

The International
Building Materials
Group



H1 HIGHLIGHTS

Sales € 4,496m + 23%

	Before goodwill amortisation		After goodwill amortisation	
Trading profit	€ 308m	+ 11%	€ 281m	+ 8%
Profit before tax	€ 213m	+ 8%	€ 186m	+ 3%
Earnings per share	32.91c	- 3% *	27.36c	- 8% *

Cash earnings per share 75.75c + 8%*

Dividend per share 6.75c + 11%*

**based on 2000 comparatives adjusted for Rights Issue*

H1 OVERVIEW

- Geographic balance & sectoral spread underpins performance
- Ireland: slower pace of growth, accentuated by Foot & Mouth prevention
- UK: housing weak, brick price increases sustained
- Europe: mixed trading, €6m rationalisation costs in Germany/France
- Americas: profits advanced despite first-time winter losses in Materials
- Profits on disposal increase €7m offset by rationalisation in Germany/France
- Acquisitions: first half spend of €515m

REPUBLIC OF IRELAND

2001 H1

			Exchange	Acquisitions	Disposals	Organic
Sales	€338m + 11%	+ €32m	-	+ €8m	-	+ €24m
EBIT*	€ 80m + 36%	+ €21m	-	+ €2m	+ €13m	+ € 6m
EBIT margin	23.7% (2000: 19.3%); excl. disposals 19.4% (2000: 18.7%)					

**after goodwill amortisation nil (2000: nil) & including profit on disposals €14.5m (2000: €1.9m)*

- Significantly higher profit on disposal of surplus lands
- Good organic increase despite slower construction growth
- Strong Q1 activity levels; weaker Q2 as FMD prevention measures impacted
- Infrastructure demand strong, but housing slower
- 2001 Outlook
 - ➔ Euroconstruct + 1% overall; with residential -8%
 - ➔ Non-residential likely to moderate as year progresses
 - ➔ National Development Plan underpins infrastructure



BRITAIN & NORTHERN IRELAND

2001 H1

				Exchange	Acquisitions	Discontinued Ops	Organic
Sales	€336m	- 5%	- €18m	- €6m	+ €10m	- €15m	- €7m
EBIT*	€ 32m	- 2%	- € 1m	- €1m	+ € 1m	-	- €1m
EBIT margin	9.5% (2000: 9.3%)						

**after goodwill amortisation €2.7m (2000: €2.5m) & including profit on disposals nil (2000: €0.2m)*

- Housing weak; planning delays, site availability, weather
- Istock brick volumes down 11% in H1; commodity bricks worst affected
- Price (+6%) and efficiency gains helped Istock offset volume declines
- Concrete products demand also hit by weather, resulting in lower profits
- Insulation activities benefited from lower raw material costs
- Northern Ireland: good PFI activity offset by weaker housing
- 2001 Outlook
 - ➔ Euroconstruct +2.3%; residential +2%, seems optimistic
 - ➔ Housing and Construction outlook flat
 - ➔ Ongoing focus on cost control / continuous improvement



MAINLAND EUROPE

2001 H1

		Exchange	Acquisitions	Disposals	Rational- isation	Organic
			2000	2001		
Sales	€1,242m + 34% + €316m	+ €13m	+ €282m	+ €18m	-	+ € 3m
EBIT*	€ 59m - 17% - € 12m	+ € 2m	+ € 10m	+ € 2m	- €6m	- €14m
EBIT margin	4.8% (2000: 7.7%); excl. disposals	5.1% (2000: 7.6%)				

**after goodwill amortisation €11.7m (2000: €8.7m) & including loss on disposals €4.5m (2000: profit €0.8m)*

- Loss on disposal arises on Vebofoam transfer to Gefinex Jackson J.V.
- Netherlands: higher profits; distribution / concrete up; fencing / clay down
- Belgium: good advance mainly reflecting acquisitions
- France: distribution ahead; concrete profits hit by €2.4m rationalisation costs
- Spain: further volume gains in competitive markets
- Germany: clay sharply lower due to volume/price declines & €3.5m rationalisation
- Finland: lower demand, particularly in Helsinki market, impacted profits
- Poland: sharp volume declines only partly offset by some price improvements
- Switzerland: Jura initial contribution; Sales €173m, EBIT €8m, met expectations

MAINLAND EUROPE

2001 Outlook

- Euroconstruct forecasts:
 - Belgium + 0.8% Finland + 2.0% France + 2.1%
 - Germany - 2.3% Netherlands + 0.2% Poland + 4.0%
 - Portugal + 2.7% Spain + 5.5% Switzerland + 1.8%
- CRH's perspective less positive, particularly Germany and Poland
- Slowing demand outlook in most markets, mainly new residential
- Continuing over-capacity in concrete and clay sectors
- Challenging H2 outlook



AMERICAS - MATERIALS

2001 H1

		Exchange	Acquisitions		Organic
			2000	2001	
Sales	€1,032m + 22% + €188m	+ €59m	+ €56m	+ €48m	+ €25m
EBIT*	- € 15m n/m + € 4m	- € 1m	- €15m	+ € 5m	+ €15m
EBIT margin	-1.5% (2000: -2.3%)				

**after goodwill amortisation €7.2m (2000: €4.7m) & including profit on disposals €2.2m (2000: €2.7m)*

- Materials traditionally loss-making in H1, however EBIT +€4m on H1 2000
- €15m first-time winter losses from 2000 acquisitions, principally Shelly/Dolomite
- Offset by benefits from Mount Hope and other 2001 acquisitions (+€5m)
- Underlying profits +€15m reflecting lower liquid asphalt / energy costs
- Generally strong activity in Northeast, but Connecticut slower
- Northwest also strong, but Mountain states remain competitive
- Thompson-McCully markets improving but Shelly markets remain sluggish

AMERICAS - PRODUCTS & DISTRIBUTION

2001 H1

		Exchange	Acquisitions		Organic
			2000	2001	
Sales	€1,548m + 27% + €332m	+ €84m	+ €195m	+ €33m	+ €20m
EBIT*	€ 125m + 7% + € 8m	+ € 8m	+ € 11m	+ € 6m	- €17m
EBIT margin	8.1% (2000: 9.6%)				

**after goodwill amortisation €5.5m (2000: €1.8m) & including profit on disposals €0.5m (2000: loss €0.1m)*

- Positive translation impact +€8m
- Acquisition benefits +€17m offset by underlying decline - €17m
- Precast: lower profits due to weaker Telco and Californian utility sectors
- APG: profitability impacted by plant start-ups and natural gas increases
- Glass: performing well, good contributions from 2000 acquisitions
- Distribution: H1 outcome in line with 2000
- South America: modest profit improvement, difficult market background

AMERICAS - OUTLOOK

2001 Outlook

- Construction forecasts in range -1% to -2%
- Despite economic uncertainty, overall activity reasonably steady
- Materials
 - ➔ Positive TEA-21 impact, though regional variations
 - ➔ Good backlogs going into H2
 - ➔ Energy / bitumen costs currently more favourable than 2000
- Products & Distribution
 - ➔ Residential activity holding up
 - ➔ Non-residential appears to be moderating
 - ➔ Significant monthly variations in demand patterns
- Balanced geographic and sectoral spread underpins outlook
- H2 energy costs and weather key to full year outcome

2001 DEVELOPMENT SPEND

€m

Mount Hope Rock Products

154

H1 Strategy Update (20+ deals)

294

Total H1

448

Announced since 30/6/01:

- Hallet Materials & Des Moines Asphalt

83

- Investment in Mashav

54

Total 2001 to date

585

H1 2001 COMPONENTS OF GROWTH

€m	Sales	EBITA	Goodwill Amortisation	Interest	EBT
H1 2000	3,646	279	(18)	(81)	180
Exchange effects	150	9	(1)	(4)	4
Disposed businesses	(15)	-	-	-	-
2000 acquisitions	550	16	(7)	(31)	(22)
2001 acquisitions	100	14	(1)	(6)	7
Share issues	-	-	-	21	21
Profit on disposals	-	7	-	-	7
Rationalisation	-	(6)	-	-	(6)
Organic	65	(11)	-	6	(5)
H1 2001	4,496	308	(27)	(95)	186
Increase	+23%	+11%			+3%

CASH EARNINGS PER SHARE & DIVIDEND

	cent	%
Earnings per share before goodwill amortisation	32.91	- 3
Depreciation per share	42.84	+19
Cash earnings per share	75.75	+ 8
Dividend per share	6.75	+11



H1 FUNDS FLOW

	2001 €m	2000 €m
Inflows		
PBT	186	180
Depreciation	209	155
Goodwill amortisation	27	18
Share issues (net of expenses)	1,090	22
	1,512	375
Outflows		
Working capital	(362)	(303)
Tax paid	(13)	(49)
Dividends	(68)	(56)
Capital expenditure	(247)	(222)
Acquisitions and investments	(515)	(931)
Disposals	52	14
Other	(19)	(12)
	(1,172)	(1,559)
Net inflow / (outflow)	340	(1,184)
Translation	(189)	(52)
Opening debt	(2,620)	(1,669)
Closing debt	(2,469)	(2,905)

KEY FINANCIAL DATA AND RATIOS

H1 2000	Y/E 2000		H1 2001
2,905	2,620	Debt (€m)	2,469
2,430	3,128	Shareholders' funds* (€m)	4,552
119.5	83.8	Debt/Shareholders' funds* (%)	54.2

**reflects €363m pre-1999 goodwill written-off directly against reserves*

Interest cover

7.8	6.7	EBITDA/Interest	6.7
5.3	4.6	EBIT/Interest	4.4

- 12-month rolling ratios which capture the cost of seasonal WC
- H1 2001 ratios do not fully reflect March Rights Issue benefits



SUMMARY

- Good H1 performance in context of:
 - Difficult trading conditions in many markets
 - First-time inclusion of seasonal US winter losses
 - € 5.9m European rationalisation costs
- Challenging full year outlook, but supported by:
 - Balanced spread of US / European operations
 - Contributions from 2000 / 2001 acquisitions
 - Benefits of Rights Issue
- Development:
 - Continuing flow of traditional development spend
 - Augmented by larger deals where we see value
 - Supported by a strong and flexible balance sheet
- Overall a year of further progress

CRH INTERIM RESULTS 2001



Liam O'Mahony, Chief Executive
Harry Sheridan, Finance Director

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