

MARTIN MARIETTA MATERIALS INC

Form 11-K

June 15, 2005

**SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549**

FORM 11-K

- x **ANNUAL REPORT PURSUANT TO SECTION 15(d) OF THE
SECURITIES EXCHANGE ACT OF 1934 (NO FEE REQUIRED)**

For the three month period ended March 31, 2005 and fiscal year ended December 31, 2004

OR

- o **TRANSITION REPORT PURSUANT TO SECTION 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.
SOUTHWEST DIVISION 401(K) PLAN**
(Full title of the plan and the address of the plan,
if different from that of the issuer named below)

**MARTIN MARIETTA MATERIALS, INC.
2710 Wycliff Road
Raleigh, North Carolina 27607**
(Name of issuer of the securities held pursuant to the plan and the address
of its principal executive office)

Financial Statements and Supplemental Schedule

Martin Marietta Materials, Inc. Southwest Division 401(k) Plan

*March 31, 2005, December 31, 2004, and December 31, 2003 and
for the three month period ended March 31, 2005 and year ended December 31, 2004
with Report of Independent Registered Public Accounting Firm*

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Martin Marietta Materials, Inc. Southwest Division 401(k) Plan

Audited Financial Statements and Supplemental Schedule

March 31, 2005, December 31, 2004, and December 31, 2003 and
for the three month period ended March 31, 2005 and year ended December 31, 2004

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Report of Independent Registered Public Accounting Firm

Martin Marietta Materials, Inc., as Plan Administrator

We have audited the accompanying statements of net assets available for benefits of the Martin Marietta Materials, Inc. Southwest Division 401(k) Plan as of March 31, 2005, December 31, 2004 and December 31, 2003, and the related statements of changes in net assets available for benefits for the three month period ended March 31, 2005 and the year ended December 31, 2004. These financial statements are the responsibility of Martin Marietta Materials, Inc., as Plan Administrator. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (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. We were not engaged to perform an audit of the Plan's internal control over financial reporting. Our audits included consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Plan's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and 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 net assets available for benefits of the Plan at March 31, 2005, December 31, 2004 and December 31, 2003, and the changes in its net assets available for benefits for the three month period ended March 31, 2005 and the year ended December 31, 2004 in conformity with U.S. generally accepted accounting principles.

Our audits were performed for the purpose of forming an opinion on the financial statements taken as a whole. The accompanying supplemental Schedule of Assets (Held at End of Year) as of December 31, 2004 is presented for the purpose of additional analysis and is not a required part of the financial statements but is supplementary information required by the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974. This supplemental schedule is the responsibility of the Plan's management. The supplemental schedule has been subjected to the auditing procedures applied in our audits of the financial statements and, in our opinion, is fairly stated in all material respects in relation to the financial statements taken as a whole.

ERNST & YOUNG LLP

May 26, 2005

Martin Marietta Materials, Inc. Southwest Division 401(k) Plan

Statements of Net Assets Available for Benefits

	March 31, 2005	December 31, 2004	December 31, 2003
		<i>(Dollars in thousands)</i>	
Assets			
Investments, at fair value	\$	\$ 17,411	\$ 16,111
Contributions receivable:			
Employees		42	47
Martin Marietta Materials Southwest, Ltd.		17	20
Total contributions receivable		59	67
Net assets available for benefits	\$	\$ 17,470	\$ 16,178

See accompanying notes.

Martin Marietta Materials, Inc. Southwest Division 401(k) Plan

Statements of Changes in Net Assets Available for Benefits

	Three month period ended March 31, 2005	Year ended December 31, 2004
	<i>(Dollars in thousands)</i>	
Net assets available for benefits at beginning of period	\$17,470	\$16,178
Additions to net assets attributed to:		
Interest and dividend income	102	546
Net (depreciation) appreciation in fair value of investments	(200)	1,034
Contributions:		
Employees	246	1,330
Martin Marietta Materials Southwest, Ltd.	100	521
Rollovers		156
Total contributions	346	2,007
Total additions	248	3,587
Deductions from net assets attributed to:		
Distributions and withdrawals	185	2,066
Transfers to other plans sponsored by Martin Marietta Materials, Inc.	17,533	223
Loan administrative expenses		6
Total deductions	17,718	2,295
Net assets available for benefits at end of period	\$	\$17,470

See accompanying notes.

Martin Marietta Materials, Inc. Southwest Division 401(k) Plan

Notes to Financial Statements

March 31, 2005 and December 31, 2004

1. Accounting Policies

The financial statements of the Martin Marietta Materials, Inc. Southwest Division 401(k) Plan (the Plan) are prepared on the accrual basis of accounting. No liability is recorded for distributions to participants who terminated during the year but have chosen to defer payments to the following year. All administrative expenses, except for loan application and maintenance fees, are paid by Martin Marietta Materials Southwest, Ltd. (the Company), which is a wholly owned subsidiary of Martin Marietta Materials, Inc. (Martin Marietta).

The Plan s investments are stated at fair value. Shares of registered investment companies are valued at quoted market prices, which represent the net asset value of shares held by the Plan at year-end. Shares of Martin Marietta common stock are valued at quoted market prices. Units of Vanguard Retirement Savings Trust, a collective trust fund, are valued at the net asset value at year-end. Participant loans are valued at their outstanding balances, which approximate fair value. Purchases and sales are recorded on a trade-date basis. Interest income is recorded on the accrual basis. Dividends are recorded on the ex-dividend date.

The preparation of financial statements in conformity with U.S. generally accepted accounting principles requires management to make estimates that affect the amounts reported in the financial statements and accompanying notes. Actual results could differ from those estimates.

2. Description of the Plan

The following description of the Plan provides only general information. Participants should refer to the plan agreement for a more complete description of the Plan s provisions.

The Plan is a defined contribution plan providing substantially all employees of the Company, Alamo Gulf Coast Railroad Company, Materials Producers, Inc., and Norman Asphalt Company an opportunity to participate in an individual savings and investment program providing tax-deferred savings and retirement incentives. The Company is the Plan s sponsor. Martin

Marietta s Benefits Committee serves as the Plan Administrator. The Plan is subject to the provisions of the Employee Retirement Income Security Act of 1974 (ERISA).

Effective at the end of business March 31, 2005, the Plan was merged into the Martin Marietta Materials, Inc. Savings and Investing Plan for Hourly Employees and the Martin Marietta

Martin Marietta Materials, Inc. Southwest Division 401(k) Plan

Notes to Financial Statements (continued)

2. Description of the Plan (continued)

Materials, Inc. Performance Sharing Plan (collectively, the MMMI Plans). Account balances were transferred into the MMMI Plans, as these employees became participants of the MMMI Plans on March 31, 2005. Upon transfer, all balances of active employees became 100% vested, and each participant's transferred account balance immediately after the transfer equaled his or her balance in the Plan immediately prior to the transfer.

Employees are eligible to enroll in the Plan after six months of service. An employee may elect to defer from 1% up to 15% of compensation (as defined in the Plan and subject to applicable Internal Revenue Code (IRC) limitations on allowable compensation).

The Company matches a participant's salary deferral contribution in an amount equal to 50% of the participant's salary deferral contribution, but not to exceed 7% of the participant's compensation. All participants are 100% vested in their salary deferral contributions plus actual earnings thereon. Vesting in the Company's contribution portion of their accounts plus actual earnings thereon is based on years of continuous service. A participant is 100% vested after three years of credited service. Forfeited nonvested accounts are used to reduce future employer contributions.

Participants may change the overall percentage of their contributions in 1% increments and may change investment elections for future salary deferral and matching contributions at any time. Any changes in investment elections are made in 1% increments. In addition, participants may change the investment mix of the accumulated value of prior contributions among the investment options at any time.

The Plan provides for participants to borrow from the money in their own investment accounts. All loans must meet specific terms and conditions of the Plan and are subject to applicable IRC regulations. Personal loans are available to participants in terms of up to 5 years, and primary residence loans are available for terms of up to 15 years. Such loans bear interest at a rate commensurate with local prevailing rates. In addition, the Plan provides for in-service withdrawals to participants that meet specific conditions of financial hardship, as defined in the Plan and in accordance with current specific regulations under the IRC. Participants who are still working at the age of 59 1/2 may qualify for special withdrawal rights and privileges as defined in the Plan.

Upon separation from the Company, participants may receive the full current value of their contributions and the vested portion of their matching employer contributions in the form of a lump-sum payment.

Vanguard Fiduciary Trust Company is the trustee and recordkeeper of the Plan.

Martin Marietta Materials, Inc. Southwest Division 401(k) Plan

Notes to Financial Statements (continued)

3. Investments

The Plan's investments (including investments purchased, sold and held for the year) (depreciated) appreciated in fair value as determined by quoted market prices as follows (in thousands):

	Three Month Period ended March 31, 2005	Year ended December 31, 2004
Registered investment companies	\$ (220)	\$ 979
Martin Marietta common stock	20	55
Total net (depreciation) appreciation in fair value of investments	\$ (200)	\$ 1,034

The fair values of individual investments that represent 5% or more of the Plan's assets are as follow (in thousands):

	March 31, 2005	December 31, 2004	December 31, 2003
Vanguard Explorer Fund	\$	\$ 2,478	\$ 2,265
Vanguard 500 Index Fund	\$	\$ 3,916	\$ 3,658
Vanguard Wellington Fund	\$	\$ 3,103	\$ 2,854
Vanguard Retirement Savings Trust	\$	\$ 3,817	\$ 3,932
Participant loans	\$	\$ 1,491	\$ 1,614

4. Income Tax Status

The Plan has received a determination letter from the Internal Revenue Service dated May 28, 2003, stating that the Plan is qualified under Section 401(a) of the Internal Revenue Code (the Code) and, therefore, the related trust is exempt from taxation. Subsequent to this determination by the Internal Revenue Service, the Plan was amended. Once qualified, the Plan is required to operate in conformity with the Code to maintain its qualification. The Plan Administrator believes the Plan is being operated in compliance with the applicable requirements of the Code and, therefore, believes that the Plan, as amended, is qualified and the related trust is tax exempt.

Martin Marietta Materials, Inc.
Southwest Division 401(k) Plan

EIN: 74-0774830 Plan No: 009

Schedule H, Line 4(i) Schedule of Assets
(Held at End of Year)

December 31, 2004

(a)	(b) Identity of Issue, Borrower, Lessor, or Similar Party	(c) Description of Investment, Including Maturity Date, Rate of Interest, Collateral, Par or Maturity Value	(d)	(e) Current Value (In Thousands)
*	Vanguard Explorer Fund	Registered investment company		\$ 2,478
*	Vanguard International Growth Fund	Registered investment company		651
*	Vanguard 500 Index Fund	Registered investment company		3,916
*	Vanguard Long-Term Corporate Fund	Registered investment company		602
*	Vanguard Wellington Fund	Registered investment company		3,103
*	Vanguard Windsor II Fund	Registered investment company		868
*	Vanguard Retirement Savings Trust	Common/collective trust		3,817
*	Martin Marietta Materials, Inc.	Shares of common stock		485
*	Participant loans	Interest rates ranging from 5.0% to 10.5%		1,491
				\$17,411

*Indicates party-in-interest to the Plan.

Note: Cost information has not been included in column (d) because all investments are participant directed.

SIGNATURES

THE PLAN. Pursuant to the requirements of the Securities Exchange Act of 1934, the plan administrator of the below named plan has duly caused this annual report to be signed on its behalf by the undersigned hereunto duly authorized.

MARTIN MARIETTA MATERIALS, INC.
SOUTHWEST DIVISION 401(K) PLAN

By: Martin Marietta Materials, Inc.
Plan Administrator

By: Benefit Plan Committee

By: /s/ Janice K. Henry

Janice K. Henry

Date: June 15, 2005

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EXHIBIT INDEX

Exhibit No.	Document
23	Consent of Ernst & Young LLP

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