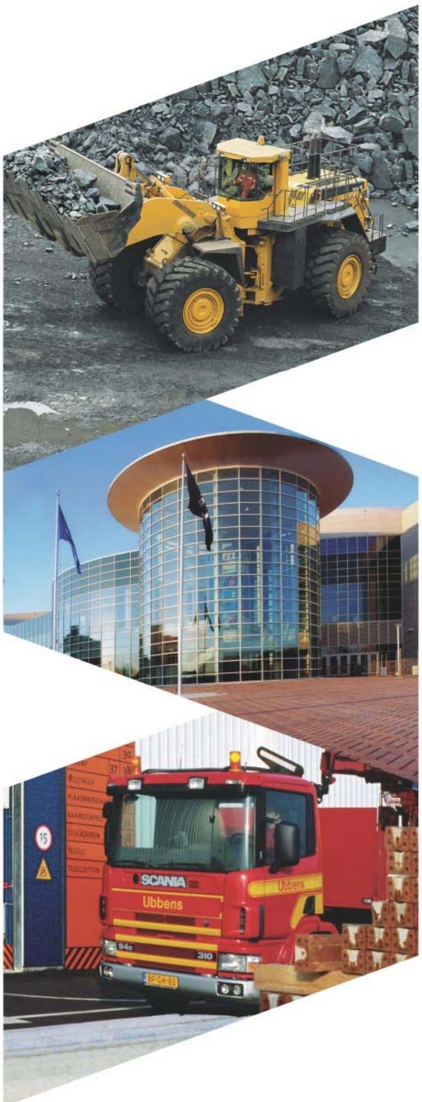
CRH plc Interim Report 2004



The International Building Materials Group

2004 INTERIM RESULTS
Six months ended 30th June 2004

	2004 euro m	2003 euro m	% change
• **Sales**	**5,670**	4,661	**+22%**
• **Operating profit ***	**385**	245	**+57%**
• **Profit before tax**	**275**	161	**+71%**
	euro cent	**euro cent**	
• **Earnings per share – before goodwill amortisation**	**47.3**	28.9	**+64%**
• **Earnings per share – after goodwill amortisation**	**38.1**	22.2	**+72%**
• **Cash earnings per share**	**93.1**	70.0	**+33%**
• **Dividend**	**9.6**	8.2	**+17%**

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

- In the Republic of Ireland, residential construction grew strongly with increases in cement, concrete blocks, readymixed concrete and blacktop volumes, although prices failed to compensate for cost increases. While margins declined profits were similar at euro 68 million.
- In Britain and Northern Ireland, underlying organic profit improvements combined with a slight strengthening of Sterling resulted in an 8% first half operating profit advance to euro 32 million.
- In Mainland Europe, more normal weather conditions than in 2003 resulted in a much better demand backdrop for our Materials Division with a particularly strong organic performance contributing to a 91% increase in operating profit to euro 63 million. The Products & Distribution Division continued to experience subdued markets but benefited from internal improvements and strong contributions from the record 2003 development spend delivering a 124% increase in operating profits to euro 121 million.
- Against a background of higher energy input costs overall early season activity in the Americas Materials Division was broadly in line with expectations and the traditional first half trading loss declined from euro 39 million to euro 31 million. The Products & Distribution Division had a very strong first half with residential construction continuing at a good level and ongoing evidence of a recovering non-residential construction sector. Despite an adverse translation impact this Division delivered a 33% increase in operating profit to euro 132 million.
- Overall, currency translation effects, principally arising from the strength of the euro versus the US Dollar, had a euro 4 million adverse impact at profit before tax level in the period.
- The interim dividend has been increased by 17%, the 21st consecutive year of dividend increase.
- Total acquisition and investment spend amounted to euro 700 million on 21 deals.

Liam O'Mahony, Chief Executive, said today:

"CRH has had a particularly strong first half with a good organic bounce back from weather depressed 2003, significant incremental contributions from acquisitions and only a modest adverse profit translation impact due to seasonally low first half US Dollar operating profits.

Second half performance will be affected by continuing high world energy prices and rising input costs, a lower incremental acquisition impact than in the first half and, at current exchange rates, an adverse translation impact of approximately euro 26 million at profit before tax level compared with 2003. However, markets are on balance better and with improved activity across much of our business we expect to deliver a healthy full year profit advance.

With the improved trading outlook the Board has decided that a higher ongoing annual dividend increase is appropriate and accordingly has decided to raise the interim dividend by 17% making 2004 the 21st consecutive year of dividend increase."

Announced Tuesday, 31st August 2004

Contact at Dublin 404 1000 (+353 1 404 1000)

Liam O'Mahony **Chief Executive**
Myles Lee **Finance Director**
Maeve Carton **Group Controller**

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INTERIM STATEMENT

HIGHLIGHTS

The results highlights for the first six months of 2004 are set out below.

- Sales: euro 5,670 million, up 22%
- Operating profit*: euro 385 million, up 57%
- Profit before tax: euro 275 million, up 71%
- Basic earnings per share before goodwill amortisation: 47.3c, up 64%
- Cash earnings per share: 93.1c, up 33%

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

Strong organic growth, reflecting more normal seasonal weather patterns in Northern Europe and North America and modest market improvements, combined with incremental contributions from 2003 and 2004 acquisitions, has resulted in a significant increase in sales, profits and earnings compared with the first half of 2003.

Although the average first half US Dollar exchange rate was some 10% weaker versus the euro than in the corresponding period in 2003, translation effects in the first six months of 2004 had an adverse impact of just euro 4 million on profit before tax reflecting the traditionally low US profitability in the first half of the year.

Goodwill amortisation (including share of joint ventures and associates) amounted to euro 48.7 million (2003: euro 35.3 million). Profit on disposal of fixed assets amounted to euro 6.4 million (2003: euro 6.4 million).

The Group profit and loss account on page 8 separately discloses the impact of acquisitions made during the six months to 30th June 2004 while Note 2 on page 12 analyses the key components of first half 2004 performance.

DIVIDENDS

Over the past three years, despite challenging trading conditions the Group has delivered earnings growth and a compound annual dividend increase of 10.6% while maintaining high dividend cover, strong free cash flow and sustained development spend. With the improved trading outlook the Board has decided that a higher ongoing annual dividend increase is appropriate and accordingly has decided to pay an interim dividend of 9.6 cent per share, an increase of 17.1% on the 2003 interim dividend of 8.2 cent. The Interim dividend will be paid on 5th November 2004 to shareholders registered at the close of business on 10th September 2004.

A scrip dividend alternative is being offered to shareholders.

ACQUISITIONS AND DISPOSALS

First half acquisition and investment expenditure of euro 700 million includes euro 333 million for the Group's 49% equity stake in the Portuguese cement producer Secil completed on 3rd June. The remaining euro 367 million includes the cost of 20 small to medium-sized deals in Europe and the Americas. With our strong cash flow and interest cover we retain substantial capacity to capitalise on further attractive development opportunities as they arise.

Proceeds from disposal of fixed assets amounted to euro 59 million.

REGIONAL REVIEW

REPUBLIC OF IRELAND

Including share of joint ventures

euro million	2004	2003	Total change	Analysis of change: Exchange	Acquisitions 2003	Acquisitions 2004	Organic
Sales	**386**	**353**	+33	-	-	-	+33
% change			*+9%*				*+9%*
Operating profit*	**68**	**68**	-	-	-	-	-
% change							
Margin	**17.7%**	**19.4%**					

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

In Ireland, residential construction grew strongly in the first half while commercial and industrial activity remained flat. After the expected slow start, infrastructure activity accelerated in the second quarter. First half volumes overall showed satisfactory progress on 2003 levels, with strong increases in cement, concrete blocks, readymixed concrete and blacktop, but prices failed to compensate for cost increases. As a result, while margins declined somewhat, first half operating profits were similar.

BRITAIN AND NORTHERN IRELAND

Including share of joint ventures

euro million	2004	2003	Total change	Analysis of change: Exchange	Acquisitions 2003	Acquisitions 2004	Organic
Sales	**366**	**341**	+25	+5	-	+1	+19
% change			*+7%*	*+1%*			*+6%*
Operating profit*	**32**	**30**	+2	+1	-	-	+1
% change			*+8%*	*+4%*			*+4%*
Margin	**8.6%**	**8.6%**					

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

First half Ibstock brick volumes were slightly below 2003 levels, consistent with the market. Further price improvements more than offset cost increases resulting in a modest profit improvement. Our British concrete products activities enjoyed good demand. Our insulation activities reported lower profits as a result of higher input costs. In the Materials Division, our Northern Ireland operations saw higher activity in housing and infrastructure markets.

Underlying organic profit improvements combined with a slight strengthening of Sterling resulted in a first half profit advance in euro terms.

MAINLAND EUROPE – MATERIALS

Including share of joint ventures

euro million	2004	2003	Total change	Exchange	Acquisitions 2003	Acquisitions 2004	Organic
				Analysis of change			
Sales	**567**	**444**	+123	-14	+13	+75	+49
% change			*+28%*	*-3%*	*+3%*	*+17%*	*+11%*
Operating profit*	**63**	**33**	+30	-	+1	+7	+22
% change			*+91%*		*+3%*	*+21%*	*+67%*
Margin	**11.1%**	**7.3%**					

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

More normal 2004 weather conditions in Northeast Europe resulted in a much better demand backdrop for our Materials operations than in the first half of 2003. Our Polish cement operations had a particularly strong start to the year and demand following the 1st May Value Added Tax increase on building materials continued at a satisfactory, if slightly lower, level, resulting in a 17% increase in first half cement volumes. Finland also benefited from better early weather with cement volumes up approximately 10%. In Switzerland we enjoyed ongoing strong demand from major tunnelling works and a good initial contribution from Hastag which was acquired in January. Although readymixed concrete volumes in Spain declined in the first half, price improvements and cost efficiencies led to a similar outcome. The results include CRH's 49% share of Secil's sales and operating results for the month of June.

Overall, first half profits from Mainland Europe Materials show a substantial improvement on 2003 levels with a particularly strong organic performance following a difficult first half in 2003.

MAINLAND EUROPE – PRODUCTS & DISTRIBUTION

Including share of joint ventures and associates

euro million	2004	2003	Total change	Exchange	Acquisitions 2003	Acquisitions 2004	Re-org. costs	Organic
				Analysis of change				
Sales	**1,742**	**1,116**	+626	-9	+599	+4	-	+32
% change			*+56%*	*-1%*	*+54%*			*+ 3%*
Operating profit*	**121**	**54**	+67	-	+57	-	-	+10
% change			*+124%*		*+106%*			*+18%*
Margin	**6.9%**	**4.9%**						

** Operating profit is arrived at before goodwill amortisation charges and profit on sale of fixed assets, and includes re-organisation costs of euro 2 million (2003: euro 2 million).*

The Products & Distribution Division in Mainland Europe continued to experience subdued markets in the first half but benefited from internal improvements and strong contributions from the record 2003 development spend. First half operating profits show a significant advance on 2003.

The *Concrete Products Group* saw some recovery in residential demand in the Benelux and in the utility sector in France. In Germany, the Ehl Group continued to perform well although profits declined slightly due to delays in passing on cement price increases. Overall profits improved with an organic advance and good first-time contributions from 2003 acquisitions.

The *Sand Lime Brick Group* acquired with the Cementbouw transaction in October 2003 performed strongly in the first half. Our *Clay Products Group* had improved results in continuing tough markets. Operating profits in the *Insulation Group* increased aided by a strong performance in Poland and inclusion of Unidek acquired in October 2003. In the *Building Products Group* our Fencing & Security business benefited from 2003 acquisitions while Daylight & Ventilation profits improved in continuing difficult markets. Meanwhile, the Concrete Accessories group formed following the acquisition of Plakabeton in April 2003 has met expectations. The *Cementbouw Joint Venture* in materials trading and readymixed concrete in the Netherlands experienced weakening demand in infrastructure markets.

Sales in the *Distribution Group* increased by 55% from euro 578 million to euro 895 million principally reflecting the impact of Cementbouw's distribution activities which roughly doubled CRH's existing distribution business in the Netherlands. Combined with underlying improvements in our heritage operations in the Benelux and Switzerland, this resulted in an increase of approximately 2 percentage points in first half Distribution operating margins.

THE AMERICAS – MATERIALS

Including share of joint ventures				**Analysis of change**			
			Total		**Acquisitions**		
euro million	**2004**	**2003**	**change**	**Exchange**	**2003**	**2004**	**Organic**
Sales	**955**	**921**	+34	-92	+38	+15	+73
% change			*+4%*	*-10%*	*+4%*	*+2%*	*+8%*
Operating loss*	**(31)**	**(39)**	+8	+4	-6	+2	+8
% change			*+21%*	*+10%*	*-15%*	*+5%*	*+21%*
Margin	**-3.2%**	**-4.3%**					

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

Against a background of higher energy input costs, overall early season activity in this Division was broadly in line with expectations and the traditional first half US Dollar trading loss was lower than in 2003. The average US Dollar profit and loss account translation rate for the first half of 2004 was US$1.2273 to the euro versus US$1.1049 in the first half of 2003. This movement gives rise to an adverse translation impact on sales and a favourable impact at operating level due to the seasonal loss.

In New England activity picked up in May and June after a slow start. Our New York/New Jersey operations turned in a better performance against a background of more normal weather conditions than in 2003. In the Central region experience was mixed, with good early demand in Ohio and Pennsylvania largely offset by a weak start in Michigan and the inclusion of first-time seasonal winter losses from S.E. Johnson, which was acquired in May 2003. In the West our operations enjoyed a strong start to the season with across the board improvements in this large geographical region. Excluding the impact of recent acquisitions, our heritage companies saw volume increases of approximately 6% in aggregates and 15% in readymixed concrete and a decline of approximately 2% in asphalt compared with first half 2003, although as usual there were regional variations.

THE AMERICAS – PRODUCTS & DISTRIBUTION

Including share of joint ventures				Analysis of change			
			Total		Acquisitions		
euro million	**2004**	**2003**	change	Exchange	2003	2004	Organic
Sales	**1,654**	**1,486**	+168	-142	+94	+57	+159
% change			*+11%*	*-10%*	*+6%*	*+4%*	*+11%*
Operating profit*	**132**	**99**	+33	-11	+9	+8	+27
% change			*+33%*	*-11%*	*+9%*	*+8%*	*+27%*
Margin	**8.0%**	**6.7%**					

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

The Products & Distribution Division had a very strong first half with residential construction continuing at a good level and ongoing evidence of a recovering non-residential construction sector. Although the weaker US$ had an adverse translation impact the Division delivered strong increases in euro terms.

Despite higher steel costs, the improved *Precast Group* performance evident in the second half of 2003 continued into 2004, particularly reflecting the benefits of operating cost reductions implemented in recent years. The *Architectural Products Group* capitalised on good first half demand for retail and hardscape products, and also delivered improvement at its Glen-Gery brick operation and good incremental contributions from its active 2003 acquisition programme. Markets were strong in most regions, with the Midwest the most notable exception. Underlying profits in the *Glass Group* increased somewhat on last year's levels in modestly improving non-residential markets. The *Distribution Group* continued to build on the progress of recent years and, with the benefit of strong markets in the Northeast, delivered improved margins.

In September 2002, CRH announced that companies in CRH's *Distribution Group* in the United States had been named, together with a large number of other unrelated parties, in asbestos cases involving 251 claimants. These cases alleged personal injury as a result of exposure to asbestos in products manufactured by others and allegedly distributed by companies in the *Distribution Group* prior to ownership by CRH. Since then 83 new claims have been received and 18 have been disposed of, with the number of claimants as at 27th August 2004 amounting to 316. We believe that the outcome of these claims will not have a material impact on CRH.

FINANCE AND TAXATION

The higher first half interest charge in 2004 reflects the impact of additional financing costs of significant 2003 and first half 2004 development activity. The robust cash generation characteristics of the Group continue to underpin the Group's strong financial capacity to avail of attractive acquisition opportunities as they arise in our various geographic, product and sectoral markets.

Exchange rate movements between year-end 2003 and 30th June 2004, mainly the weakening of the euro from US$1.2630 to US$1.2155, increased the euro amount of foreign currency net debt by euro 61 million while shareholders' funds were increased by euro 122 million.

As in prior years, the interim taxation charge is an estimate based on the current expected full year tax rate.

OUTLOOK

In Ireland, the strong momentum in housing evident in the first half of the year is continuing and an improving GDP growth outlook should stimulate non-residential construction. As a result we expect a busy second half and a good full year outturn although increasing price competition in downstream products will result in lower operating margins.

In Britain we see no imminent signs of pick up in brick demand although Ibstock price increases should generate further benefits in the second half. Our Northern Ireland Materials operations continue to perform well. Overall full year Sterling profits are expected to be ahead of 2003.

In Mainland Europe, our Materials operations in Poland and Finland face tougher comparatives in the second half due to catch up in 2003 from poor early season weather. Our Swiss operations continue to perform strongly helped by infrastructure demand and the Hastag acquisition. Price and efficiency improvements are expected to compensate for somewhat slower markets in Spain while the second half will benefit from inclusion of our 49% joint venture stake in Secil acquired in early June. Overall we expect a good full year outcome from our Mainland Europe Materials businesses.

The market backdrop for our Mainland Europe Products & Distribution operations remains more subdued than for our Materials operations, although the Dutch, Belgian and Danish residential markets are showing signs of improvement. Integration of 2003 acquisitions is largely complete and the promised synergies are being realised. Our Concrete Products and Insulation Groups are focussed on the recovery of higher input costs. We expect another strong full year operating profit advance from this Division.

In North America, our Materials Division continues to experience generally good demand across its operations. July and August saw strong activity in the West; however, the Northeast and Midwest were hampered by extremely wet weather. Sustained high energy prices, which reached record levels in July/August, are feeding through into input costs and will impact negatively in the second half of the year.

Although recent economic data suggests some slowdown in US growth, our Products & Distribution Division continues to experience good residential demand and a gradual pick up in non-residential activity. This Division is substantially recovering higher input costs and overall we expect a good second half leading to a satisfactory full year advance in operating profits.

CRH has had a particularly strong first half with a good organic bounce back from weather depressed 2003, significant incremental contributions from acquisitions and only a modest adverse profit translation impact due to seasonally low first half US Dollar operating profits.

Second half performance will be affected by continuing high world energy prices and rising input costs, a lower incremental acquisition impact than in the first half and, at current exchange rates, an adverse translation impact of approximately euro 26 million at profit before tax level compared with 2003. However, markets are on balance better and with improved activity across much of our business we expect to deliver a healthy full year profit advance.

* * * *

This interim 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 interim results announcement and other factors discussed in our Annual Report on Form 20-F filed with the SEC.

GROUP PROFIT AND LOSS ACCOUNT

	Six months ended 30th June - Unaudited				
	Continuing operations				Year ended
		Acquisitions	**Total**		31st December
	2004	**2004**	**2004**	2003	2003
					Audited
	euro m	**euro m**	**Euro m**	euro m	euro m
Sales including share of joint ventures	**5,518.7**	**151.7**	**5,670.4**	4,660.9	11,079.8
Less share of joint ventures	**(178.0)**	**(19.4)**	**(197.4)**	(111.6)	(305.5)
Group sales	**5,340.7**	**132.3**	**5,473.0**	4,549.3	10,774.3
Cost of sales	**(3,739.2)**	**(95.4)**	**(3,834.6)**	(3,231.7)	(7,461.3)
Gross profit	**1,601.5**	**36.9**	**1,638.4**	1,317.6	3,313.0
Operating costs excluding goodwill amortisation	**(1,256.0)**	**(22.4)**	**(1,278.4)**	(1,084.4)	(2,308.5)
Group operating profit	**345.5**	**14.5**	**360.0**	233.2	1,004.5
Share of joint ventures' operating profit	**18.8**	**2.6**	**21.4**	11.5	39.5
Share of associates' operating profit	**3.2**	-	**3.2**	-	0.7
Operating profit excluding goodwill amortisation	**367.5**	**17.1**	**384.6**	244.7	1,044.7
Goodwill amortisation	**(47.0)**	**(1.7)**	**(48.7)**	(35.3)	(75.5)
Profit on disposal of fixed assets	**6.4**	**-**	**6.4**	6.4	13.0
Profit on ordinary activities before interest	**326.9**	**15.4**	**342.3**	215.8	982.2
Group net interest payable			**(61.9)**	(52.8)	(112.8)
Share of joint ventures' and associates' net interest payable			**(5.7)**	(2.2)	(5.2)
Profit on ordinary activities before taxation			**274.7**	160.8	864.2
Taxation on profit on ordinary activities (estimated)			**(69.0)**	(42.0)	(217.6)
Profit on ordinary activities after taxation			**205.7**	118.8	646.6
Profit applicable to minority equity interests			**(4.5)**	(2.5)	(5.9)
Preference dividends			**-**	-	(0.1)
Profit for the period attributable to ordinary shareholders			**201.2**	116.3	640.6
Dividends paid			**-**	-	(43.2)
Dividends payable			**(50.9)**	(43.1)	(105.0)
Profit retained for the financial period			**150.3**	73.2	492.4
Earnings per share for the period					
Basic					
- after goodwill amortisation			**38.1c**	22.2c	121.9c
- before goodwill amortisation			**47.3c**	28.9c	136.2c
Diluted					
- after goodwill amortisation			**37.8c**	22.1c	120.6c
- before goodwill amortisation			**47.0c**	28.8c	134.8c
Cash earnings per share for the period			**93.1c**	70.0c	223.4c
Dividend per share			**9.6c**	8.2c	28.1c

MOVEMENTS ON PROFIT AND LOSS ACCOUNT

	Six months ended 30th June - Unaudited		Year ended 31st December
	2004	2003	2003 Audited
	euro m	euro m	euro m
At beginning of period	**2,490.2**	2,520.3	2,520.3
Profit retained for the financial period	**150.3**	73.2	492.4
Currency translation effects			
- on results for the period	**(0.1)**	1.7	(23.7)
- on foreign currency net investments	**122.1**	(258.2)	(498.8)
At end of period	**2,762.5**	2,337.0	2,490.2

STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES

	Six months ended 30th June - Unaudited		Year ended 31st December
	2004	2003	2003 Audited
	euro m	euro m	euro m
Profit for the period attributable to ordinary shareholders	**201.2**	116.3	640.6
Currency translation effects			
- on results for the period	**(0.1)**	1.7	(23.7)
- on foreign currency net investments	**122.1**	(258.2)	(498.8)
Total recognised gains and losses for the period	**323.2**	(140.2)	118.1

GROUP BALANCE SHEET

	As at 30th June - Unaudited				31st December
	2004		2003		2003 - Audited
	euro m	euro m	euro m	euro m	euro m
Fixed assets					
Intangible asset – goodwill		**1,542.7**		1,213.8	1,474.5
Tangible assets		**5,491.4**		5,039.1	5,145.4
Financial assets:					
Joint ventures - share of gross assets	**1,297.5**		346.4		560.1
- share of gross liabilities	**(687.0)**		(140.5)		(330.4)
- loans to joint ventures	**59.7**		29.4		62.3
Associates	**35.4**		-		44.6
Other investments	**11.9**		18.0		12.1
		717.5		253.3	348.7
		7,751.6		6,506.2	6,968.6
Current assets					
Stocks	**1,340.5**		1,189.5		1,117.6
Debtors	**2,154.8**		1,873.7		1,681.2
Cash and liquid investments	**941.6**		1,197.4		1,298.0
	4,436.9		4,260.6		4,096.8
Creditors *(amounts falling due within one year)*					
Bank loans and overdrafts	**726.0**		265.7		510.3
Trade and other creditors	**1,838.2**		1,562.6		1,499.7
Corporation tax	**55.7**		25.8		77.9
Dividends payable	**50.8**		43.1		105.0
	2,670.7		1,897.2		2,192.9
Net current assets		**1,766.2**		2,363.4	1,903.9
Total assets less current liabilities		**9,517.8**		8,869.6	8,872.5
Creditors *(amounts falling due after more than one year)*					
Loans	**3,390.3**		3,270.3		3,095.8
Deferred acquisition consideration	**96.2**		140.0		96.5
Corporation tax	**-**		6.6		-
		3,486.5		3,416.9	3,192.3
Capital grants		**11.9**		13.8	12.7
Provisions for liabilities and charges		**853.1**		751.3	818.0
		5,166.3		4,687.6	4,849.5
Capital and reserves					
Called-up share capital					
Equity share capital	**180.1**		178.9		179.3
Non-equity share capital	**1.2**		1.2		1.2
Equity reserves					
Share premium account	**2,114.8**		2,061.6		2,078.3
Other reserves	**9.9**		9.9		9.9
Profit and loss account	**2,762.5**		2,337.0		2,490.2
Shareholders' funds		**5,068.5**		4,588.6	4,758.9
Minority shareholders' equity interest		**97.8**		99.0	90.6
		5,166.3		4,687.6	4,849.5

GROUP CASH FLOW STATEMENT

	Six months ended 30th June - Unaudited 2004 euro m	2003 euro m	Year ended 31st December 2003 - Audited euro m
Net cash inflow from operating activities	**306.5**	146.3	1,396.2
Dividends received from joint ventures and associates	**3.9**	7.4	19.4
Returns on investments and servicing of finance			
Interest received	**12.2**	14.9	36.1
Interest paid	**(75.1)**	(65.5)	(140.5)
Finance lease interest paid	**(0.5)**	(0.3)	(0.7)
Preference dividends paid	**-**	-	(0.1)
	(63.4)	(50.9)	(105.2)
Taxation			
Irish corporation tax paid	**(8.6)**	(10.2)	(19.6)
Overseas tax paid	**(71.6)**	(30.3)	(83.3)
	(80.2)	(40.5)	(102.9)
Capital expenditure			
Purchase of tangible assets	**(258.9)**	(217.8)	(402.0)
Less capital grants received	**-**	-	0.1
Disposal of fixed assets	**59.2**	34.7	77.9
	(199.7)	(183.1)	(324.0)
Investment in subsidiary, joint venture and associated undertakings			
Acquisition of subsidiaries	**(306.6)**	(544.5)	(1,439.0)
Deferred acquisition consideration	**(29.2)**	(24.1)	(56.8)
Investments in and advances to joint ventures and associates	**(358.9)**	(0.8)	(79.5)
	(694.7)	(569.4)	(1,575.3)
Equity dividends paid	**(78.6)**	(76.7)	(122.8)
Cash outflow before use of liquid resources and financing	**(806.2)**	(766.9)	(814.6)
Cash inflow from management of liquid investments	**392.1**	172.0	110.4
Financing			
Issue of shares	**5.5**	1.5	13.7
Expenses paid in respect of share issues	**(0.1)**	-	(0.1)
Increase in term debt	**348.0**	505.7	688.4
Capital element of new finance leases / (leases repaid)	**45.4**	(1.6)	(3.1)
	398.8	505.6	698.9
Decrease in cash and demand debt in the financial period	**(15.3)**	(89.3)	(5.3)

RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET DEBT

	2004	2003	2003
Decrease in cash and demand debt in the financial period	**(15.3)**	(89.3)	(5.3)
Increase in term debt including finance leases	**(393.4)**	(504.1)	(685.3)
Cash inflow from management of liquid investments	**(392.1)**	(172.0)	(110.4)
Change in net debt resulting from cash flows	**(800.8)**	(765.4)	(801.0)
Loans and finance leases, net of liquid investments, acquired with subsidiaries	**(5.1)**	(7.8)	(40.0)
	(805.9)	(773.2)	(841.0)
Translation adjustment	**(60.7)**	144.5	242.8
Movement in net debt for the period	**(866.6)**	(628.7)	(598.2)
Net debt at 1st January	**(2,308.1)**	(1,709.9)	(1,709.9)
Net debt at end of period	**(3,174.7)**	(2,338.6)	(2,308.1)

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 period, 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:

	Average			**Period ended**		
	Six months ended 30th June		Year ended 31st December	**30th June**		31st December
euro 1 =	**2004**	2003	2003	**2004**	2003	2003
US Dollar	**1.2273**	1.1049	1.1312	**1.2155**	1.1427	1.2630
Pound Sterling	**0.6735**	0.6855	0.6920	**0.6708**	0.6932	0.7048
Polish Zloty	**4.7324**	4.2720	4.3996	**4.5236**	4.4775	4.7019
Swiss Franc	**1.5531**	1.4919	1.5212	**1.5242**	1.5544	1.5579
Argentine Peso	**3.5641**	3.3203	3.3314	**3.5979**	3.1967	3.6955

2 Key components of first half 2004 performance

euro million	**Sales**	**Operating profit**	**Goodwill amortis-ation**	**Profit on disposals**	**Trading profit**	**Finance costs**	**Profit before tax**
H1 2003 as reported	**4,661**	**245**	**(35)**	**6**	**216**	**(55)**	**161**
Exchange effects	(252)	(6)	2	-	(4)	-	(4)
H1 2003 at H1 2004 exch. rates	**4,409**	**239**	**(33)**	**6**	**212**	**(55)**	**157**
Incremental impact in 2004 of:							
- 2003 acquisitions	744	61	(14)	-	47	(26)	21
- 2004 acquisitions	152	17	(2)	-	15	(4)	11
Organic	365	68	-	-	68	18	86
H1 2004 as reported	**5,670**	**385**	**(49)**	**6**	**342**	**(67)**	**275**
% change as reported	+22%	+57%			+58%		+71%
% change at constant 2004 rates	**+29%**	**+61%**			**+61%**		**+75%**

3 Geographical analysis

Sales	**Six months ended 30th June – Unaudited**				Year ended 31st December 2003	
	2004		2003		Audited	
	euro m	**%**	euro m	%	euro m	%
Republic of Ireland	**385.7**	**6.8**	353.1	7.6	731.6	6.6
Britain and Northern Ireland	**366.5**	**6.5**	340.9	7.3	691.5	6.3
Mainland Europe	**2,301.6**	**40.6**	1,559.9	33.5	3,635.3	32.8
The Americas	**2,616.6**	**46.1**	2,407.0	51.6	6,021.4	54.3
Total including share of joint ventures	**5,670.4**	**100**	4,660.9	100	11,079.8	100
Less share of joint ventures	**(197.4)**		(111.6)		(305.5)	
Total excluding share of joint ventures	**5,473.0**		4,549.3		10,774.3	

Profit before interest	**%**	**Operating profit euro m**	**Goodwill amortisation euro m**	**Profit on disposal euro m**	**Profit before interest euro m**
		Six months ended 30th June 2004 – unaudited			
Republic of Ireland	**17.7**	**68.2**	**(0.1)**	**0.5**	**68.6**
Britain and Northern Ireland	**8.3**	**31.7**	**(2.6)**	**(0.2)**	**28.9**
Mainland Europe	**47.6**	**183.1**	**(26.2)**	**1.7**	**158.6**
The Americas	**26.4**	**101.6**	**(19.8)**	**4.4**	**86.2**
Total including jv's and associates	**100**	**384.6**	**(48.7)**	**6.4**	**342.3**
Less share of jv's and associates		**(24.6)**	**3.4**	**(0.7)**	**(21.9)**
Total excluding jv's and associates		**360.0**	**(45.3)**	**5.7**	**320.4**
		Six months ended 30th June 2003 – unaudited			
Republic of Ireland	28.0	68.6	(0.1)	2.2	70.7
Britain and Northern Ireland	12.0	29.4	(2.6)	3.0	29.8
Mainland Europe	35.5	86.7	(14.7)	1.1	73.1
The Americas	24.5	60.0	(17.9)	0.1	42.2
Total including share of joint ventures	100	244.7	(35.3)	6.4	215.8
Less share of joint ventures		(11.5)	0.8	(0.7)	(11.4)
Total excluding share of joint ventures		233.2	(34.5)	5.7	204.4
		Year ended 31st December 2003 – audited			
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

4 Divisional analysis

Sales

Sales	Six months ended 30th June - Unaudited 2004		2003		31st December 2003 Audited	
	euro m	**%**	euro m	%	euro m	%
Europe Materials	**1,076.3**	**19.0**	913.1	19.6	1,983.8	17.9
Europe Products	**1,090.0**	**19.2**	763.6	16.4	1,720.6	15.5
Europe Distribution	**895.4**	**15.8**	577.7	12.4	1,361.8	12.3
Americas Materials	**954.8**	**16.8**	920.3	19.7	2,831.3	25.6
Americas Products	**1,207.6**	**21.3**	1,047.1	22.5	2,196.3	19.8
Americas Distribution	**446.3**	**7.9**	439.1	9.4	986.0	8.9
Total including share of joint ventures	**5,670.4**	**100**	4,660.9	100	11,079.8	100
Less share of joint ventures	**(197.4)**		(111.6)		(305.5)	
Total excluding share of joint ventures	**5,473.0**		4,549.3		10,774.3	

Profit before interest

Profit before interest	%	Operating profit euro m	Goodwill amortisation euro m	Profit on disposal euro m	Profit before interest euro m
		Six months ended 30th June 2004 – unaudited			
Europe Materials	**35.3**	**135.8**	**(10.1)**	**1.5**	**127.2**
Europe Products	**24.8**	**95.5**	**(11.3)**	**0.4**	**84.6**
Europe Distribution	**13.6**	**52.3**	**(7.5)**	**0.1**	**44.9**
Americas Materials	**(8.0)**	**(30.9)**	**(9.5)**	**3.4**	**(37.0)**
Americas Products	**29.5**	**113.5**	**(8.1)**	**0.9**	**106.3**
Americas Distribution	**4.8**	**18.4**	**(2.2)**	**0.1**	**16.3**
Total including jv's and associates	**100**	**384.6**	**(48.7)**	**6.4**	**342.3**
Less share of jv's and associates		**(24.6)**	**3.4**	**(0.7)**	**(21.9)**
Total excluding jv's and associates		**360.0**	**(45.3)**	**5.7**	**320.4**
		Six months ended 30th June 2003 – unaudited			
Europe Materials	43.0	105.1	(10.1)	4.6	99.6
Europe Products	24.1	59.1	(6.8)	1.4	53.7
Europe Distribution	8.4	20.5	(0.5)	0.3	20.3
Americas Materials	(16.0)	(39.2)	(8.9)	1.3	(46.8)
Americas Products	35.5	86.9	(6.9)	(1.2)	78.8
Americas Distribution	5.0	12.3	(2.1)	-	10.2
Total including share of joint ventures	100	244.7	(35.3)	6.4	215.8
Less share of joint ventures		(11.5)	0.8	(0.7)	(11.4)
Total excluding share of joint ventures		233.2	(34.5)	5.7	204.4
		Year ended 31st December 2003 – audited			
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 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

5 Earnings per share

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

	Six months ended 30th June - Unaudited			Year ended
	2004	2003		31st December 2003 Audited
	euro m	euro m		euro m
Numerator for basic and diluted earnings per share				
Profit for the period attributable to ordinary shareholders	**201.2**	116.3		640.6
Goodwill amortisation including share of joint ventures and associates	**48.7**	35.3	60.6	75.5
Attributable profit before goodwill amortisation	**249.9**	151.6		716.1
Depreciation charge	**242.1**	215.5		458.2
Numerator for cash earnings per share	**492.0**	367.1		1,174.3
	Number of shares	Number of shares		Number of shares
Denominator for basic earnings per share				
Weighted average number of shares (millions) in issue	**528.3**	524.8		525.7
Effect of dilutive potential Ordinary Shares (employee share options)	**3.8**	1.6		5.4
Denominator for diluted earnings per share	**532.1**	526.4		531.1
Basic earnings per share	**euro cent**	euro cent		euro cent
- after goodwill amortisation	**38.1**	22.2		121.9
- before goodwill amortisation	**47.3**	28.9		136.2
Diluted earnings per share				
- after goodwill amortisation	**37.8**	22.1		120.6
- before goodwill amortisation	**47.0**	28.8		134.8
Cash earnings per share (i)	**93.1**	70.0		223.4

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

6 Movements in shareholders' funds

	Six months ended 30th June - Unaudited		Year ended
	2004	2003	31st December 2003 Audited
	euro m	euro m	euro m
At beginning of period	**4,758.9**	4,747.9	4,747.9
Profit retained for the financial period	**150.3**	73.2	492.4
Currency translation effects			
- on results for the period	**(0.1)**	1.7	(23.7)
- on foreign currency net investments	**122.1**	(258.2)	(498.8)
Issue of ordinary share capital (net of expenses)	**37.3**	24.0	41.1
At end of period	**5,068.5**	4,588.6	4,758.9

7 Summarised cash flow

The table below summarises the Group's cash flows for the six months ended 30th June 2004 and 30th June 2003 and for the full year ended 31st December 2003.

	Six months ended 30th June - Unaudited		Year ended 31st December 2003
	2004	2003	Audited
Inflows	**euro m**	euro m	euro m
Profit before tax	**275**	161	864
Depreciation	**242**	216	458
Goodwill amortisation	**49**	35	76
Disposals	**59**	35	78
Share issues (net of expenses)	**37**	24	41
	662	471	1,517
Outflows			
Working capital movement	**296**	300	58
Capital expenditure	**259**	218	402
Acquisitions and investments	**700**	577	1,615
Dividends	**111**	99	150
Tax paid	**80**	41	103
Other	**22**	9	30
	1,468	1,244	2,358
Net outflow	**(806)**	(773)	(841)
Translation adjustment	**(61)**	144	243
Increase in net debt	**(867)**	(629)	(598)

8 Other

		Six months ended 30th June - Unaudited		Year ended 31st December 2003
		2004	2003	Audited
EBITDA interest cover (times)	- six months to 30th June	**9.8**	8.6	n/a
	- rolling 12 months	**13.4**	12.5	13.1
EBIT interest cover (times)	- six months to 30th June	**5.2**	3.9	n/a
	- rolling 12 months	**8.7**	8.0	8.4

EBITDA = earnings before interest, tax, depreciation and goodwill amortisation, excluding share of joint ventures and associates
EBIT = earnings before interest and tax, excluding share of joint ventures and associates

	2004	2003	Year ended 31st December 2003
Average shares in issue (millions)	**528.3**	524.8	525.7
Net dividend per share (euro cent)	**9.6**	8.2	28.1
Dividend cover (times)	**3.95**	2.70	4.32
Depreciation charge (euro m)	**242.1**	215.5	458.2
Goodwill amortisation charge, subsidiaries (euro m)	**45.3**	34.5	74.0
Goodwill amortisation charge, joint ventures and associates (euro m)	**3.4**	0.8	1.5
Net debt (euro m)	**3,174.7**	2,338.6	2,308.1
Debt ratio	**62%**	51%	48%
Debt to market capitalisation at period-end	**35%**	33%	27%

9 Distribution of Interim Report

These Interim Results are available on the Group's website (www.crh.com). A printed copy will be posted to shareholders on Thursday, 2nd September 2004 and will be available to the public from that date at the Company's registered office. Details of the Scrip Dividend Offer in respect of the Interim 2004 dividend will be posted to shareholders on Thursday, 23rd September 2004.