



CRH plc 2003 Results

2003 RESULTS

Year ended 31st December 2003

	2003 euro m	2002 euro m	% change in 2003	
			Reported	In constant currency **
Sales	11,080	10,794	+3%	+15%
Operating profit *	1,045	1,048	- %	+12%
Profit before tax	864	856	+1%	+12%
	euro cent	euro cent		
Earnings per share - before goodwill	136.2	132.5	+3%	+13%
Earnings per share - after goodwill	121.9	119.2	+2%	+13%
Cash earnings per share	223.4	219.8	+ 2%	+13%
Dividend per share	28.1	25.4	+11%	+11%

* Including share of joint ventures and associates but before goodwill amortisation and profit on sale of fixed assets.

** These percentages compare 2003 results with 2002 figures restated at average 2003 exchange rates.

- Record results in 2003 despite adverse currency translation effect.
- Total 2003 construction output in **Ireland** was similar to 2002. Sales increased by 2% while operating profit of euro 130 million was broadly in line with 2002 levels.
- Operating profit in **Britain and Northern Ireland** increased by 13% in local currency terms, while reported profit of euro 57 million was 3% ahead of last year.
- In **Mainland Europe**, construction output remained relatively flat in most markets other than Spain, which continued to grow strongly. In the Materials Division, operating profits rose by 6% to euro 133 million. Profits for the legacy Products & Distribution businesses improved and, with the benefit of significant current and prior year acquisition activity, operating profits increased by 55% to euro 166 million.
- In the **Americas** Materials Division, improved pricing and the incremental impact of 2002 and 2003 acquisitions offset the combined effect of continued high energy costs and record wet weather in key regions to give operating profit up 4% in US Dollar terms. With the benefit of significant acquisitions, the Products & Distribution Division achieved a 10% increase in US Dollar operating profits in spite of the wet spring and a weak commercial construction sector. While overall results for the Americas were 7% ahead in US Dollar terms, operating profits translated into euro were adversely affected by a 16% strengthening of the euro versus the US Dollar, and at euro 559 million were 11% lower than 2002.
- Total acquisition and investment activity spend amounted to euro 1.6 billion on 41 deals, matching the record spend in 2000.

Liam O'Mahony, Chief Executive, said today:

"In 2003 the CRH team worldwide responded strongly to tough and changing circumstances and again delivered performance and growth. Group profits advanced for the eleventh consecutive year. While risks and uncertainties remain and economic growth in Europe is generally subdued, the economy in the US is recovering and we are poised to move forward as markets improve. We continue to focus relentlessly on cost effectiveness and operational performance and, although reported 2004 profits are likely to be impacted by the weakness of the US Dollar, 2003 acquisitions should contribute strongly. Our acquisition programme and overall strategy continue to deliver and with robust cash flow and comfortable interest cover we have substantial capacity to capitalise on opportunities as they arise. We face 2004 with confidence."

Announced Tuesday, 2nd March 2004

RESULTS

HIGHLIGHTS

The results highlights for 2003 are set out below.

- Sales: euro 11,080 million, up 3% (up 15% in constant currency terms)
- Operating profit*: euro 1,045 million, in line with 2002 (up 12% in constant currency terms)
- Profit before tax: euro 864 million, up 1% (up 12% in constant currency terms)
- Basic earnings per share before goodwill amortisation: 136.2c, up 3% (up 13% in constant currency terms)
- Cash earnings per share: 223.4c, up 2% (up 13% in constant currency terms)

* *Operating profit including share of joint ventures and associates but before goodwill amortisation and profit on sale of fixed assets.*

A major feature of 2003 was the ongoing decline of the US Dollar, with the euro on average some 16% stronger versus the Dollar compared with 2002. The euro also strengthened versus our other major operating currencies during 2003, being on average some 12% stronger versus the Polish Zloty, 9% stronger versus Sterling and 4% stronger relative to the Swiss Franc. The combined impact of these changes resulted in a net negative translation impact of euro 1,150 million on sales, euro 112 million at operating profit level and euro 86 million on profit before tax. The percentage changes at constant currency shown above compare 2003 results with 2002 figures restated at 2003 average rates.

The average number of shares in issue increased by 0.6% to 525.7 million (2002: 522.8 million).

Goodwill amortisation (including share of joint ventures and associates) amounted to euro 75.5 million (2002: euro 69.6 million). Spending on acquisitions and investments in 2003 amounted to euro 1.6 billion (2002: euro 1.0 billion). The Group profit and loss account on page 10 separately discloses the impact of acquisitions made during 2003.

DIVIDENDS

The Board is recommending a final dividend of 19.90c per share, an increase of 10.7% on the 2002 final dividend of 17.97c. This makes a total dividend for the year of 28.1c, an increase of 10.6%.

It is proposed to pay the final dividend on 10th May 2004 to shareholders registered at close of business on 12th March 2004. A scrip dividend alternative is being offered to shareholders.

DEVELOPMENT

On 3rd October 2003, CRH completed its largest ever deal, the acquisition of the distribution and building products operations of Cementbouw Handel & Industrie together with 45% of Cementbouw's materials operations, at a total cost of euro 0.7 billion. 2003 also saw continued progress with our add-on development strategy with 40 other individual deals spread across all regions and Divisions. Total acquisition and investment spend amounted to euro 1.6 billion.

The Europe Materials Division continued a series of small bolt-on acquisitions in Finland. 2003 saw the Division's entry into the Polish lime market through the acquisition of 86% of the State-owned Trzuskawica Lime Company in February, followed later in the year by Kujawy Lime. Total spend amounted to euro 58 million.

The Europe Products & Distribution Division was very active on the development front during 2003, spending a record euro 1.0 billion, including the euro 0.7 billion Cementbouw deal. The Division concluded 14 further deals in six countries.

The *Concrete Products* group extended its operations into Slovakia and Denmark with the acquisition of Premac and Betonelement respectively, while existing businesses in Belgium, France and Germany were strengthened with bolt-on acquisitions in each of these countries.

The *Building Products* group added a new Concrete Accessories platform during 2003 with the acquisition of Plakabeton, a leading European supplier of metal-based accessories for the construction and precast concrete industries. The Fencing & Security operations were strengthened by two significant acquisitions: Adronit, a supplier of industrial fencing and gates in Germany, and Magnetic Autocontrol, which supplies access control systems throughout Europe and has sales offices in Asia, Australia and the US. The *Insulation* group acquired Unidek, a leading producer of expanded polystyrene insulation products with factories in the Netherlands and Germany.

In addition to the distribution activities of Cementbouw, which added 54 DIY stores and 36 merchanting outlets, the *Distribution* group acquired 3 DIY stores in the Netherlands in January and added 13 branches in Belgium in April through the acquisition of Gamma Leuven and the 12 stores previously owned by the Heeren group. Just before year-end, the Distribution group strengthened its presence in France by increasing its share in SAMSE, the leading builders merchant in the Rhône-Alpes region, and by investing with SAMSE in G.Doras, another French regional merchant.

Another busy development year for the Americas Materials Division saw significant add-ons to existing operations with a combined spend of euro 320 million on 10 deals. The largest acquisition was S.E. Johnson in Ohio and Michigan, combined with the subsequent swap of its non-core Indiana assets for six quarries in the southeastern US. The Division successfully completed 8 other add-on deals that complement its existing operations and continue its focus on acquiring strategically located, high quality aggregate reserves.

2003 development activity in the Americas Products & Distribution Division included 11 deals at a total cost of euro 246 million. The *Architectural Products Group* (APG) spent a record euro 187 million on six acquisitions. In January, APG acquired Northfield Block, with four plants in Chicago, providing a strong masonry presence in this large market. The Midwest operations were further complemented by the addition of Bend Industries, with two plants in eastern Wisconsin. The acquisition of Matt Stone in June represented APG's first entry into the Florida market. Georgia Masonry, acquired in July, added another geographic platform to APG. During October, APG added Supreme Block of northern Virginia and Global Stone, with three facilities in Georgia, Virginia and Pennsylvania. The *Glass Group* completed two acquisitions during 2003. In March, Southwest Aluminum Systems was acquired, establishing an entry position in architectural aluminium glazing systems which are used to fasten glass into buildings. In May, April Industries of Quebec was acquired, strengthening the Glass Group's existing presence in eastern Canada and the northeastern US.

The US *Distribution Group* added a total of 7 branches in three acquisitions (Gypsum Products in Colorado, Remodelers Supply (South Side) in Chicago and BASS Supply of Philadelphia), bringing its network of specialist merchanting branches to 123 in 27 states.

FINANCE

Incremental costs of financing 2002 and 2003 acquisition activity were offset by the interest income generated on our strong free cash flow with the reduction in total finance costs to euro 118 million (2002: euro 138 million) largely attributable to favourable exchange translation effects of euro 19 million.

The reduction in the effective tax rate to 25.2% (2002: 26.5%) primarily reflects the lower proportion of comparatively higher taxed US profits.

Net debt increased by only euro 598 million despite a total spend of euro 2 billion on acquisitions, investments and capital projects, reflecting the Group's strong cash generation characteristics combined with a favourable translation adjustment of euro 243 million, primarily as a result of a weaker US Dollar during 2003. The weaker Dollar was also the principal factor in the negative translation impact of euro 523 million in shareholders' funds.

The US Dollar 1 billion Global Bond Issue completed in September 2003 and the Group's comfortable interest and dividend cover together underpin CRH's ability to continue its ongoing development strategy.

REGIONAL REVIEW

REPUBLIC OF IRELAND

Including share of joint ventures

euro million	2003	2002	Analysis of year-on-year change				
			Total change	Exchange	Acquisitions		Ongoing
					2002	2003	
Sales	732	714	+18	-	-	+2	+16
% change			+2%				+2%
Operating profit*	130	131	-1	-	-	-	-1
% change			-1%				-1%
Margin	17.8%	18.3%					

* Operating profit is arrived at before goodwill amortisation charges and profit on sale of fixed assets.

A very strong housing sector, with an estimated record 68,000 house completions compared with 57,700 in 2002, resulted in volume increases of over 10% for our cement and concrete products. Road construction work under the National Development Plan was strong in the first half but, as expected, was weak in the second half due to a decline in new start-up work resulting in full year volume declines for stone and blacktop. The commercial and industrial sectors had another poor year with an overhang of office and industrial buildings continuing to curtail new-build. Total 2003 construction output and our operating profits were broadly similar to 2002 levels.

BRITAIN AND NORTHERN IRELAND

Including share of joint ventures

euro million	2003	2002	Analysis of year-on-year change				
			Total change	Exchange	Acquisitions/ disposals		Ongoing
					2002	2003	
Sales	692	699	-7	-59	+4	-6	+54
% change			-1%	-9%	+1%	-1%	+8%
Operating profit*	57	56	+1	-5	+2	-	+4
% change			+3%	-9%	+4%		+8%
Margin	8.3%	8.0%					

* Operating profit is arrived at before goodwill amortisation charges and profit on sale of fixed assets.

UK housing starts were again up on the previous year, as were industry brick deliveries. Ibstock's brick volumes were up 1% on 2002, below the market due to a combination of kiln rebuilds and changed product mix. However, margins moved upward with the benefit of price improvements. Our concrete, insulation and fencing operations also performed satisfactorily.

In Northern Ireland, construction activity was similar to 2002. The year started poorly for our Materials Division operations, but the second half was strong particularly in the housing and road maintenance sectors. Our construction business had a good year, benefiting from a major power plant project and the busy water treatment sector.

The euro was on average approximately 9% stronger versus Sterling than in 2002 giving rise to an adverse translation impact on operating profit of euro 5 million. However, 13% higher profits in Sterling terms more than offset this, leaving operating profit in euro terms 3% ahead of 2002.

MAINLAND EUROPE – MATERIALS

Including share of joint ventures

euro million	2003	2002	Analysis of year-on-year change					
			Total change	Exchange	Acquisitions 2002	Acquisitions 2003	Re-org. costs	Organic
Sales	1,007	967	+40	-43	+25	+37	-	+21
% change			+4%	-4%	+2%	+4%		+2%
Operating profit*	133	126	+7	-6	+3	+4	+6	-
% change			+6%	-5%	+3%	+3%	+5%	-
Margin	13.2%	13.0%						

* Operating profit is arrived at before goodwill amortisation charges and profit on sale of fixed assets, and includes re-organisation costs of nil (2002: euro 6 million at 2003 exchange rates).

Following an exceptionally cold first quarter in Northeast Europe, demand recovered strongly in the second half. With an adverse currency translation impact of euro 6 million offset by the absence of 2002's Polish rationalisation charge, and helped by contributions from 2002 and 2003 acquisitions, operating profits for Mainland Europe Materials were +6% ahead of the 2002 outcome.

Finland/Baltics Overall construction activity in Finland was stable as growth in housing and infrastructure projects compensated for declines in industrial and commercial demand. After a very slow weather-impacted first half, volumes in both cement and readymixed concrete improved significantly in the second half and profits for the year ended ahead of last year. The Baltic area performed well in 2003 with particularly strong demand for our products in St. Petersburg and Estonia.

Poland/Ukraine Our cement operations in Poland offset the first-half activity setback to end the year with volumes in line with 2002. Concrete products volumes benefited from stronger demand in the second half of the year but these markets remain very competitive. Blacktop and aggregates continued to suffer from the lack of any major programme of investment in infrastructure projects, particularly in roads. Our two newly-acquired Polish lime businesses performed well and met expectations. Overall Polish profits were ahead of 2002. In a competitive Ukrainian market Podilsky Cement achieved strong growth in sales with operating profits in line with last year.

Switzerland Construction activity varied during the year, with good new residential activity in the bigger cities compensating for a decline in commercial and industrial activity. As the major infrastructure projects which commenced in 2002 were implemented, we enjoyed strong demand for cement and profits improved.

Spain Construction output grew by 6% largely due to continuing major infrastructure investment and a strong residential sector. However, margins were under pressure in competitive markets and profitability was similar to 2002.

Israel The economy was adversely affected by the political situation. Cement demand in Israel was reduced, but the market in the West Bank and Gaza improved. Cost reductions and efficiency improvements implemented early in the year ensured that results were only slightly behind 2002.

MAINLAND EUROPE – PRODUCTS & DISTRIBUTION

Including share of joint ventures

euro million	2003	2002	Analysis of year-on-year change					
			Total change	Exch.	Acquisitions		Re-org. costs	Organic
					2002	2003		
Sales	2,636	2,053	+583	-17	+215	+397	-	-12
% change			+28%	-1%	+11%	+19%		-1%
Operating profit*	166	107	+59	-	+12	+39	-	+8
% change			+55%		+11%	+36%		+8%
Margin	6.3%	5.2%						

* Operating profit, which also includes share of associates' profit, is arrived at before goodwill amortisation charges and profit on sale of fixed assets, and includes re-organisation costs of euro 5 million (2002: euro 5 million).

Construction output in all the Products & Distribution Division's key markets in Mainland Europe remained depressed. Throughout Europe, activity in new office and commercial building declined and new housing continued weak. Nevertheless, 2003 saw a strong performance from the Division with sales up 28% and operating profit 55% ahead. Aided by cost cutting and efficiency programmes, our legacy businesses improved; the bulk of the advance in sales and profits was due to 2002 and 2003 acquisitions.

The **Concrete Products** group, which predominantly supplies the new build sector, experienced difficult markets. In this challenging environment, the group delivered a good performance, with legacy businesses reporting results just below 2002 and a strong contribution from 2002 and 2003 acquisitions. Good progress has been made with the integration of the Cementbouw concrete products businesses.

For the **Clay Products** group, the German market remained difficult leading to further rationalisation measures. In Poland activity was disrupted in early 2003 by the long winter; thereafter recovery was strong and profits for the year improved. Cementbouw's clay paving and facing brick operations were successfully integrated with our existing Dutch clay product businesses.

The **Insulation** group benefited from improvements in its Polish and German operations and positive contributions from acquisitions in 2002 and 2003, which were partly offset by a decline in underlying operations in the Benelux.

In the **Building Products** group, our Fencing & Security business increased underlying profits while Adronit (acquired March 2003) and Magnetic Autocontrol (acquired July 2003) contributed positively to results. Daylight & Ventilation operations had a difficult year with the ongoing decline in the German market and once-off restructuring costs resulting in lower profits. Plakabeton, the Belgium-based metal building accessories business acquired in April 2003, contributed strongly to results.

2003 was an excellent year for the **Distribution** group in Europe and a strong advance in sales and operating profit was recorded. Our *DIY homecentre* businesses had an exceptional year of progress although retail demand in the Netherlands slowed in the second half. With the inclusion of the Cementbouw DIY stores in the Netherlands and the acquisition of stores in the Netherlands and in Belgium, we consolidated our leading position in the Benelux DIY market. Our total Benelux network now consists of 130 stores, 116 in the Netherlands and 14 in Belgium. In Portugal, sales and profits of our joint venture again advanced. Overall, the *Builders Merchandising* businesses in France, Switzerland and Poland performed well, while in the Netherlands a strong improvement in profits reflected both the inclusion of Cementbouw and successful cost reduction programmes in the legacy businesses.

THE AMERICAS – MATERIALS

Including share of joint ventures

euro million	2003	2002	Analysis of year-on-year change				
			Total change	Exchange	Acquisitions		Organic
			2002	2003			
Sales	2,831	3,072	-241	-504	+54	+202	+7
% change			-8%	-16%	+2%	+6%	-%
Operating profit*	291	336	-45	-55	+4	+23	-17
% change			-13%	-16%	+1%	+7%	-5%
Margin	10.3%	10.9%					

* Operating profit is arrived at before goodwill amortisation charges and profit on sale of fixed assets.

The Materials Division reported a 10% increase in sales and a 4% increase in operating profits in US Dollar terms. The Division suffered from record wet weather in the Northeast and Midwest resulting in overall year-on-year declines of approximately 2% in aggregates, 4% in asphalt and 1% in readymixed concrete volumes for its heritage operations. On the positive side, the impact of higher energy costs was largely recovered through improved blacktop pricing and alternative fuel usage. The net decline in profits from heritage operations was more than offset by positive incremental contributions from 2002 and 2003 development initiatives.

2003 was a difficult year for the **New England** operations, with wet weather further curtailing the short construction season leaving profits just short of 2002 levels. The Vermont paving program was poorly funded as a few large projects consumed most of the state's highway monies. Our operations in Massachusetts continued to improve due to strong residential demand and stable highway markets. Connecticut had a good year resulting from volume growth driven by buoyant private markets and continued good cost control, and with price improvements successfully recovering the impact of higher energy costs.

Our **New York/New Jersey** businesses had a mixed year with overall results behind 2002 levels. This group was particularly hard hit by the harsh winter, a wet summer/autumn and the early onset of winter, which resulted in increased costs at our quarries and curtailed shipments. Demand in the greater New York metropolitan areas remained strong in most of our areas of operation but we were unable to recover all of the increase in energy costs due to competitive markets, especially in New Jersey blacktop. Our Upstate New York operations performed well due to strong volumes and better pricing in mixed markets.

In the **Central** group, overall operating profits increased in an active acquisition/integration environment. Despite poor weather and rising energy costs, the year finished strongly. The Mid-Atlantic operations improved their performance with strong aggregate sales and better pricing. Ohio and West Virginia also advanced with a mid-year gas tax increase in Ohio benefiting highway spending. Michigan operations were disappointing with both poor state highway funding and weak commercial markets. S.E. Johnson and several add-on acquisitions were successfully integrated into this regional grouping.

Although trading conditions varied across the **West** region, which comprises over 270 locations across a wide geographic area covering 12 states west of the Mississippi River, the integration of recent acquisitions and cost reduction programmes resulted in higher profits. Markets in southern Idaho and Utah stabilized in 2003. In eastern Washington, northern Idaho and Montana our operations suffered from new competitors, continued soft markets and an early onset of winter weather. Our operations in resort towns in western Colorado delivered improved profits in the face of weak high-end residential and commercial markets. The Wyoming and South Dakota businesses enjoyed relatively stable conditions and had a satisfactory year. Iowa continued to perform well, despite a competitive readymixed concrete market, with our vertically integrated materials businesses benefiting from a strong highway programme and stable private construction markets.

THE AMERICAS – PRODUCTS & DISTRIBUTION

Including share of joint ventures

euro million	2003	2002	Analysis of year-on-year change				
			Total change	Exchange	Acquisitions		Organic
			2002	2003			
Sales	3,182	3,289	-107	-527	+191	+194	+35
% change			-3%	-16%	+6%	+6%	+1%
Operating profit*	268	292	-24	-46	+9	+23	-10
% change			-8%	-16%	+3%	+8%	-3%
Margin	8.4%	8.9%					

* Operating profit is arrived at before goodwill amortisation charges and profit on sale of fixed assets.

During 2003 weak commercial construction markets adversely affected the Products & Distribution Division's margins while the Division also had to contend with a rainy spring which particularly impacted operations along the Atlantic Coast. On the positive side, historically low interest rates boosted both new residential construction and refinancing activity, raising home repair/remodeling spending, and the harsh winter aided our residential roof distribution business. Against this challenging background and with the benefit of significant acquisition activity, the Division recorded a 16% increase in sales and a 10% increase in operating profit in US Dollar terms.

Record spring rainfall in the eastern United States and weak commercial building conditions made for a challenging year for the **Architectural Products** group (APG). While underlying profits were lower, the incremental impact of acquisitions in both 2002 and 2003 resulted in an overall profit advance in US Dollar terms. Sales and profits in concrete masonry moved modestly ahead due to focused sales efforts and good cost controls, particularly in the West and South. Clay brick producer Glen-Gery, however, saw significant sales and profit declines in very competitive markets. Belgard®, APG's professional hardscapes product line, achieved another year of sales and profit growth. Lawn and garden product sales through homecentres also moved ahead, despite the wet weather and shortened selling season. Decorative stone sales were strong, but profits were below expectation due to plant restructuring.

In the **Precast** group, continued softness in the important non-residential market and depression in the telecommunications sector limited sales growth to only slightly above 2002 levels. With cost cutting measures and some consolidation of operations we were able to maintain margins and profits. On a regional basis, the Mountain States and Southeast improved while the West remained strong. These improvements offset volume shortfalls in the Northeast region.

Commercial construction markets remained weak in 2003 resulting in a very competitive environment for the **Glass** group. Despite sustained difficult trading conditions throughout the year, sales volumes held firm due to market share gains while operating margins and profits declined due to competitive circumstances.

The business environment for the **Distribution** operations was good in 2003 with a severe winter resulting in extensive repair work, and RMI demand funded by a buoyant mortgage refinancing market. Significant profit improvement was achieved. Heritage branches made meaningful further progress through improved gross margins. A critical factor in the improved performance has been continued investment in personnel through extensive training and some external recruitment. Recently acquired businesses performed ahead of expectations.

In an improving residential construction environment, our Argentine clay products operations in **South America** achieved further growth in local currency terms through effective domestic marketing and a growing export business. Despite continued weakness in the commercial market, the Group's Argentine glass fabricator improved its results due to cost reductions and increased exports. Our Chilean glass operations continued to achieve cost reductions but results declined compared with 2002 in a very competitive construction environment.

OUTLOOK

In Ireland, the volume of major road works should increase as new projects come on stream, and the commercial and industrial sectors should benefit later in the year from economic recovery. However, overall construction activity in Ireland is forecast to decline somewhat in 2004 as housing demand, which is at an all-time high, is expected to moderate in the second half of the year. Modest construction growth is expected in the Benelux and France, while Germany is likely to remain weak. Strong infrastructure and housing demand in Finland and Switzerland is expected to offset softness in other sectors. Entry of Poland into the European Union in May 2004, combined with the availability of lower real interest rates and affordable mortgage finance, is expected to sustain the improvement in construction demand evident in the latter half of 2003. Construction activity in the UK and Spain is expected to grow in 2004. Our Europe Products & Distribution Division will benefit significantly in 2004 from the strong level of 2003 development activity and we look to ongoing successful development of both European Divisions.

The economy in the US is recovering. We expect the residential sector to remain at, or slightly below, the strong 2003 levels, and the non-residential sector to improve as the economy picks up in most of our markets. TEA-21, the Federal funding programme for highways, which was due to expire on 30th September 2003, has been extended into 2004. The US Congress has approved a 7% increase in 2004 Federal highway spending, while negotiation continues between the Administration and the Congress on a proposed new six-year highway bill. Despite the challenge of continuing state budget deficits we expect overall highway markets to remain broadly similar to 2003. With a strong focus on cost control, continued development and benefits from recent acquisitions, we look to an improved year ahead in the Americas.

Our businesses have performed well through a difficult period for the world's economy, and we are poised to move forward as markets improve. While risks and uncertainties remain and economic growth in Europe is generally subdued, the economy in the US is recovering. We continue to focus relentlessly on cost effectiveness and operational performance and, although reported 2004 profits are likely to be impacted by the weakness of the US Dollar, 2003 acquisitions should contribute strongly. Our acquisition programme and overall strategy continue to deliver and with robust cash flow and comfortable interest cover we have substantial capacity to capitalise on opportunities as they arise. We face 2004 with confidence.

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This results announcement contains certain forward-looking statements as defined under US legislation. By their nature, such statements involve uncertainty; as a consequence, actual results and developments may differ from those expressed in or implied by such statements depending on a variety of factors including the specific factors identified in this announcement and other factors discussed in our Annual Report on Form 20-F filed with the SEC.

GROUP PROFIT AND LOSS ACCOUNT

for the year ended 31st December 2003

	Continuing operations			Total	
	2003	2003	Total	2002	
	euro m	euro m	euro m	euro m	% change
Sales, including share of joint ventures	10,247.8	832.0	11,079.8	10,794.1	+2.6%
Less: share of joint ventures	(278.5)	(27.0)	(305.5)	(276.9)	
Group sales	9,969.3	805.0	10,774.3	10,517.2	+2.4%
Cost of sales	(6,909.0)	(552.3)	(7,461.3)	(7,293.5)	
Gross profit	3,060.3	252.7	3,313.0	3,223.7	
Operating costs excluding goodwill amortisation	(2,139.6)	(168.9)	(2,308.5)	(2,209.1)	
Group operating profit excluding goodwill amortisation	920.7	83.8	1,004.5	1,014.6	
Share of joint ventures' operating profit	34.5	5.0	39.5	33.5	
Share of associates' operating profit	0.7	-	0.7	-	
Operating profit, including share of joint ventures and associates	955.9	88.8	1,044.7	1,048.1	-0.3%
Goodwill amortisation	(64.9)	(10.6)	(75.5)	(69.6)	
Profit on disposal of fixed assets	13.0	-	13.0	15.7	
Profit on ordinary activities before interest	904.0	78.2	982.2	994.2	
Group interest payable (net)			(112.8)	(131.4)	
Share of joint ventures' and associates' net interest			(5.2)	(7.1)	
Profit on ordinary activities before taxation			864.2	855.7	+1.0%
Taxation on profit on ordinary activities			(217.6)	(226.8)	
Profit on ordinary activities after taxation			646.6	628.9	
Profit applicable to equity minority interests			(5.9)	(5.5)	
Preference dividends			(0.1)	(0.1)	
Profit for the year attributable to ordinary shareholders			640.6	623.3	+2.8%
Dividends paid			(43.2)	(39.1)	
Dividends proposed			(105.0)	(94.2)	
Profit retained for the financial year			492.4	490.0	
Earnings per share for the year					
<i>Basic</i>					
- Including goodwill amortisation			121.9c	119.2c	+2.3%
- Excluding goodwill amortisation			136.2c	132.5c	+2.8%
<i>Diluted</i>					
- Including goodwill amortisation			120.6c	118.6c	+1.7%
- Excluding goodwill amortisation			134.8c	131.8c	+2.3%
Cash earnings per share for the year			223.4c	219.8c	+1.6%
Dividend per share			28.1c	25.4c	+10.6%

MOVEMENTS ON PROFIT AND LOSS ACCOUNT

	2003 euro m	2002 euro m
At 1st January	2,520.3	2,544.5
Profit retained for the financial year	492.4	490.0
Currency translation effects on results for the year	(23.7)	(31.7)
Currency translation effects on foreign currency net investments	(498.8)	(482.5)
At 31st December	<u>2,490.2</u>	<u>2,520.3</u>

STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES

for the year ended 31st December 2003

	2003 euro m	2002 euro m
Profit for the year attributable to ordinary shareholders	640.6	623.3
Currency translation effects on results for the year	(23.7)	(31.7)
Currency translation effects on foreign currency net investments	(498.8)	(482.5)
Total recognised gains and losses for the financial year	<u>118.1</u>	<u>109.1</u>

GROUP BALANCE SHEET

as at 31st December 2003

	2003		2002	
	euro m	euro m	euro m	euro m
Fixed assets				
Intangible asset – goodwill		1,474.5		1,154.1
Tangible assets		5,145.4		5,004.4
Financial assets:				
Joint ventures				
- share of gross assets	560.1		366.1	
- share of gross liabilities	(330.4)		(141.8)	
- loans to joint ventures	62.3		28.4	
Associates	44.6		-	
Other investments	12.1		22.1	
		348.7		274.8
		6,968.6		6,433.3
Current assets				
Stocks	1,117.6		1,064.0	
Debtors	1,681.2		1,525.4	
Cash and liquid investments	1,298.0		1,533.2	
	4,096.8		4,122.6	
Creditors (<i>amounts falling due within one year</i>)				
Bank loans and overdrafts	510.3		232.8	
Trade and other creditors	1,499.7		1,387.2	
Corporation tax	77.9		29.6	
Dividends proposed	105.0		94.2	
	2,192.9		1,743.8	
Net current assets		1,903.9		2,378.8
Total assets less current liabilities		8,872.5		8,812.1
Creditors (<i>amounts falling due after more than one year</i>)				
Loans	3,095.8		3,010.3	
Deferred acquisition consideration	96.5		142.5	
Corporation tax	-		6.6	
		3,192.3		3,159.4
Capital grants		12.7		14.6
Provisions for liabilities and charges		818.0		779.3
		4,849.5		4,858.8
Capital and reserves				
<i>Called-up share capital</i>				
Equity share capital	179.3		178.2	
Non-equity share capital	1.2		1.2	
<i>Equity reserves</i>				
Share premium account	2,078.3		2,038.3	
Other reserves	9.9		9.9	
Profit and loss account	2,490.2		2,520.3	
Shareholders' funds		4,758.9		4,747.9
Minority shareholders' equity interest		90.6		110.9
		4,849.5		4,858.8

GROUP CASH FLOW STATEMENT

for the year ended 31st December 2003

	2003 euro m	2002 euro m
Net cash inflow from operating activities	1,396.2	1,553.5
Dividends received from joint ventures and associates	19.4	23.5
Returns on investments and servicing of finance		
Interest received	36.1	57.7
Interest paid	(140.5)	(183.2)
Finance lease interest paid	(0.7)	(0.7)
Preference dividends paid	(0.1)	(0.1)
	<u>(105.2)</u>	<u>(126.3)</u>
Taxation		
Irish corporation tax paid	(19.6)	(17.2)
Overseas tax paid	(83.3)	(145.1)
	<u>(102.9)</u>	<u>(162.3)</u>
Capital expenditure		
Purchase of tangible assets	(402.0)	(367.4)
Less: Capital grants received	0.1	0.1
Disposal of fixed assets	77.9	104.4
	<u>(324.0)</u>	<u>(262.9)</u>
Investment in subsidiary, joint venture and associated undertakings		
Acquisition of subsidiary undertakings	(1,439.0)	(793.7)
Deferred acquisition consideration	(56.8)	(80.3)
Investment in and advances to joint ventures and associates	(79.5)	(22.0)
	<u>(1,575.3)</u>	<u>(896.0)</u>
Equity dividends paid	(122.8)	(111.6)
Cash (outflow)/inflow before use of liquid resources and financing	(814.6)	17.9
Cash inflow/(outflow) from management of liquid resources	110.4	(169.7)
Financing		
Issue of shares	13.7	13.8
Expenses paid in respect of share issues	(0.1)	(0.4)
Increase in term debt	688.4	192.5
Capital element of finance leases repaid	(3.1)	(5.1)
	<u>698.9</u>	<u>200.8</u>
(Decrease)/increase in cash and demand debt in the year	(5.3)	49.0

RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET DEBT

(Decrease)/increase in cash and demand debt in the year	(5.3)	49.0
Increase in term debt including finance leases	(685.3)	(187.4)
Cash (inflow)/outflow from management of liquid resources	(110.4)	169.7
Change in net debt resulting from cash flows	(801.0)	31.3
Loans and finance leases, net of liquid resources, acquired with subsidiaries	(40.0)	(95.8)
	<u>(841.0)</u>	<u>(64.5)</u>
Translation adjustment	242.8	248.3
Movement in net debt in the year	(598.2)	183.8
Net debt at 1st January	(1,709.9)	(1,893.7)
Net debt at 31st December	<u>(2,308.1)</u>	<u>(1,709.9)</u>

SUPPLEMENTARY INFORMATION

1 Translation of foreign currencies

These financial statements are presented in euro. Results and cash flows of subsidiary, joint venture and associated undertakings based in non-euro countries have been translated into euro at average exchange rates for the year, and the related balance sheets have been translated at the rates of exchange ruling at the balance sheet date. Adjustments arising on translation of the results of non-euro subsidiary, joint venture and associated undertakings at average rates, and on restatement of the opening net assets at closing rates, are dealt with in reserves, net of differences on related currency borrowings. All other translation differences are included in arriving at operating profit.

Rates used for translation of results and balance sheets into euro were as follows:

euro 1 =	Average		Year-end	
	2003	2002	2003	2002
US Dollar	1.1312	0.9456	1.2630	1.0487
Pound Sterling	0.6920	0.6288	0.7048	0.6505
Polish Zloty	4.3996	3.8574	4.7019	4.0210
Swiss Franc	1.5212	1.4670	1.5579	1.4524
Argentine Peso	3.3314	2.9514	3.6955	3.5289

2 Key components of 2003 performance

euro million	Turnover	Operating profit	Goodwill		Trading profit	Finance costs	Profit before tax
			amortisation	Profit on disposals			
2002 as reported	10,794	1,048	(70)	16	994	(138)	856
Exchange effects	(1,150)	(112)	7	-	(105)	19	(86)
2002 at 2003 exchange rates	9,644	936	(63)	16	889	(119)	770
Incremental impact in 2003 of:							
- 2002 acquisitions	489	30	(3)	-	27	(10)	17
- 2003 acquisitions	826	89	(10)	-	79	(28)	51
- rationalisation	-	6	-	-	6	-	6
Ongoing operations	121	(16)	-	(3)	(19)	39	20
2003 as reported	11,080	1,045	(76)	13	982	(118)	864
% change as reported	+2.6%	-0.3%			-1.2%		+1.0%
% change at constant 2003 rates	+14.9%	+11.6%			+10.5%		+12.2%

3 Geographical analysis

Sales	2003		2002	
	euro m	%	euro m	%
Republic of Ireland	731.6	6.6	713.9	6.6
Britain and Northern Ireland	691.5	6.3	698.4	6.5
Mainland Europe	3,635.3	32.8	3,020.6	28.0
The Americas	6,021.4	54.3	6,361.2	58.9
Total including share of joint ventures	11,079.8	100	10,794.1	100
Less: share of joint ventures	(305.5)		(276.9)	
Total excluding share of joint ventures	10,774.3		10,517.2	

Profit before interest		2003			
		Operating profit euro m	Goodwill amortisation euro m	Profit on disposal euro m	Profit before interest euro m
	%				
Republic of Ireland	12.4	129.9	(0.3)	3.4	133.0
Britain and Northern Ireland	5.5	57.4	(5.1)	3.5	55.8
Mainland Europe	28.5	297.8	(34.0)	3.1	266.9
The Americas	53.6	559.6	(36.1)	3.0	526.5
Total including jv's and associates	100	1,044.7	(75.5)	13.0	982.2
Less: share of jv's and associates		(40.2)	1.5	(1.1)	(39.8)
Total excluding jv's and associates		1,004.5	(74.0)	11.9	942.4

		2002			
		Operating profit euro m	Goodwill amortisation euro m	Profit on disposal euro m	Profit before interest euro m
	%				
Republic of Ireland	12.5	131.3	(0.3)	7.8	138.8
Britain and Northern Ireland	5.3	55.8	(5.4)	2.8	53.2
Mainland Europe	22.3	233.5	(28.6)	3.3	208.2
The Americas	59.9	627.5	(35.3)	1.8	594.0
Total including joint ventures	100	1,048.1	(69.6)	15.7	994.2
Less: share of joint ventures		(33.5)	2.0	(1.2)	(32.7)
Total excluding joint ventures		1,014.6	(67.6)	14.5	961.5

4 Analysis by Division / Class of business

Sales	2003		2002	
	euro m	%	euro m	%
Europe Materials	1,983.8	17.9	1,927.0	17.9
Europe Products	1,720.6	15.5	1,416.5	13.1
Europe Distribution	1,361.8	12.3	1,089.1	10.1
Americas Materials	2,831.3	25.6	3,072.1	28.5
Americas Products	2,196.3	19.8	2,290.5	21.2
Americas Distribution	986.0	8.9	998.9	9.2
Total including share of joint ventures	11,079.8	100	10,794.1	100
Less: share of joint ventures	(305.5)		(276.9)	
Total excluding share of joint ventures	10,774.3		10,517.2	

Profit before interest		2003			
		Operating profit	Goodwill amortisation	Profit on disposal	Profit before interest
	%	euro m	euro m	euro m	euro m
Europe Materials	26.2	273.3	(20.3)	6.3	259.3
Europe Products	13.7	142.6	(16.1)	2.6	129.1
Europe Distribution	6.7	70.1	(3.0)	1.1	68.2
Americas Materials	27.8	290.7	(17.9)	2.8	275.6
Americas Products	20.6	215.6	(14.0)	(0.7)	200.9
Americas Distribution	5.0	52.4	(4.2)	0.9	49.1
Total incl. jv's and associates	100	1,044.7	(75.5)	13.0	982.2
Less: share of jv's and associates		(40.2)	1.5	(1.1)	(39.8)
Total excl. jv's and associates		1,004.5	(74.0)	11.9	942.4

		2002			
		Operating profit	Goodwill amortisation	Profit on disposal	Profit before interest
	%	euro m	euro m	euro m	euro m
Europe Materials	25.4	266.7	(19.9)	11.7	258.5
Europe Products	10.3	107.5	(13.2)	2.7	97.0
Europe Distribution	4.4	46.4	(1.2)	(0.5)	44.7
Americas Materials	32.0	335.8	(19.8)	3.3	319.3
Americas Products	23.7	248.7	(12.4)	(1.5)	234.8
Americas Distribution	4.2	43.0	(3.1)	-	39.9
Total including joint ventures	100	1,048.1	(69.6)	15.7	994.2
Less: share of joint ventures		(33.5)	2.0	1.2	(32.7)
Total excluding joint ventures		1,014.6	(67.6)	14.5	961.5

5 Earnings per share

The computation of basic and diluted earnings per share is set out below:

	2003 euro m	2002 euro m
Numerator for basic and fully diluted earnings per share		
Profit for the year attributable to ordinary shareholders	640.6	623.3
Goodwill amortisation, including share of joint ventures and associates	75.5	69.6
Attributable profit, excluding goodwill amortisation	716.1	692.9
Depreciation charge	458.2	456.3
<i>Numerator for cash earnings per share</i>	<u>1,174.3</u>	<u>1,149.2</u>
Denominator for basic earnings per share	Number of shares	Number of shares
Weighted average number of shares (millions) in issue	525.7	522.8
Effect of dilutive potential ordinary shares (employee share options)	5.4	2.9
<i>Denominator for diluted earnings per share</i>	<u>531.1</u>	<u>525.7</u>
Basic earnings per share	euro cent	euro cent
- Including goodwill amortisation	121.9	119.2
- Excluding goodwill amortisation	136.2	132.5
Diluted earnings per share		
- Including goodwill amortisation	120.6	118.6
- Excluding goodwill amortisation	134.8	131.8
Cash earnings per share (i)	223.4	219.8

- (i) Cash earnings per share, a non-GAAP financial measure, is presented here for information as the Company believes it is a useful financial indicator of a company's ability to generate cash from operations.

6 Summarised cash flow

The following table summarises the Group's cash flows for 2003 and 2002.

	2003 euro m	2002 euro m
Inflows		
Profit before tax	864	856
Depreciation	458	456
Goodwill amortisation	76	70
	<u>1,398</u>	<u>1,382</u>
Outflows		
Tax paid	103	162
Dividends	150	135
Capital expenditure	402	367
Working capital movement	58	(90)
Other	30	21
	<u>743</u>	<u>595</u>
Operating cash flow	655	787
Acquisitions and investments	(1,615)	(992)
Disposals	78	104
Share issues (net of expenses)	41	37
Translation adjustment	243	248
	<u>(598)</u>	<u>184</u>
(Increase)/decrease in net debt		

7 Movements in shareholders' funds

	2003 euro m	2002 euro m
At 1st January	4,747.9	4,735.4
Profit retained for the financial year	492.4	490.0
Currency translation effects	(522.5)	(514.2)
Issue of ordinary share capital (net of expenses)	41.1	36.7
At 31st December	<u>4,758.9</u>	<u>4,747.9</u>

8 Other

	2003	2002
Interest cover, excluding joint ventures and associates		
- EBITDA (times)	13.1	11.3
- EBIT (times)	8.4	7.3
<i>EBITDA = earnings before interest, tax, depreciation and goodwill amortisation</i>		
<i>EBIT = earnings before interest and tax</i>		
Interest cover is calculated by dividing EBITDA and EBIT by Group interest payable (net).		
Average shares in issue (millions)	525.7	522.8
Net dividend per share (euro cent)	28.1c	25.4c
Dividend cover (times)	4.3	4.7
Depreciation charge (euro million)	458.2	456.3
Goodwill amortisation charge (euro million)		
- subsidiaries	74.0	67.6
- share of joint ventures and associates	1.5	2.0
Net debt (euro million)	2,308.1	1,709.9
Debt ratio	48%	36%
Debt to year-end market capitalisation	27%	28%

9 Abbreviated accounts

The results disclosed herein do not represent full accounts. Full accounts for the year ended 31st December 2003, upon which the Auditors have given an unqualified audit report, have not yet been filed with the Registrar of Companies. Full accounts for the year ended 31st December 2002 containing an unqualified audit report from the Auditors have been delivered to the Registrar of Companies.

10 Annual Report post-out and Annual General Meeting (AGM)

The 2003 Annual Report is expected to be posted to shareholders on Wednesday, 31st March 2004 together with details of the Scrip Dividend Offer in respect of the final 2003 dividend. The 2003 Annual Report will be available to the public from Thursday, 1st April 2004 at the Company's registered office. The Group's AGM is scheduled to be held in Jurys Hotel, Ballsbridge, Dublin on Wednesday, 5th May 2004.