologies Corp., a Delaware corporation	100%
Meridian Aggregates Investments, LLC, a Delaware limited liability company	28.23%
Mid-State Construction & Materials, Inc., an Arkansas corporation	100%(8)
Midway Holding Company, LLC, a Delaware limited liability company	14.5%(9)
OK Sand & Gravel, LLC, a Delaware limited liability company	99%(10)
R&S Sand & Gravel, LLC, a Delaware limited liability company	99%(11)
Redland Development Company, a Texas corporation	100%(12)
Redland Park Development Limited Partnership, a Texas limited partnership	87.5%(13)

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6 Martin Marietta Materials Canada Holdings Limited is a wholly-owned subsidiary of Martin Marietta Materials Canada Limited.

7 Martin Marietta Materials de Mexico, S.A. de C.V. is owned by Martin Marietta Magnesia Specialties Inc. (99%) and Martin Marietta Materials, Inc. (1%).

8 Mid-State Construction & Materials, Inc. is a wholly-owned subsidiary of Martin Marietta Materials of Arkansas, Inc.

9 Midway Holding Company, LLC is owned 14.5% directly by Martin Marietta Materials and 28.23% indirectly through Meridian Aggregates Investment, LLC.

10 Martin Marietta Materials, Inc. is the manager of and owns a 99% interest in OK Sand & Gravel, LLC.

11 Martin Marietta Materials, Inc. is the manager of and owns a 99% interest in R&S Sand & Gravel, Inc.

12 Redland Development Company is a wholly-owned subsidiary of Martin Marietta Materials Southwest, Inc.

13 Redland Park Development Limited Partnership is owned 87.5% by Martin Marietta Materials Southwest, Inc. directly and through its subsidiaries and 12.5% by Quarry, Inc., an unaffiliated corporation.

Redland Stone Development Company, a Texas corporation	100%(14)
Superior Stone Company, a North Carolina corporation	100%
Theodore Holding, LLC, a Delaware limited liability company	51%(15)

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14 Redland Stone Development Company is a wholly-owned subsidiary of Martin Marietta Materials Southwest, Inc.

15 Superior Stone Company, a wholly-owned subsidiary of the Company, is the manager of and owns a 51% interest in Theodore Holding, LLC.

EXHIBIT 23.01

CONSENT OF ERNST & YOUNG LLP, INDEPENDENT AUDITORS

We consent to the incorporation by reference in this Annual Report (Form 10-K) of Martin Marietta Materials, Inc., of our report dated January 24, 2000, included in the 1999 Annual Report to Shareholders of Martin Marietta Materials, Inc. and subsidiaries.

Our audit also included the financial statement schedule of Martin Marietta Materials, Inc. and subsidiaries listed in Item 14(a). This schedule is the responsibility of the Corporation's management. Our responsibility is to express an opinion based on our audits. In our opinion, the financial statement schedule referred to above, when considered in relation to the basic financial statements taken as a whole, presents fairly in all material respects the information set forth therein.

We also consent to the incorporation by reference in the Registration Statement (Form S-8 No. 33-83516) pertaining to the Martin Marietta Materials, Inc. Omnibus Securities Award Plan, as amended; in the Registration Statement (Form S-8 No. 333-15429) pertaining to the Martin Marietta Materials, Inc. Common Stock Purchase Plan for Directors, Martin Marietta Materials, Inc. Performance Sharing Plan and the Martin Marietta Materials, Inc. Savings and Investment Plan for Hourly Employees; in the Registration Statement (Form S-4 No. 333-71793) pertaining to Martin Marietta Materials, Inc.'s registration of $200,000,000 of Notes; and in the Registration Statement (Form S-8 No. 333-79039) pertaining to the Martin Marietta Materials, Inc. Stock-Based Award Plan, as amended, of our report dated January 24, 2000, with respect to the consolidated financial statements incorporated herein by reference, and our report included in the preceding paragraph with respect to the financial statement schedule included in this Annual Report (Form 10-K) of Martin Marietta Materials, Inc., for the year ended December 31, 1999.

ERNST & YOUNG LLP

Raleigh, North Carolina
March 23, 2000

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THIS SCHEDULE CONTAINS SUMMARY FINANCIAL INFORMATION EXTRACTED FROM THE CONSOLIDATED BALANCE SHEET AS OF DECEMBER 31, 1999, AND THE RELATED CONSOLIDATED STATEMENT OF EARNINGS FOR THE YEAR THEN ENDED AND IS QUALIFIED IN ITS ENTIRETY BY REFERENCE TO SUCH ANNUAL REPORT ON FORM 10-K FOR THE YEAR ENDED DECEMBER 31, 1999.

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YEAR
DEC-31-1999
JAN-01-1999
DEC-31-1999
3,403
0
197,554
4,707
172,865
403,365
1,653,208
806,215
1,742,574
182,696
602,011
0
0
467
773,539
1,742,574
1,258,827
1,258,827
948,128
1,043,538
(19,805)
1,370
39,411
194,313
68,532
125,781
0
0
0
125,781
2.70
2.68