



Department of Justice

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JUSTICE DEPARTMENT AND STATE OF TEXAS REQUIRE MARTIN MARIETTA TO DIVEST A QUARRY AND TWO RAIL YARDS TO PROCEED WITH ACQUISITION OF TEXAS INDUSTRIES

Divestiture Will Preserve Competition in Sale of Aggregate in Parts of the Dallas Metropolitan Area

WASHINGTON – The Department of Justice announced today that it will require Martin Marietta Materials Inc. to divest one Oklahoma quarry and two Texas rail yards in order to proceed with its proposed \$2.7 billion acquisition of Texas Industries Inc. The department said that, without the divestiture, the proposed acquisition likely would result in higher prices for purchasers of aggregate – crushed stone produced at quarries or mines – in parts of the Dallas metropolitan area.

The department's Antitrust Division and the state of Texas filed a civil antitrust lawsuit today in the U.S. District Court for the District of Columbia to block the proposed transaction. At the same time, the department filed a proposed settlement that, if approved by the court, would resolve the department's competitive concerns alleged in the lawsuit.

"Today's proposed settlement will help ensure that aggregate purchasers in parts of the Dallas metropolitan area will continue to receive the benefits of vigorous competition," said Bill Baer, Assistant Attorney General in charge of the department's Antitrust Division. "Without the divestiture obtained by the Antitrust Division, customers would have likely faced higher prices as a result of this acquisition."

Aggregate is used in a variety of applications, such as road construction, and for the production of ready mix concrete and asphalt.

The department said that the proposed merger would have likely resulted in increased prices for customers handling Texas Department of Transportation projects in parts of the Dallas metropolitan area. The Texas Department of Transportation – like many other state Departments of Transportation – sets specifications for the type of aggregate approved for use in those projects. In Dallas County and parts of the surrounding area, Martin Marietta and Texas Industries are two of the only three suppliers of Texas Department of Transportation-approved aggregate.

Under the terms of the proposed consent decree, Martin Marietta must divest its North Troy aggregate quarry in Mill Creek, Oklahoma, its rail yard in Dallas, and its rail yard in Frisco, Texas. All of these assets predominantly serve parts of the Dallas metropolitan area. Under the proposed settlement, the department's Antitrust Division must approve the buyer of the divested assets.

Martin Marietta Materials Inc. is incorporated in North Carolina with its headquarters in Raleigh, North Carolina. Martin Marietta produces, distributes and/or markets aggregate for the construction industry in 29 states and it produces aggregate in Nova Scotia, Canada, and the Bahamas for distribution and sale at numerous terminals and yards along the East Coast of the United States. In 2013, Martin Marietta had net sales of \$2.1 billion.

Texas Industries Inc. is incorporated in Delaware with its headquarters in Dallas. Texas Industries produces, distributes and/or markets aggregate in five states – Texas, Oklahoma, Louisiana, Arkansas and California. Texas Industries also produces asphalt concrete, ready mix concrete and cement. In 2013, Texas Industries had net sales of \$800 million.

As required by the Tunney Act, the proposed consent decree, along with the department's competitive impact statement, will be published in the Federal Register. Any person may submit written comments concerning the proposed decree during a 60-day comment period to Maribeth Petrizzi, Chief, Litigation II Section, Antitrust Division, U.S. Department of Justice, 450 Fifth Street, N.W., Suite 8700, Washington, D.C. 20530. At the conclusion of the 60-day comment period, the court may enter the final judgment upon a finding that it serves the public interest.

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