

## Rinker acquires leading construction materials producer in Salem

*by Bend Weekly News Sources*

Rinker Group Limited has expanded the group's operations in the US Pacific north-west, with the acquisition of one of the leading construction materials producers in Salem, Oregon -- the Walling Sand & Gravel companies ("Walling").

Rinker has invested around US\$2 billion in over 50 acquisitions since 1998, together with around US\$1 billion in the development of new quarries and operating plants and expansion of the base business. One of the world's top 10 construction materials groups, Rinker has operations in aggregates, cement, concrete, asphalt and concrete pipe and products. Annual revenue is over US\$5.1 billion. Rinker has over 13,000 employees in 774 sites across the US, Australia and China. Around 80 per cent of group revenue comes from the US. Walling, a privately-owned group of companies, was established in 1940. It is the number two aggregates producer in Salem, with around 25 per cent of the local market. Walling's West Salem quarry is the largest quarry in the region. It commenced operations in 2005 and has extensive reserves. Walling also comprises an asphalt plant and paving operation and a concrete plant.

Rinker's US subsidiary Rinker Materials has an existing business in Portland, Oregon -- 50 miles (80 kilometres) north of Salem -- which was acquired in 2002. Walling will be a "bolt-on" to the Portland operation.

Salem, Oregon's capital, is the state's second largest city after Portland. The metropolitan area population is around 370,000 and growing above the US average, at around 1.5 per cent per annum. Major industries include agriculture, food processing, forest products and education and underpin a steady, projected growth in employment.

The regional construction outlook is positive, with the housing slowdown expected to be offset by strong non-residential and infrastructure spending.

More than US\$90 million has been awarded for Oregon Department of Transportation projects in the Salem region, which are due for completion by 2008. Projects include a third bridge across the Willamette River to accommodate expected growth in the Salem area. Salem also has seven established Urban Renewal areas covering over 3,300 acres (1,335 hectares), which will involve significant future public and private construction spending.

Rinker Chief Executive David Clarke said the area was an attractive growth market.

"Walling is a well-established business with strong market positions, and is a good strategic fit for Rinker Materials," he said.

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