NEWS RELEASE

Vulcan Announces First Quarter 2017 Results

5/10/2017

Diluted Earnings from Continuing Operations of $0.32 per Share
First Quarter Aggregates Volume and Price Consistent with Full Year Expectations
Management Reaffirms Full Year Earnings Outlook
BIRMINGHAM, Ala., May 10, 2017 /PRNewswire/ -- Vulcan Materials Company (NYSE: VMC), the nation's largest producer of construction aggregates, today announced results for the first quarter ended March 31, 2017.

Net earnings were $45 million and Adjusted EBITDA was $149 million. The Company's first quarter results reflect solid price growth in aggregates, the continuing recovery in construction materials demand, and strong profitability in its Concrete and Asphalt segments. First quarter results were in line with the Company's full year plans, and management reaffirms its expectation for full year Adjusted EBITDA of between $1.125 billion and $1.225 billion.

Tom Hill, Chairman and Chief Executive Officer, said, "These results mark a good start to the year. Aggregates shipments declined 2 percent, but effectively matched last year's very strong first quarter pace when excluding the impact of weather disruptions on our shipments in California. Aggregates pricing increased 5 percent, consistent with full year expectations, and a good indication of the market's visibility to further demand recovery. Solid operational execution by our management teams led to record trailing-twelve-month unit profitability for a first quarter and helped offset $14 million of timing-related incremental costs which included the effects of higher unit cost of diesel fuel, increased stripping expense in anticipation of growing demand, and costs related to flooding in California. The four acquisitions we've closed since January, and our overall rate of reinvestment in the business, tie to our confidence in both improving market conditions and the quality of our internal execution. We remain focused on continuous, compounding improvements in profitability and cash flows, and expect them to continue in 2017 and for years to come."

First Quarter Summary (compared with prior year's first quarter)

- Total revenues increased $33 million, or 4 percent, to $787 million
- Gross profit decreased $5 million, or 3 percent, to $160 million
- Aggregates segment sales increased $15 million, or 2 percent, to $650 million, and aggregates freight-

adjusted revenues increased $10 million, or 2 percent, to $497 million
    - Shipments decreased 2 percent, or 1.0 million tons, to 38.2 million tons
    - Freight-adjusted sales price increased 5 percent, or $0.57 per ton
    - Segment gross profit decreased $8 million, or 6 percent, to $140 million

- Asphalt, Concrete and Calcium gross profit improved $3.5 million, or 21 percent, collectively
- SAG was $82 million versus $76 million in the prior year
- Net earnings were $45 million, an increase of $5 million, or 12 percent
- Adjusted EBIT was $78 million, a decrease of $8 million, or 10 percent
- Adjusted EBITDA was $149 million, a decrease of $6 million, or 4 percent
- Earnings from continuing operations were $0.32 per diluted share versus $0.31 per diluted share
- Adjusted earnings from continuing operations were $0.34 per diluted share versus $0.41 per diluted share

Trailing-Twelve-Month Summary (compared with prior twelve month period)

- Total revenues increased $80 million, or 2 percent, to $3.63 billion
- Gross profit increased $52 million, or 5 percent, to $996 million
- Aggregates segment sales increased $68 million, or 2 percent, to $2.98 billion, and aggregates freight-adjusted revenues increased $85 million, or 4 percent, to $2.30 billion
    - Shipments decreased 2 percent, or 4 million tons, to 180 million tons
    - Freight-adjusted sales price increased 6 percent
    - Segment gross profit increased $29 million, or 3 percent, to $865 million
    - Unit gross profit increased 5 percent to $4.79 per ton

- Asphalt, Concrete and Calcium segment gross profit improved $23 million, collectively
- SAG was $321 million, an increase of 50 basis points as a percentage of total revenues
- Net earnings were $424 million, an increase of $123 million, or 41 percent
- Adjusted EBIT was $673 million, an increase of $37 million, or 6 percent
- Adjusted EBITDA was $960 million, an increase of $47 million, or 5 percent
- Earnings from continuing operations were $3.12 per diluted share versus $2.31 per diluted share
- Adjusted earnings from continuing operations were $2.96 per diluted share versus $2.72 per diluted share

Segment Results

Aggregates

Excluding California markets adversely affected by record rainfall, overall shipments approximated the prior year's exceptionally strong first quarter. California's wet weather and flooding halted construction activity and impaired shipments in January and February. Daily shipping rates for aggregates in each of these two months declined more than 20 percent versus the prior year. In March, as job site conditions improved, California daily shipping rates recovered accordingly. California's passage of a long-term transportation bill resolved Caltrans' funding uncertainty

and should, along with other factors, support sustained shipping rate improvements. Demand continues to recover across our Mid-Atlantic and Southeastern markets, with most operations experiencing solid shipment growth even against last year's strong comparison.

Trailing-twelve-month construction start activity, both public and private, has steadily improved since July. The backlog of construction projects in development continues to grow across our key states. In addition, state and local governments continue to pass measures to increase public infrastructure investment significantly, and a number of projects supported by FAST Act funding have moved further toward the active construction stage. The Company continues to expect full year shipment growth of between 5 and 8 percent, with the ultimate result dependent on the timing of shipments to new, larger public transportation projects.

For the quarter, freight-adjusted average sales price for aggregates increased 5 percent, or $0.57 per ton, versus the prior year despite a modest negative mix impact. The overall pricing climate remains favorable as visibility to a sustained recovery improves and as construction materials producers stay focused on earning adequate returns on capital. California and Georgia each experienced price growth of more than 10 percent, again supported by clear and improving visibility to sustained demand growth. Substantially all of the Company's markets realized price growth in the first quarter.

First quarter Aggregates segment gross profit declined $8 million, or 6 percent, to $140 million, or $3.66 per ton. Segment results in the quarter were negatively impacted by a 35 percent increase in the unit cost of diesel fuel, flood-related costs in California, increased stripping expenses and costs related to the transition to two new, more efficient ships to transport aggregates from our quarry in Mexico. In total, these items negatively impacted segment gross profit by $14 million in comparison to the prior year. Despite the timing of these costs, trailing-twelve-month cash gross profit reached a record level for the first quarter.

Asphalt, Concrete and Calcium

For our non-aggregates segments in total, first quarter gross profit was $20 million, a 21 percent increase over the prior year's period. Solid demand growth in our northern Virginia market led to strong growth in concrete shipments and segment earnings. In our Asphalt segment, results were negatively impacted by severe wet weather and flooding conditions in California.

Asphalt segment gross profit decreased $3.6 million to $8.6 million. Shipments increased 5 percent as incremental shipments from acquisitions offset weather-related decreases in California, the Company's largest asphalt market. However, segment profits declined due to modestly lower material margins and acquisition-related costs.

Concrete segment gross profit was $10 million in the quarter compared to $3 million in the prior year period. Shipments increased 22 percent versus the prior year as volumes increased in each of the Company's concrete markets, particularly Virginia, the Company's largest concrete market. Material margins in concrete also improved

versus the prior year.

In the first quarter, the Calcium segment reported gross profit of $0.7 million versus $0.6 million in the prior year.

On a trailing-twelve-month basis, total gross profit in our non-aggregates segments was $131 million, a 21 percent increase from the prior year's comparable period.

Growth, Capital Allocation, and Financial Position

The Company remains active in the pursuit of bolt-on acquisitions and other value-creating growth investments. Since January, the Company has closed four acquisitions totaling $198 million. These acquisitions complement our leading aggregates positions in certain California, New Mexico and Tennessee markets.

Capital expenditures were $133 million, including both core capital expenditures and internal growth capital investments. Internal growth capital investments were approximately $35 million, which included the acquisition of additional reserves in Texas and investment in the purchase of two replacement ships to transport aggregates. Core capital expenditures to replace existing property, plant and equipment made up the balance of the capital expenditures.

In March, the Company issued $350 million of 10-year debt with a coupon of 3.9 percent. During the quarter, the Company returned $82 million to shareholders through dividends and share repurchases. At the end of the first quarter, total debt outstanding was $2.3 billion. The quarter end cash balance was $287 million.

Selling, Administrative and General (SAG) and Taxes

Selling, Administrative and General (SAG) expenses were $82 million versus $76 million in the prior year's period. This increase was due primarily to higher severance costs as well as higher business development expenses. Trailing-twelve-month SAG expenses were approximately $320 million, in line with full year expectations, which remain unchanged.

With the Company's adoption of Accounting Standards Update (ASU) 2016-09, excess tax benefits (tax deductions in excess of book expense) from stock-based compensation are reflected in the income tax provision rather than shareholder's equity. Excess tax benefits in the first quarter of this year were $15 million, contributing to a net tax benefit for the quarter of $3 million. In the first quarter of 2016, the excess tax benefit was $21 million. Expectations for the full year 2017 effective tax rate continue to be 28 percent.

Demand and Earnings Outlook

Regarding the Company's earnings outlook for 2017, Mr. Hill stated, "For the full year we expect strong year-over-year growth in earnings, and our first quarter results are consistent with that expectation. First quarter aggregates

shipments were just below last year's seasonally strong first quarter levels and the pricing environment remains favorable, with growth across the vast majority of our markets. Our expectation for full year Adjusted EBITDA of $1.125 to $1.225 billion is driven by a continuing recovery in shipments, with higher levels of publicly funded construction activity beginning to join the ongoing recovery in private demand. Other management expectations (e.g. aggregates price and volume, gross profit growth and SAG expense) remain as outlined in our fourth quarter 2016 earnings communications."

Mr. Hill concluded, "Our unmatched asset base and industry-leading core profitability in aggregates position us well for the balance of 2017 and beyond. Trailing-twelve-month Aggregates segment cash gross profit is more than $6 per ton, or 46 percent growth so far in this recovery, with additional improvement to come. We are committed to continuous improvement in safety, customer service, and operational efficiencies and remain focused on the execution details that add up to outstanding results."

Conference Call

Vulcan will host a conference call at 10:00 a.m. CDT on May 10, 2017. A webcast will be available via the Company's website at **www.vulcanmaterials.com**. Investors and other interested parties in the U.S. may also access the teleconference live by calling 877-718-5111 approximately 10 minutes before the scheduled start. International participants can dial 719-325-4806. The conference ID is 3906362. The conference call will be recorded and available for replay at the Company's website approximately two hours after the call.

Vulcan Materials Company, a member of the S&P 500 Index, is the nation's largest producer of construction aggregates, and a major producer of other construction materials.

FORWARD-LOOKING STATEMENT DISCLAIMER

This document contains forward-looking statements. Statements that are not historical fact, including statements about Vulcan's beliefs and expectations, are forward-looking statements. Generally, these statements relate to future financial performance, results of operations, business plans or strategies, projected or anticipated revenues, expenses, earnings (including EBITDA and other measures), dividend policy, shipment volumes, pricing, levels of capital expenditures, intended cost reductions and cost savings, anticipated profit improvements and/or planned divestitures and asset sales. These forward-looking statements are sometimes identified by the use of terms and phrases such as "believe," "should," "would," "expect," "project," "estimate," "anticipate," "intend," "plan," "will," "can," "may" or similar expressions elsewhere in this document. These statements are subject to numerous risks, uncertainties, and assumptions, including but not limited to general business conditions, competitive factors, pricing, energy costs, and other risks and uncertainties discussed in the reports Vulcan periodically files with the SEC.

Forward-looking statements are not guarantees of future performance and actual results, developments, and business decisions may vary significantly from those expressed in or implied by the forward-looking statements.

The following risks related to Vulcan's business, among others, could cause actual results to differ materially from those described in the forward-looking statements: those associated with general economic and business conditions; the timing and amount of federal, state and local funding for infrastructure; changes in Vulcan's effective tax rate; the increasing reliance on information technology infrastructure for Vulcan's ticketing, procurement, financial statements and other processes which could adversely affect operations in the event that the infrastructure does not work as intended or experiences technical difficulties or is subjected to cyber attacks; the impact of the state of the global economy on Vulcan's businesses and financial condition and access to capital markets; changes in the level of spending for private residential and private nonresidential construction; the highly competitive nature of the construction materials industry; the impact of future regulatory or legislative actions, including those relating to climate change, greenhouse gas emissions, or the definition of minerals or international trade; the outcome of pending legal proceedings; pricing of Vulcan's products; weather and other natural phenomena; energy costs; costs of hydrocarbon-based raw materials; healthcare costs; the amount of long-term debt and interest expense incurred by Vulcan; changes in interest rates; volatility in pension plan asset values and liabilities, which may require cash contributions to the pension plans; the impact of environmental clean-up costs and other liabilities relating to existing and/or divested businesses; Vulcan's ability to secure and permit aggregates reserves in strategically located areas; Vulcan's ability to manage and successfully integrate acquisitions; the potential of goodwill or long-lived asset impairment; and other assumptions, risks and uncertainties detailed from time to time in the reports filed by Vulcan with the SEC. All forward-looking statements in this communication are qualified in their entirety by this cautionary statement. Vulcan disclaims and does not undertake any obligation to update or revise any forward-looking statement in this document except as required by law.

Table A

Vulcan Materials Company

and Subsidiary Companies

(in thousands, except per share data)

Consolidated Statements of Earnings	Three Months Ended March 31	
(Condensed and unaudited)	2017	2016
Total revenues	$787,328	$754,728

Cost of revenues	627,349	590,010
Gross profit	159,979	164,718
Selling, administrative and general expenses	82,120	76,468
Gain on sale of property, plant & equipment and businesses	369	555
Impairment of long-lived assets	0	(9,646)
Other operating expense, net	(5,828)	(14,238)
Operating earnings	72,400	64,921
Other nonoperating income (expense), net	2,024	(694)
Interest expense, net	34,076	33,732
Earnings from continuing operations before income taxes	40,348	30,495
Income tax benefit	(3,175)	(11,470)
Earnings from continuing operations	43,523	41,965
Earnings (loss) on discontinued operations, net of tax	1,398	(1,807)
Net earnings	$44,921	$40,158
Basic earnings (loss) per share		
Continuing operations	$0.33	$0.31
Discontinued operations	$0.01	($0.01)
Net earnings	$0.34	$0.30
Diluted earnings (loss) per share		
Continuing operations	$0.32	$0.31
Discontinued operations	$0.01	($0.01)
Net earnings	$0.33	$0.30
Weighted-average common shares outstanding		
Basic	132,636	133,821

Assuming dilution	134,968	136,100
Cash dividends per share of common stock	$0.25	$0.20
Depreciation, depletion, accretion and amortization	$71,563	$69,406
Effective tax rate from continuing operations	-7.9%	-37.6%

Table B

Vulcan Materials Company

and Subsidiary Companies

(in thousands)

Consolidated Balance Sheets	March 31	December 31	March 31
(Condensed and unaudited)	2017	2016	2016
Assets			
Cash and cash equivalents	$286,957	$258,986	$191,886
Restricted cash	0	9,033	0
Accounts and notes receivable			
Accounts and notes receivable, gross	471,590	494,634	449,538
Less: Allowance for doubtful accounts	(2,757)	(2,813)	(5,775)
Accounts and notes receivable, net	468,833	491,821	443,763
Inventories			
Finished products	306,012	293,619	288,891
Raw materials	26,213	22,648	22,160
Products in process	1,314	1,480	1,221
Operating supplies and other	29,860	27,869	25,486

Inventories	363,399	345,616	337,758
Prepaid expenses	38,573	31,726	34,096
Total current assets	1,157,762	1,137,182	1,007,503
Investments and long-term receivables	34,311	39,226	38,895
Property, plant & equipment			
Property, plant & equipment, cost	7,432,388	7,185,818	6,984,417
Allowances for depreciation, depletion & amortization	(3,980,567)	(3,924,380)	(3,786,590)
Property, plant & equipment, net	3,451,821	3,261,438	3,197,827
Goodwill	3,101,241	3,094,824	3,094,824
Other intangible assets, net	829,114	769,052	753,372
Other noncurrent assets	170,075	169,753	154,604
Total assets	$8,744,324	$8,471,475	$8,247,025
Liabilities			
Current maturities of long-term debt	139	138	131
Trade payables and accruals	175,906	145,042	185,653
Other current liabilities	184,853	227,064	170,701
Total current liabilities	360,898	372,244	356,485
Long-term debt	2,329,248	1,982,751	1,981,425
Deferred income taxes, net	703,491	702,854	663,364
Deferred revenue	196,739	198,388	205,892
Other noncurrent liabilities	633,187	642,762	618,806
Total liabilities	$4,223,563	$3,898,999	$3,825,972
Equity			
Common stock, $1 par value	132,222	132,339	133,348
Capital in excess of par value	2,792,720	2,807,995	2,801,882
Retained earnings	1,734,448	1,771,518	1,605,578
Accumulated other comprehensive loss	(138,629)	(139,376)	(119,755)
Total equity	$4,520,761	$4,572,476	$4,421,053

Total liabilities and equity	$8,744,324	$8,471,475	$8,247,025

Table C

Vulcan Materials Company

and Subsidiary Companies

(in thousands)

Consolidated Statements of Cash Flows	Three Months Ended March 31	
(Condensed and unaudited)	2017	2016
Operating Activities		
Net earnings	$44,921	$40,158
Adjustments to reconcile net earnings to net cash provided by operating activities		
Depreciation, depletion, accretion and amortization	71,563	69,406
Net gain on sale of property, plant & equipment and businesses	(369)	(555)
Contributions to pension plans	(2,374)	(2,343)
Share-based compensation expense	6,488	4,321
Deferred tax expense (benefit)	153	(17,879)
Changes in assets and liabilities before initial effects of business acquisitions and dispositions	(28,069)	(1,566)
Other, net	1,839	(2,814)
Net cash provided by operating activities	$94,152	$88,728
Investing Activities		

Purchases of property, plant & equipment	(133,022)	(108,284)
Proceeds from sale of property, plant & equipment	1,239	1,086
Payment for businesses acquired, net of acquired cash	(185,067)	(1,611)
Decrease in restricted cash	9,033	1,150
Other, net	0	1,549
Net cash used for investing activities	($307,817)	($106,110)
Financing Activities		
Payment of current maturities and long-term debt	(5)	(5)
Proceeds from issuance of long-term debt	350,000	0
Debt discounts and issuance costs	(4,565)	0
Purchases of common stock	(49,221)	(23,433)
Dividends paid	(33,152)	(26,718)
Share-based compensation, shares withheld for taxes	(21,424)	(24,636)
Other, net	3	0
Net cash provided by (used for) financing activities	$241,636	($74,792)
Net increase (decrease) in cash and cash equivalents	27,971	(92,174)
Cash and cash equivalents at beginning of year	258,986	284,060
Cash and cash equivalents at end of period	$286,957	$191,886

Table D

Segment Financial Data and Unit Shipments

(in thousands, except per unit data)

	Three Months Ended March 31	
	2017	2016
Total Revenues		
Aggregates 1	$650,300	$634,868
Asphalt Mix	95,776	89,099
Concrete	88,750	70,397
Calcium	1,886	1,910
Segment sales	$836,712	$796,274
Aggregates intersegment sales	(49,384)	(41,546)
Total revenues	$787,328	$754,728
Gross Profit		
Aggregates	$140,162	$148,383
Asphalt Mix	8,640	12,214
Concrete	10,454	3,477
Calcium	723	644
Total	$159,979	$164,718
Depreciation, Depletion, Accretion and Amortization		
Aggregates	$57,656	$57,511
Asphalt Mix	5,731	4,232
Concrete	3,023	2,981
Calcium	195	183
Other	4,958	4,499
Total	$71,563	$69,406

Average Unit Sales Price and Unit Shipments

Aggregates

Freight-adjusted revenues 2	$496,805	$486,917
Aggregates - tons	38,246	39,206
Freight-adjusted sales price 3	$12.99	$12.42
Other Products		
Asphalt Mix - tons	1,778	1,699
Asphalt Mix - sales price	$51.23	$52.04
Ready-mixed concrete - cubic yards	792	648
Ready-mixed concrete - sales price	$112.00	$108.58
Calcium - tons	67	72
Calcium - sales price	$28.18	$26.47

1 Includes crushed stone, sand and gravel, sand, other aggregates, as well as freight, delivery and transportation revenues, and other revenues related to services.

2 Freight-adjusted revenues are Aggregates segment sales excluding freight, delivery and transportation revenues, and other revenues related to services, such as landfill tipping fees that are derived from our aggregates business.

3 Freight-adjusted sales price is calculated as freight-adjusted revenues divided by aggregates unit shipments.

Appendix 1

1. Supplemental Cash Flow Information

Supplemental information referable to the Condensed Consolidated Statements of Cash Flows is summarized below:

(in thousands)

	Three Months Ended March 31	
	2017	2016
Cash Payments		
Interest (exclusive of amount capitalized)	$2,498	$2,715
Income taxes	1,562	6,486
Noncash Investing and Financing Activities		
Accrued liabilities for purchases of property, plant & equipment	32,492	25,880
Accrued liabilities for common stock purchases	0	3,164

2. Reconciliation of Non-GAAP Measures

Gross profit margin excluding freight and delivery revenues is not a Generally Accepted Accounting Principle (GAAP) measure. We present this metric as it is consistent with the basis by which we review our operating results. Likewise, we believe that this presentation is consistent with our competitors and consistent with the basis by which investors analyze our operating results considering that freight and delivery services represent pass-through activities. Reconciliation of this metric to its nearest GAAP measure is presented below:

Gross Profit Margin in Accordance with GAAP

(dollars in thousands)

	Three Months Ended March 31	
	2017	2016
Gross profit	$159,979	$164,718
Total revenues	$787,328	$754,728
Gross profit margin	20.3%	21.8%

Gross Profit Margin Excluding Freight and Delivery Revenues

(dollars in thousands)

	Three Months Ended March 31

	2017	2016
Gross profit	$159,979	$164,718
Total revenues	$787,328	$754,728
Freight and delivery revenues 1	118,103	121,211
Total revenues excluding freight and delivery revenues	$669,225	$633,517
Gross profit margin excluding freight and delivery revenues	23.9%	26.0%

1 Includes freight to remote distribution sites.

Appendix 2

Reconciliation of Non-GAAP Measures (Continued)

Aggregates segment gross profit margin as a percentage of freight-adjusted revenues is not a GAAP measure. We present this metric as it is consistent with the basis by which we review our operating results. We believe that this presentation is consistent with our competitors and meaningful to our investors as it excludes freight, delivery and transportation revenues, which are pass-through activities. It also excludes immaterial other revenues related to services, such as landfill tipping fees, that are derived from our aggregates business. Incremental gross profit as a percentage of freight-adjusted revenues represents the year-over-year change in gross profit divided by the year-over-year change in freight-adjusted revenues. Reconciliations of these metrics to their nearest GAAP measures are presented below:

Aggregates Segment Gross Profit Margin in Accordance with GAAP

(dollars in thousands)

	Three Months Ended March 31	
	2017	2016
Aggregates segment		
Gross profit	$140,162	$148,383
Segment sales	$650,300	$634,868

Gross profit margin	21.6%	23.4%
Incremental gross profit margin	N/A	

Aggregates Segment Gross Profit as a Percentage of Freight-Adjusted Revenues

(dollars in thousands)

	Three Months Ended March 31	
	2017	2016
Aggregates segment		
Gross profit	$140,162	$148,383
Segment sales	$650,300	$634,868
Less		
Freight, delivery and transportation revenues 1	147,898	143,750
Other revenues	5,597	4,201
Freight-adjusted revenues	$496,805	$486,917
Gross profit as a percentage of freight-adjusted revenues	28.2%	30.5%
Incremental gross profit as a percentage of freight-adjusted revenues	N/A	

1 At the segment level, freight, delivery and transportation revenues include intersegment freight & delivery revenues, which are eliminated at the consolidated level.

GAAP does not define "Aggregates segment cash gross profit" and it should not be considered as an alternative to earnings measures defined by GAAP. We present this metric for the convenience of investment professionals who use such metrics in their analyses and for shareholders who need to understand the metrics we use to assess performance. We and the investment community use this metric to assess the operating performance of our business. Additionally, we present this metric as we believe that it closely correlates to long-term shareholder value. We do not use this metric as a measure to allocate resources. Aggregates segment cash gross profit per ton is computed by dividing Aggregates segment cash gross profit by tons shipped. Reconciliation of this metric to its nearest GAAP measure is presented below:

Aggregates Segment Cash Gross Profit

(in thousands, except per ton data)

Three Months Ended

	March 31	
	2017	2016
Aggregates segment		
Gross profit	$140,162	$148,383
Depreciation, depletion, accretion and amortization	57,656	57,511
Aggregates segment cash gross profit	$197,818	$205,894
Unit shipments - tons	38,246	39,206
Aggregates segment cash gross profit per ton	$5.17	$5.25

Appendix 3

Reconciliation of Non-GAAP Measures (Continued)

GAAP does not define "Earnings Before Interest, Taxes, Depreciation and Amortization" (EBITDA) and it should not be considered as an alternative to earnings measures defined by GAAP. We present this metric for the convenience of investment professionals who use such metrics in their analyses and for shareholders who need to understand the metrics we use to assess performance. We use this metric to assess the operating performance of our business and for a basis of strategic planning and forecasting as we believe that it closely correlates to long-term shareholder value. We do not use this metric as a measure to allocate resources. We adjust EBITDA for certain items to provide a more consistent comparison of earnings performance from period to period. Reconciliation of this metric to its nearest GAAP measure is presented below:

EBITDA and Adjusted EBITDA

(in thousands)

	Three Months Ended March 31		Trailing Twelve Months March 31	
	2017	2016	2017	2016
Net earnings	$44,921	$40,158	$424,254	$301,013
Income tax benefit	(3,175)	(11,470)	133,146	97,548
Interest expense, net	34,076	33,732	133,613	191,495

(Earnings) loss on discontinued operations, net of tax	(1,398)	1,807	(290)	10,533
EBIT	$74,424	$64,227	$690,723	$600,589
Depreciation, depletion, accretion and amortization	71,563	69,406	287,097	277,506
EBITDA	$145,987	$133,633	$977,820	$878,095
Gain on sale of real estate and businesses	0	0	(16,216)	(443)
Business interruption claims recovery, net of incentives	0	0	(11,014)	0
Charges associated with divested operations	$1,379	$11,851	$6,511	$17,615
Fair market value adjustments for acquired inventory	0	0	0	443
Asset impairment	0	9,646	860	14,836
Restructuring charges	1,942	320	1,942	2,490
Adjusted EBITDA	$149,308	$155,450	$959,903	$913,036
Depreciation, depletion, accretion and amortization	(71,563)	(69,406)	(287,097)	(277,506)
Adjusted EBIT	$77,745	$86,044	$672,806	$635,530

Similar to our presentation of Adjusted EBITDA, we present Adjusted Diluted EPS to provide a more consistent comparison of earnings performance from period to period.

Adjusted Diluted EPS from Continuing Operations (Adjusted Diluted EPS)

	Three Months Ended March 31		Trailing Twelve Months March 31	
	2017	2016	2017	2016
Diluted EPS	$0.32	$0.31	$3.12	$2.31
Items included in Adjusted EBITDA above	0.02	0.10	(0.08)	0.17
Interest charges associated with debt refinancing	0.00	0.00	0.00	0.23

Alabama NOL carryforward valuation allowance	0.00	0.00	(0.03)	(0.03)
Foreign tax credit carryforward impairment	0.00	0.00	(0.05)	0.04
Adjusted Diluted EPS	$0.34	$0.41	$2.96	$2.72

The following reconciliation to the mid-point of the range of 2017 Projected EBITDA excludes adjustments for the future outcome of legal proceedings, charges associated with divested operations, asset impairment and other unusual gains and losses. Due to the difficulty of forecasting the timing or amount of items that have not yet occurred, are out of our control, or cannot be reasonably predicted, we are unable to estimate the significance of this unavailable information.

2017 Projected EBITDA

(in millions)

	Mid-point
Net earnings	$530
Income tax expense	205
Interest expense, net	140
Discontinued operations, net of tax	0
Depreciation, depletion, accretion and amortization	300
Projected EBITDA	$1,175

To view the original version on PR Newswire, visit:**http://www.prnewswire.com/news-releases/vulcan-announces-first-quarter-2017-results-300454792.html**

SOURCE Vulcan Materials Company

Investor Contact: Mark Warren (205) 298-3220; Media Contact: David Donaldson (205) 298-3220