CRH – Profile

This section provides context to this Report by profiling CRH’s history, distinctive culture, unique geographic, segmental and market balance and its global range of activities in over 3,600 locations across 35 countries. A more comprehensive record of the Group’s activities and performance is available in the CRH Annual Report 2010 and the CRH 2010 Annual Report on Form 20-F filed with the US Securities & Exchange Commission, both available on www.crh.com.
Overview

CRH plc, the international building materials group ("the Group"), was founded in 1970 following the merger of two leading Irish companies, Cement Limited and Roadstone Limited. The Group was originally called "Cement Roadstone Holdings", later abbreviated to CRH. Today, CRH is one of the five largest international groups in its sector and has its headquarters at Belgard Castle in Dublin, Ireland.

CRH is the parent company for an international group of companies engaged in the manufacture and supply of a wide range of building materials and in the operation of builders' merchanting and DIY stores. CRH employs approximately 75,000 people at over 3,600 operating locations in 35 countries, mainly in Western Europe and North America as well as in developing economies in Eastern Europe, South America, the Mediterranean basin, China and India.

CRH's strategic vision is clear and consistent – be a responsible international leader in building materials delivering superior performance and growth. The strategy is to sustain and grow a geographically diversified business with exposure to all segments of construction demand, enabling CRH to achieve its vision.

The Group is organised on a federal basis and there is strong management commitment to both the local company and to the CRH Group, supported by best practice and operational excellence teams that share experience and know-how across products and regions. This dual citizenship motivates local entrepreneurship, while maintaining and benefiting from Group synergies. Experienced operational management is given a high degree of individual autonomy and responsibility to accommodate national and cultural needs and to leverage local market knowledge, all in accordance with key centrally defined governance, financial and CSR policy guidelines and operating requirements.

CRH is incorporated and domiciled in the Republic of Ireland and is a public limited company operating under the Companies Acts of Ireland 1963-2009 and the Investment Funds, Companies and Miscellaneous Provisions Act 2006, each as amended. CRH shares are listed on the Irish (ISE) and London (LSE) Stock Exchanges and on the New York Stock Exchange (NYSE) in the form of American Depositary Receipts (ADRs). The market capitalisation of CRH as of 31 December 2010 was €11.0 billion.

CRH contributes positively in many ways to the economies and societies in which it operates. For example, in 2010, CRH purchased approximately €9.6 billion worth of goods and paid €2.7 billion in wages and salaries to employees. CRH also paid total dividends of €438m (including €140m scrip) to shareholders, together with taxes of €95m. (Figures relate to subsidiaries and joint ventures on a percentage shareholding basis).

Employees by Activity

Locations by Activity

OKSM's Drahle Sand and Gravel Pit, in the North East of Poland, with 93 million tonnes of aggregates reserves and a 1.2 million tonne per year washing and processing plant. OKSM has company-wide ISO 14001 certification of its environmental management system and actively encourages biodiversity.

www.crh.com
Sustainability across a Diversified Business Portfolio

Sustainability is a core value for CRH in all its businesses from materials extraction through the production of value-added building materials and products to final delivery to the customer. CRH’s CSR strategy is embedded throughout all its activities.

Excellence in corporate governance, environmental management, safety management, social performance and communications at local level are top priorities for all management in CRH’s three main areas of business activity.

**MATERIALS**

CRH operates strong vertically-integrated primary materials businesses which have strategically located long-term reserves, balanced end-use exposure and leading market positions in all its major markets. The Group’s position is underpinned by long-term permitted reserves which totalled 14 billion tonnes at the end of 2010. CRH continuously invests in plant and equipment for quality, efficiency and customer service while also seeking out value-creating expansion opportunities via greenfield development and acquisitions in selected markets.

Materials businesses, particularly cement and lime activities, are the larger energy users in the CRH Group. Carbon emissions from energy use and from decarbonation put climate change high on the agenda. Improving energy efficiency and increasing the use of alternative fuels and biofuels is a major focus throughout the materials businesses. The production of lower carbon cements is a priority.

In addition, alternative technologies, such as warm mix asphalt (WMA) production, are being progressed. The use of alternative materials, waste management and recycling represent significant business opportunities, e.g. the use of recycled asphalt pavement (RAP) in asphalt production and construction and demolition (C&D) materials in aggregate production.

With large land holdings around quarries and pits, materials businesses can have a positive impact on biodiversity, both during normal operations and in restoration of worked out quarries and pits. Local communications are a key focus for the materials businesses.

1. Materials: Staker Parson supplied four million tonnes of product in addition to completing all of the asphalt paving for the Legacy Parkway upgrade in Davis County, Utah, USA.

2. Products: Skilled specialists at Magnetic Autocontrol, Germany, assembling fare collection access control gates.

3. Distribution: Ricardo Alvaros of Allied Building Products unloads insulation at a new school construction site in Boulder, Colorado, USA.
PRODUCTS
CRH manufactures products for use in residential, non-residential and, to a lesser extent, infrastructure construction applications. These include building systems and engineered concrete solutions for use in the electrical, transportation, and communications industries; architectural concrete products to enhance the façades and surroundings of buildings; and construction accessories to assist in the construction process. Complementary value-added exterior products include architectural glass, aluminium glazing systems, clay brick and block, and entrance control products. Focused on growth opportunities in stable markets, these businesses offer customers a broad range of engineered products and innovative building solutions to service both new build and the growing repair and maintenance demand in mature economies.

Improving energy efficiency is a key focus for brick and concrete producing operations. Internal recycling, both of internal by-product and externally sourced secondary materials, is being progressed. Products with environmental applications have been developed and many are suitable for use in climate change mitigation and adaptation.

DISTRIBUTION
CRH distributes building materials to general building contractors and DIY customers in Europe and to professional roofing/siding and interior products contractors in the United States. The business model centres on building an extensive network of locations that penetrate major metropolitan areas, which together with well-recognised brands and strong logistics management, maximise the franchise potential. With a network of close to 750 branches in Europe and approximately 180 branches in the United States, CRH is a leading international player in building materials distribution with exposure to the growing repair, maintenance and improvement markets in Europe and the United States.

CRH’s distribution businesses manage their direct potential sustainability impacts by focusing on energy efficiency. Transportation efficiencies are being rigorously progressed. Many distribution businesses are using their position to promote environmentally-driven products in the marketplace.

### Annualised Production Volumes

<table>
<thead>
<tr>
<th>MATERIALS</th>
<th>PRODUCTS</th>
<th>DISTRIBUTION</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cement</td>
<td>Structural/Precast Concrete</td>
<td>Builders’ Merchants</td>
</tr>
<tr>
<td>13.2 million tonnes</td>
<td>7.7 million tonnes</td>
<td>677 stores</td>
</tr>
<tr>
<td>Aggregates</td>
<td>Architectural Concrete</td>
<td>DIY</td>
</tr>
<tr>
<td>159.4 million tonnes</td>
<td>18.3 million tonnes</td>
<td>243 stores</td>
</tr>
<tr>
<td>Asphalt</td>
<td>Clay</td>
<td></td>
</tr>
<tr>
<td>41.9 million tonnes</td>
<td>2.8 million tonnes</td>
<td></td>
</tr>
<tr>
<td>Readymixed Concrete</td>
<td>Fencing and Security</td>
<td></td>
</tr>
<tr>
<td>15.0 million cubic meters</td>
<td>12.2 million lineal metres</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Glass/Rooflights</td>
<td></td>
</tr>
<tr>
<td></td>
<td>9.2 million square metres</td>
<td></td>
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</tbody>
</table>

Note: These annualised production volumes include subsidiaries and joint ventures on a percentage shareholding basis. CRH’s share of cement (c. 7.2 m tonnes) and readymixed concrete (c. 0.6m tonnes) attributable to associates Uniland in Spain (26.34%), Mashav in Israel (25%) and Yatai Building Materials in China (26%) are excluded.
Strategy

RESPONSIBLE INTERNATIONAL LEADER
CRH’s strategy is to sustain and grow a geographically diversified business with exposure to all segments of construction demand, enabling CRH to achieve its vision of being a responsible international leader in building materials delivering superior performance and growth.

STRATEGIC BALANCE
In 2010, CRH operated in 17 developed-world economies in Western Europe and North America, which together delivered approximately 85% of Group EBITDA, and in 18 developing economies in Central and Eastern Europe, the Mediterranean Basin, South America and Asia, which together delivered approximately 15% of Group EBITDA.

DEVELOPED ECONOMIES
In the developed world, CRH’s strategic focus is to continue to reinvest in its established platforms for operational efficiency, product quality and customer service. CRH develops these businesses further through bolt-on acquisitions which achieve vertical integration, bolster its strong long-term permitted reserves positions and fill out regional and product level positions. CSR is a core component of this strategy and is, in itself, a driving force for product and process innovation.

DEVELOPING ECONOMIES
In developing economies, CRH’s strategy is to target premium assets as an initial footprint, usually in cement and often in partnership with strong local established businesses. CRH identifies entry platforms that have well-located quality operations and good regional market positions and which have the potential to develop further downstream into integrated building materials businesses as construction markets become more sophisticated over time. In the mid-1990s, CRH applied this approach to its entry into the Polish market and today the Group is the leading integrated building materials company in Poland. CRH is now replicating this approach in its new platforms in India and China.

Note: Breakdown is by annualised Earnings Before Interest, Tax, Depreciation and Amortisation (EBITDA), which includes joint ventures on a percentage shareholding basis.

www.crh.com
SUSTAINABLE BUSINESS MODEL
CRH strives to excel in its business operations, develop its people and build regional market leadership positions across an actively managed portfolio. Through its federal structure, it leverages large company resources with local company entrepreneurship. The portfolio is well balanced across geographies, sector end-uses, new and repair, maintenance and improvement (RMI) construction, thus providing exposure to multiple demand drivers which help smooth the effects of varying economic cycles.

Through a rigorous approach to capital allocation and a strong focus on cash generation, CRH reinvests in its existing assets and acquires well-run, value-creating businesses while seeking exposure to new development opportunities and creating platforms for future growth. In a fragmented industry, CRH typically acquires small to mid-sized companies which complement the existing network, and this is augmented from time to time with larger deals. This sustainable business model and overall strategic approach enables CRH to deliver superior performance and growth through the business cycle.

ORGANISED FOR SUSTAINABILITY
CRH plc is the parent company of an international group of businesses which are organised into six business segments; Europe Materials, Europe Products, Europe Distribution, Americas Materials, Americas Products and Americas Distribution, as illustrated in the organisation chart below.

Guidance, support, functional expertise and control are provided as appropriate by lean Group headquarter teams in the areas of governance, performance measurement, financial reporting, cash management, strategic planning, business development, human resources, environment, health & safety and CSR.

CSR policies are defined at Group level and implemented systematically in each of the six business segments by line management, assisted by safety officers, environmental liaison officers and human resource managers in the operating companies. Group CSR performance is monitored and reported centrally by the Group Sustainability Manager and a small support team.
CRH in Europe

**EUROPE MATERIALS**

The Europe Materials Division is a major vertically integrated producer of primary materials and value-added manufactured products operating in 20 countries. The Division is actively involved in the Group’s development efforts in Asia. Its principal products are cement, aggregates, readymixed concrete, concrete products, asphalt and lime.

**EUROPE PRODUCTS**

Europe Products is organised as three groups of related manufacturing businesses involved in concrete, clay and building products and operates in 19 European countries.

**EUROPE DISTRIBUTION**

Europe Distribution encompasses professional builders’ merchants, sanitary, heating and plumbing distribution (SHAP) and Do-It-Yourself (DIY) stores. The Division operates in eight European countries.

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**Europe**

<table>
<thead>
<tr>
<th>Top 10 Cement</th>
<th>No. 1 Concrete products</th>
<th>Top 3 Building materials distributor</th>
</tr>
</thead>
<tbody>
<tr>
<td>Regional leadership in aggregates and readymixed concrete</td>
<td>No. 1 Construction accessories</td>
<td></td>
</tr>
</tbody>
</table>

**Developing Economies**

- No. 1 Building materials in Poland
- No. 1 Cement in northeast China
- No. 2 Cement in Andhra Pradesh, India

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Note: Operations in India (50% CRH Share) and China (Yatai, 26% CRH Share) report through Europe Materials.

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CRH in the Americas

AMERICAS MATERIALS

Americas Materials operates in 44 states in the United States. Operations are geographically organised, segmented into East and West sectors, each containing regional business units. These comprise integrated aggregates, asphalt and readymixed concrete operations.

AMERICAS PRODUCTS

Americas Products operates primarily in the United States and has a significant presence in Canada. Its sub-divisions Building Products (precast and architectural concrete, concrete accessories, clay, fencing products, packaged lawn and garden products, and packaged concrete mixes) and 'BuildingEnvelope' Solutions (glass and aluminium glazing systems) all have leading positions in national and regional markets.

AMERICAS DISTRIBUTION

Americas Distribution operates primarily in the United States. Its sub divisions, Exterior and Interior Products, both have leading positions in national and regional markets.

United States

No. 1 Asphalt
No. 3 Aggregates
Top 5 Readymixed concrete
No. 1 Concrete products
No. 1 Architectural glass
Top 3 Roofing/siding distributor
No. 3 Interior products distributor
Performance - 2010

Following the sharp declines experienced in 2009, market conditions remained difficult in 2010 as global activity continued to be severely impacted by the dislocation in financial markets in 2008 and 2009. Severe weather conditions both at the beginning and the end of 2010 also impacted demand levels in the Group’s major markets of Europe and North America.

Against this background, the Group delivered profit before tax for the year of €0.534 billion and earnings per share of 61.3 cent. With a solid balance sheet and strong cash generation from operations, the Group was well positioned financially to reinvest €0.5 billion in its existing operations, to complete 28 traditional bolt-on acquisitions for €0.6 billion and to maintain the total dividend for the year at 62.5 cent per share.

CRH’s cost reduction programme, initiated in 2007 to mitigate the impact of deteriorating market conditions, was reviewed and extended in 2010 as further measures were put in place to improve efficiency. This brought the cumulative annualised gross savings implemented over the period 2007-2011 to €2 billion of which €0.5 billion was realised in 2010.

During 2010, the ongoing evaluation of the Group’s portfolio of operations led to the decision to dispose of a number of businesses where CRH did not see potential to gain market leadership positions. The sale of Ivy Steel in the US was completed prior to year end and agreements were reached for the disposal of CRH’s European Insulation and Climate Control businesses, both of which have been largely completed as at mid-year 2011. Proceeds from these disposals provide additional funds for CRH to invest in core development areas.

Acquisitions in 2010 included the addition of well-located strategic aggregates reserves to our Materials platforms in both Europe and the US in addition to investments with our partners in India and China. Opportunities also arose in our European Distribution business to extend our Sanitary, Heating and Plumbing (SHAP) footprint into Belgium and to substantially expand our general builders merchants presence in the attractive German market.

Note: *Total Shareholder Return calculated at each period end on an initial €100 investment in 1970. (Averaging 16.2% per annum since 1970).
Recent Development Activity

Details of some of the more significant developments in 2010 are outlined below:

**RISI**
In September, CRH acquired RISI, an aggregates and readymixed concrete business based in the canton of Zug, Switzerland.

**SAX SANITAIR**
In August, Europe Distribution acquired 75% of Sax Sanitair, a leading merchant in Sanitary, Heating and Plumbing (SHAP) with nine branches in the Flanders region of Belgium.

**BAUKING**
The buy-out of the Bauking distribution business in Germany was completed in December. The purchase of the additional 50% of Bauking greatly strengthens CRH’s existing position in Germany, Europe’s largest construction market.

**SCHWAB**
Schwab, which has ready mix operations in northeast Ohio and southwest Florida, was acquired by the Americas Materials Division in June.

**CMC**
In December, CRH strengthened its position in Utah with the acquisition of Construction Materials Company (CMC), which has seven quarries including significant reserves.

**GREEN COUNTRY SOILS**
In September, Green Country Soils, a leading supplier of soils, mulches and decorative stone, was acquired by the Americas Products and Distribution Division.

**TIELING TIEXIN CEMENT COMPANY**
CRH’s associate in China, Yatai Building Materials, completed the acquisition of Tieling Tiexin Cement Company in the second half of 2010.

**MY HOME CONSTRUCTIONS PRIVATE**
My Home Industries, the Indian cement company in which CRH has a 50% stake, acquired the readymixed concrete assets of My Home Constructions Private in Hyderabad in January. This transaction represents the initial step in vertical integration of the materials business in India.

CRH continues to maintain its rigorous approach to acquisition evaluation. All potential acquisitions are carefully examined for material CSR issues and matters that may affect both the value of the purchase and the reputation of the Group. For acquisitions in developing economies, due diligence also covers human rights and other ethical issues. Once companies join the Group as subsidiaries, it is a requirement that they adopt CRH governance systems and Code of Business Conduct, environmental, health & safety and social reporting systems. In acquisitions where CRH does not have full management control, the Group encourages its partners to introduce similar compliance and reporting systems.

1. A Bauking truck pictured at the Iserlohn location, one of 128 branches, in Germany.

2. Tieling Tiexin Cement Company, which was acquired by CRH’s associate in China, Yatai Building Materials.