



CRH plc Interim Results 2007

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**The International Building
Materials Group**

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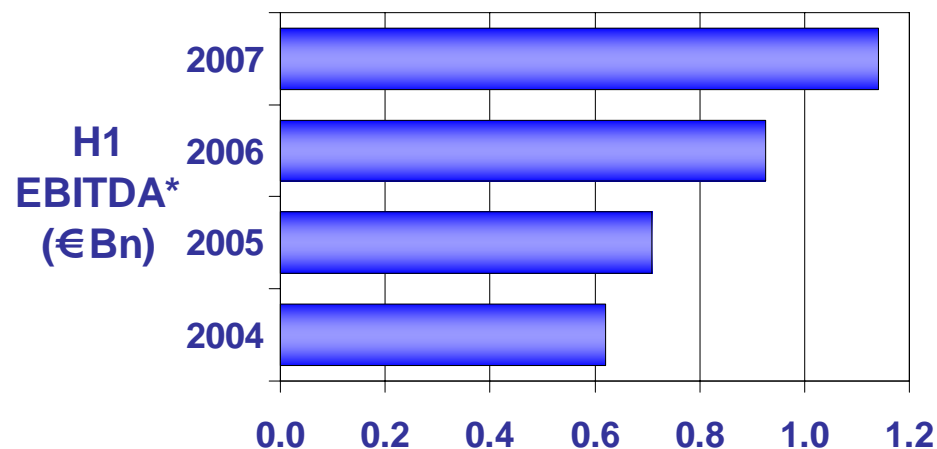
H1 2007 Highlights

Record outcome; Continued delivery from balanced portfolio

- Revenue up 21%, EBITDA up 23%, EBIT up 26%
- Profit on disposals €22m (2006: €17m, 2005: €10m)
- 27% increase in PBT, EPS up 26%, Dividend up 48%
- €1.5 billion investment (acqs & capex) which underpins future growth
- Rolling 12 month EBITDA/Net Interest cover of 9.2 times

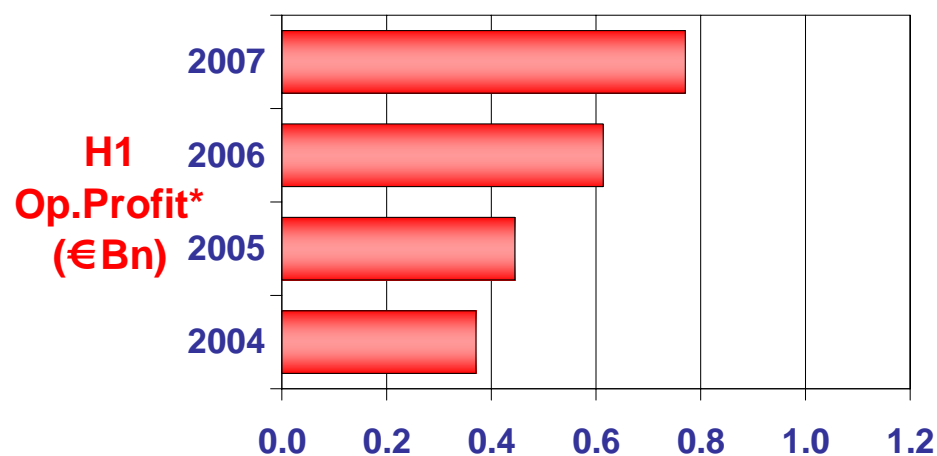
H1 2007 Highlights

Continuing long-term performance and growth



EBITDA*: €1.14 Bn; up 23%

Margin*: 11.8% vs 11.5%



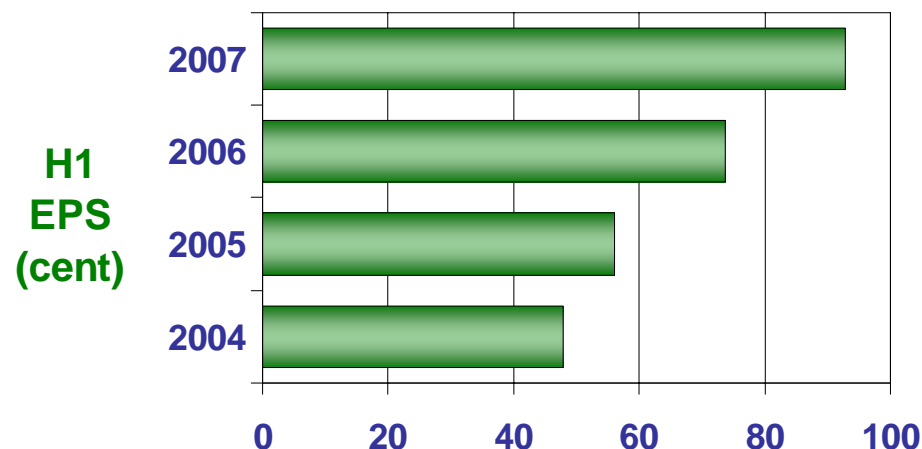
Op.Profit*: €0.77 Bn; up 26%

Margin*: 8.0% vs 7.6%

**Excludes profit on disposals €22m (2006: €17m)*

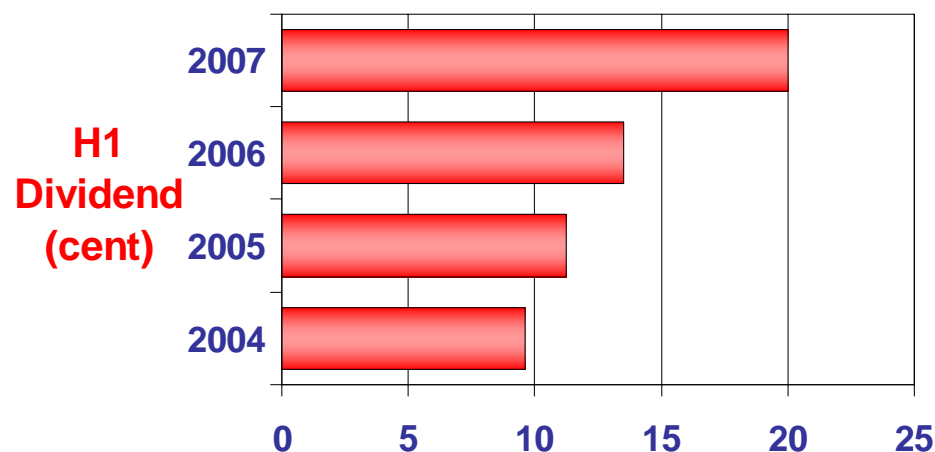
H1 2007 Highlights

Continuing long-term shareholder return



○ H1 EPS: 92.8c; up 26%

○ Full year '06: up 20%



○ H1 DPS: 20.0c; up 48%

○ Continuing payout increase

H1 2007 Acquisitions

€1Bn spend maintaining strong development record

- Spend split 55% Europe; 25% Americas; 20% Emerging Regions
- Including 4 important transactions at a combined cost of €0.7Bn:
 - **Materials** – First cement investments in Turkey and China
 - **Products** – Vistawall, US Glass group expansion
 - **Distribution** – Gétaz Romang, Swiss BM Ops more than doubled
- Plus over 30 traditional bolt-ons at a cost of €0.3Bn

Europe Materials

Significant organic profit and margin improvements

		H1		Change	Organic	Acquisitions		FX
€m		<u>2007</u>	<u>2006</u>			2006	2007	
Sales	+26%	1,686	1,334	+352	+307	+21	+27	-3
Op. profit*	+46%	222	152	+70	+59	+5	+6	-
Op. margin*		13.2%	11.4%					

**Excludes profit on disposal*

- Continuing positive demand/pricing environment in most major markets
- Favourable seasonal weather conditions in early months
- Improvements primarily driven by organic growth
- Operating profit margin advanced by 1.8 percentage points

Europe Products

Marked uplift in operating profit and margin

		H1		Change	Organic	Acquisitions		FX
€m		<u>2007</u>	<u>2006</u>			2006	2007	
Sales	+23%	1,826	1,486	+340	+122	+185	+28	+5
Op. profit*	+61%	180	112	+68	+44	+21	+3	-
Op. margin*		9.9%	7.5%					

**Excludes profit on disposal*

- H1 organic growth ahead of that for full year 2006 ...
- ... with all segments contributing to the advance
- Excellent contributions from 2006 Concrete/Building Products acquisitions
- Operating profit margin ahead by 2.4 percentage points

Europe Distribution

Continuing organic performance improvement, plus acquisitions

		H1		Change	Organic	Acquisitions		FX
€m		<u>2007</u>	<u>2006</u>			2006	2007	
Sales	+18%	1,559	1,319	+240	+83	+25	+140	-8
Op. profit*	+41%	93	66	+27	+17	+1	+9	-
Op. margin*		6.0%	5.0%					

**Excludes profit on disposal*

- Good organic sales growth in both BM +5% and DIY +8%
- 26% uplift in underlying profit and 1 percentage point margin improvement
- Positive contribution from May '07 Gétaz Romang acquisition
- H1 2007 Sales split BM 73%, DIY 27% - similar to 2006

Europe - Overall

Operating profit up 50%; mainly organic

		H1		Change	Organic	Acquisitions		FX
€m		<u>2007</u>	<u>2006</u>			2006	2007	
Sales	+23%	5,071	4,139	+932	+512	+231	+195	-6
Op. profit*	+50%	495	330	+165	+120	+27	+18	-
Op. margin*		9.8%	8.0%					

**Excludes profit on disposal*

- Positive volume & pricing trends delivered 12% organic sales growth
- €120m Organic EBIT increase exceeded full year 2006 €81m advance
- Operating profit margin increases in all three product segments
- Overall European operating profit margin up over a fifth at 9.8%

Americas Materials

Robust heritage performance & excellent APAC contribution

		H1		Change	Organic	Acquisitions		
€m		<u>2007</u>	<u>2006</u>			2006	2007	FX
Sales	+57%	2,181	1,393	+788	+93	+791	+8	-104
Op. profit*	+89%	66	35	+31	+2	+31	+1	-3
Op. margin*		3.0%	2.5%					

**Excludes profit on disposal*

- Severe weather in contrast to mild H1 2006 impacted activity
- Heritage volume declines in aggs -7%, rmc -12%, asphalt -16%
- Offset by pricing (aggs +6%, rmc +9%, asphalt +17%) and cost reduction
- Strong initial H1 contribution from APAC (acquired August 2006)

Americas Products

Operating profit broadly maintained in US\$ terms

		H1		Change	Organic	Acquisitions		
€m		<u>2007</u>	<u>2006</u>			2006	2007	FX
Sales	-1%	1,796	1,813	-17	-109	+222	+6	-136
Op. profit*	-11%	180	202	-22	-7	-	-	-15
Op. margin*		10.0%	11.1%					

**Excludes profit on disposal*

- Impact of housing downturn on APG mitigated by L&G recovery
- Positive performance in more Non-Residential oriented Precast & Glass
- MMI (acquired Apr '06) fencing ops impacted by housing downturn
- Balanced exposure delivered a robust outcome despite difficult Res mkts

Americas Distribution

Acquisition benefits more than offset by organic decline

		H1		Change	Organic	Acquisitions		FX
€m		<u>2007</u>	<u>2006</u>			2006	2007	
Sales	-5%	650	683	-33	-107	+122	+3	-51
Op. profit*	-35%	30	46	-16	-24	+11	-	-3
Op. margin*		4.6%	6.8%					

**Excludes profit on disposal*

- Approximately 40% of organic profit decline attributable to Florida
- Roofing/Siding ops hit by Res downturn / harsh winter / Florida slowdown
- Heritage Interior Products ops down, 2006 FL/TX acquisitions strong
- H1 margin of 4.6% behind 2006/2005 but ahead of 2004 4.0%

Americas - Overall

Performance underpinned by product and end-use balance

		H1		Change	Organic	Acquisitions		
€m		<u>2007</u>	<u>2006</u>			2006	2007	FX
Sales	+19%	4,627	3,889	+738	-123	+1,135	+17	-291
Op. profit*	-2%	276	283	-7	-29	+42	+1	-21
Op. margin*		6.0%	7.3%					

**Excludes profit on disposal*

- Materials and Products organic EBIT broadly in line with H1 2006
- Organic EBIT decline mainly attributable to Distribution segment
- Strong H1 delivery from August 2006 APAC acquisition
- A robust outcome despite harsh weather and Residential downturn

Finance

H1 2007 Components of Growth

Over half of EBIT growth generated by ongoing ops

€m	H1		Change	Organic	Acquisitions		FX
	2007	2006			2006	2007	
Sales	9,698	8,028	+1,670	+389	+1,366	+212	(297)
Operating Profit	771	613	+158	+91	+69	+19	(21)
Profit on disposals	22	17	+5	+5	-	-	-
Trading Profit	793	630	+163	+96	+69	+19	(21)
Finance Costs	(150)	(113)	(37)	+14	(49)	(7)	+5
Associates	27	9	+18	+5	+13*	-	-
Profit before tax	670	526	+144	+115	+33	+12	(16)
PBT % change v. 2006			+27%	+22%	+6%	+2%	-3%

H1 Operating Profit Margins

Excellent European advance, robust US delivery

		<u>2007</u>	<u>2006</u>
Europe Materials		13.2%	11.4%
Europe Products		9.9%	7.5%
Europe Distribution		6.0%	5.0%
Europe	+1.8%	<u>9.8%</u>	<u>8.0%</u>
Americas Materials		3.0%	2.5%
Americas Products		10.0%	11.1%
Americas Distribution		4.6%	6.8%
Americas	-1.3%	<u>6.0%</u>	<u>7.3%</u>
Group	+0.4%	<u>8.0%</u>	<u>7.6%</u>
Group incl. Disposals	+0.4%	<u>8.2%</u>	<u>7.8%</u>

H1 2007 Funds Flow

Outflow reflects traditional H1 working capital build up ...

	2007	2006
Inflows	€m	€m
Profit before tax	670	526
Depreciation	354	300
Amortisation of intangibles	16	12
Disposals	62	60
	<u>1,102</u>	<u>898</u>
Outflows		
Working capital	(329)	(474)
Tax paid	(103)	(61)
Dividends	(208)	(149)
Capital expenditure	(520)	(434)
Other	(21)	(18)
	<u>(1,181)</u>	<u>(1,136)</u>
Operating cash outflow	<u>(79)</u>	<u>(238)</u>

H1 2007 Funds Flow

... yet H1 debt increase less than net investment spend

	2007	2006
	€m	€m
Operating cash outflow	<u>(79)</u>	<u>(238)</u>
Non-Operating		
Acquisitions and investments	(983)	(901)
Share issues	78	70
Purchase of Shares	(31)	(15)
Translation	<u>57</u>	<u>137</u>
	<u>(879)</u>	<u>(709)</u>
Debt increase	<u>(958)</u>	<u>(947)</u>
Acqs, Capex less Disposals	<u>(1,441)</u>	<u>(1,275)</u>

Key Financial Ratios

Substantial capacity to pursue further opportunities

	H1 2007	H1 2006	Y/E 2006
Debt incl JVs (€Bn)	5.5	4.4	4.5
Total Equity (€Bn)	7.6	6.4	7.1
Debt/Total Equity	72%	69%	63%
Debt/Market Capitalisation	27%	32%	26%
<hr/>			
Interest cover (times)*			
EBITDA/Net Interest	9.2	11.2	9.7
EBIT/Net Interest	6.7	8.0	7.0

Dividend Strategy

Higher payout & earnings momentum driving dividend growth

- 2005 dividend cover 4.8x; 2006 4.3x; target of c.3.5x for 2008
- 2006 Interim 13.5c up 20%; Final 38.5c up 39%; Total 52.0c up 33%
- 2007 Interim 20.0c up 48% to broadly re-establish Interim/Final split
- 2007 will see another very strong full year dividend advance

Outlook

2007 Europe Outlook

Continued organic growth & contributions from acquisitions

○ **Materials**

- Overall trading outlook remains very positive
- Further strong progress expected in H2

○ **Products**

- Strong H1 impetus from favourable weather / growth in key markets
- Continued H2 growth expected but at a more moderate pace

○ **Distribution**

- Expect further organic progress in H2
- With strong contribution from H1 acquisitions

2007 Americas Outlook

Balance and acquisitions to deliver higher US\$ profits

○ **Materials**

- Continuing benefits from price improvements / cost reductions
- Expect strong H2 organic performance plus further APAC benefits

○ **Products**

- Financial market disruption has added to Residential uncertainty
- However, with broad spread, expect US\$ profits similar to 2006

○ **Distribution**

- Improvement in like for like trading comparisons anticipated in H2
- Expect '07 US\$ sales similar to '06, with margin of 5.0% to 5.5%

Overall 2007 Outlook

Strong overall trading performance & development activity

- Geographic, sectoral and product balance continues to deliver
- Ongoing focus on price / cost effectiveness driving organic performance
- Benefits from record 2006 acquisition spend and ...
- ... Sustained development emphasis
- Expect strong full year profit growth

Going Forward

Continuation of our clear consistent strategic vision...

be a responsible international leader in

building materials delivering superior

performance and growth

Supplementary Information

Analysis by Segment

€m	H1 2007	H1 2006	% change
Sales			
Europe Materials	1,686	1,334	+26%
Europe Products	1,826	1,486	+23%
Europe Distribution	1,559	1,319	+18%
Americas Materials	2,181	1,393	+57%
Americas Products	1,796	1,813	-1%
Americas Distribution	650	683	-5%
Total	9,698	8,028	+21%
Operating Profit			
Europe Materials	222	152	+46%
Europe Products	180	112	+61%
Europe Distribution	93	66	+41%
Americas Materials	66	35	+89%
Americas Products	180	202	-11%
Americas Distribution	30	46	-35%
Total	771	613	+26%

Analysis by Region

€m	H1 2007	H1 2006	% change
Sales			
Ireland	695	571	+22%
Benelux	1,444	1,269	+14%
Rest of Europe	2,933	2,293	+28%
Americas	4,626	3,895	+19%
Total	9,698	8,028	+21%
Operating Profit			
Ireland	73	72	+1%
Benelux	136	110	+24%
Rest of Europe	286	148	+93%
Americas	276	283	-2%
Total	771	613	+26%

Profit on Disposal

€m

Analysis by Segment

Europe Materials

Europe Products

Europe Distribution

Americas Materials

Americas Products

Americas Distribution

Total

**H1
2007**

12

2

-

7

-

1

22

**H1
2006**

9

-

2

5

1

-

17

Analysis by Region

Ireland

Benelux

Rest of Europe

Americas

Total

11

3

-

8

22

7

-

4

6

17

Foreign Currency Rates

	Average			Period ended		
	Six months ended	Year ended		Six months ended	Year ended	
euro 1=	2007	2006	2006	2007	2006	2006
US Dollar	1.3291	1.2296	1.2556	1.3505	1.2713	1.3170
Pound Sterling	0.6746	0.6870	0.6817	0.6740	0.6921	0.6715
Polish Zloty	3.8441	3.8901	3.8959	3.7677	4.0546	3.8310
Swiss Franc	1.6318	1.5610	1.5729	1.6553	1.5672	1.6069
Canadian Dollar	1.5078	1.3999	1.4237	1.4245	1.4132	1.5281
Argentine Peso	4.1078	3.7733	3.8623	4.1834	3.9432	4.0373
Israeli Shekel	5.5198	5.6429	5.5928	5.7574	5.6936	5.5623

Euroconstruct Forecasts

Construction output 2007 (Euroconstruct June 2007)

		%
Belgium	↑	+1.0
Denmark	↓	(0.1)
Finland	↑	+3.6
France	↑	+1.0
Germany	↑	+2.6
Ireland	↓	(2.1)
Italy	↑	+0.1
Netherlands	↑	+5.3
Poland	↑	+10.6
Portugal	↓	(3.9)
Spain	↑	+4.5
Sweden	↑	+8.9
Switzerland	↑	+1.2
United Kingdom	↑	+1.9

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