



# CRH plc 2009 Results





# Contents

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1	CRH 2009 Operating Overview	1
2	CRH 2009 Financial Overview	14
3	Outlook	21
4	Supplementary Information	24
5	Contact Us	30

# 2009

## *A year of progressive action at CRH*

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- Most severe and pervasive downturn in industry memory
- Strong, prompt management action; intensified focus on cash
- Implementing initiatives to reduce cost and maximise effectiveness
- Focusing on elements that contribute most to performance
- Improving competitive positions; establishing firm base for recovery

***Responding actively and further building our capabilities***

# 2009 Outcome

*Results ahead of January guidance*

€m	<b><u>Actual 2009</u></b>	<b><u>Jan 2010 Guidance</u></b>
EBITDA	1,803	Close to €1.8 Bn
PBT (pre asset impairment)	773	Approx. €0.75 Bn
Operating Cashflow	1,160	Approx. €1.0 Bn
Development Spend	458	Approx. €0.45 Bn
Net Debt*	3,723	Less than €4.0 Bn
Net Debt / EBITDA*	2.1x	Just over 2 times

***Operating cashflow double 2008 ...  
... despite sharp reduction in profits***

# 2009 Key Figures

*Results impacted by Restructuring / Impairment charges*

	<u>2009</u>	<u>2008</u>	<u>% Chg</u>
€m			
Sales	17,373	20,887	(17%)
EBITDA	1,803	2,665	(32%)
Operating Profit	955	1,841	(48%)
PBT	732	1,628	(55%)
€cent			
EPS (basic)	88.3	210.2	(58%)
DPS	62.5	62.2	+0.5%

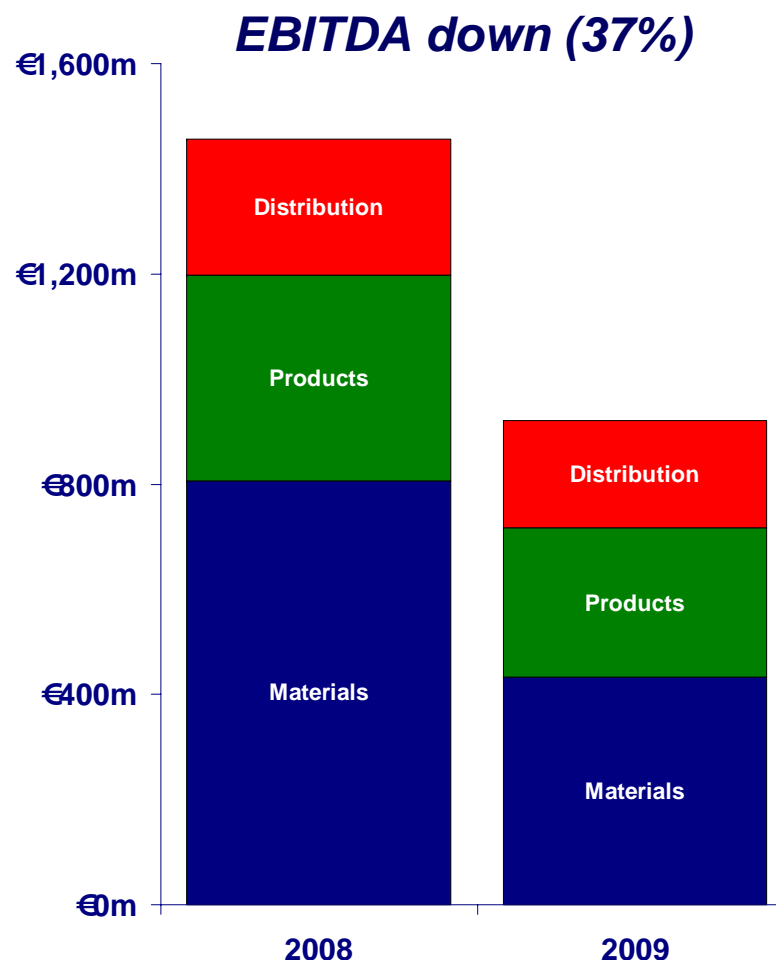
***Excluding one-offs ... EBITDA down 26%, Op.Profit down 37%***

# Europe Divisions

*Materials/Products hardest hit; Distribution more resilient*

€m	Sales	EBITDA	Op.Profit
<b>2009</b>	<b>9,384</b>	<b>921</b>	<b>510</b>
2008	11,194	1,456	1,049
<b>% chg</b>	<b>(16%)</b>	<b>(37%)</b>	<b>(51%)</b>
2009 margin		9.8%	5.4%
2008 margin		13.0%	9.4%

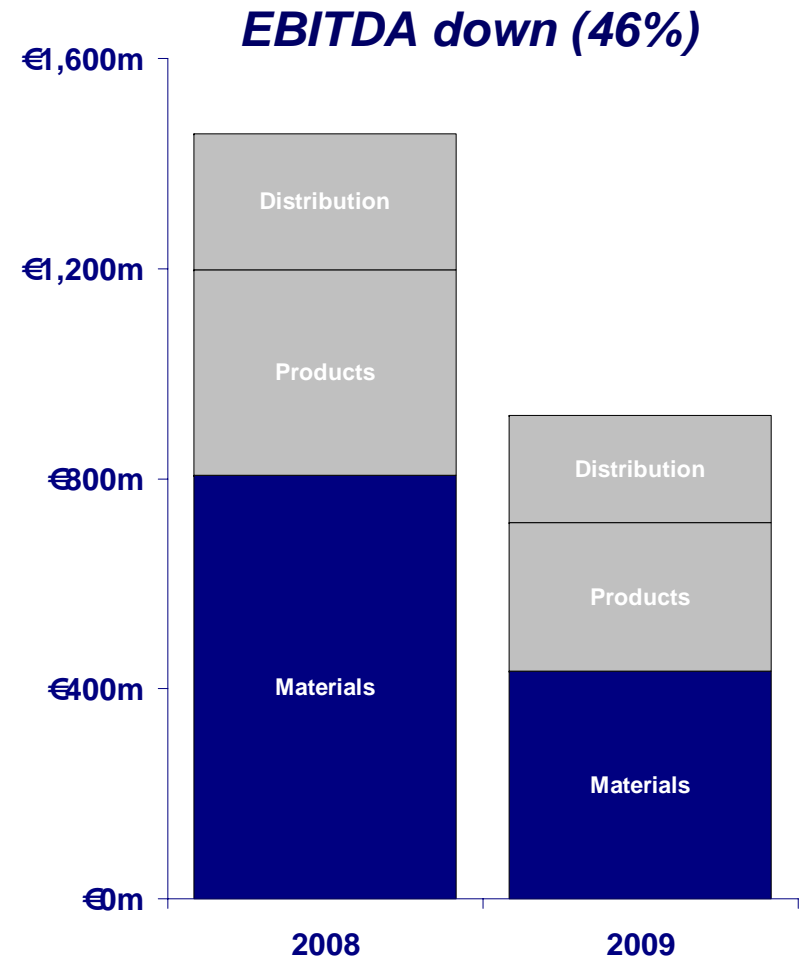
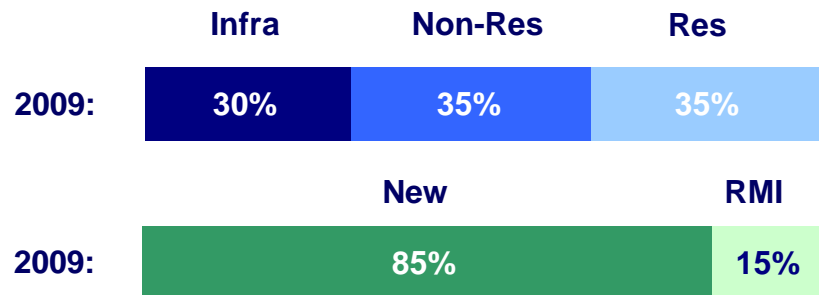
Change €m	Sales	EBITDA	Op.Profit
Organic	(1,845)	(400)	(389)
Acquisitions	244	30	20
Restructuring	-	(85)	(85)
Impairments	-	-	(16)
FX	(209)	(80)	(69)
<b>Total</b>	<b>(1,810)</b>	<b>(535)</b>	<b>(539)</b>



# Europe Materials

*Sharp volume declines and adverse FX effects*

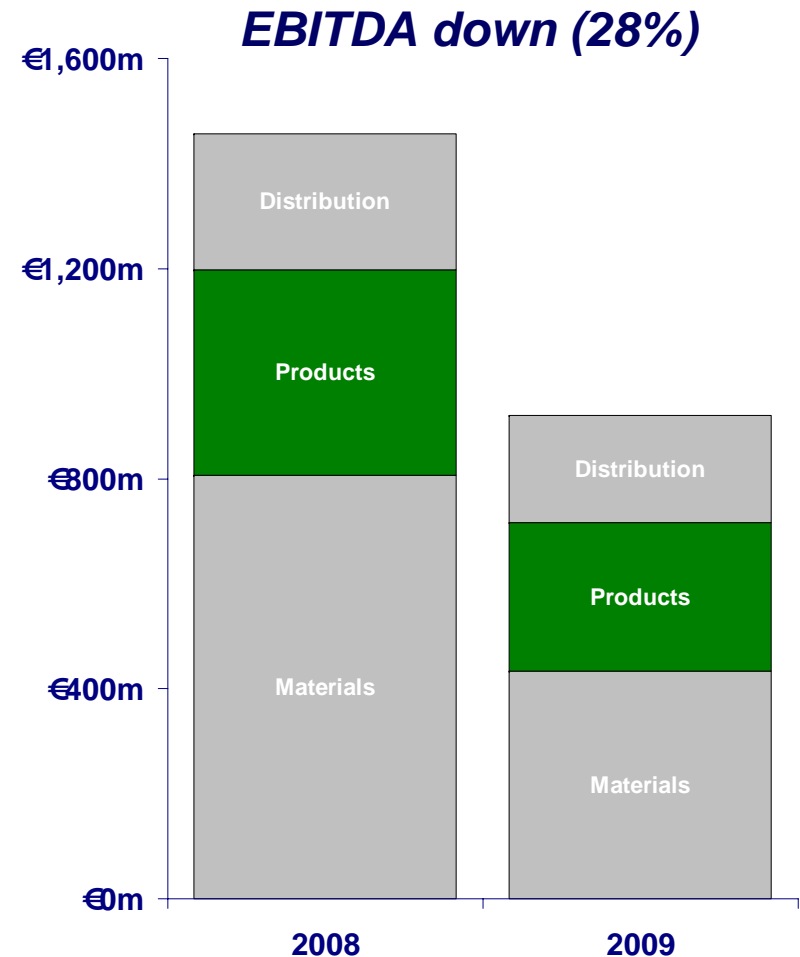
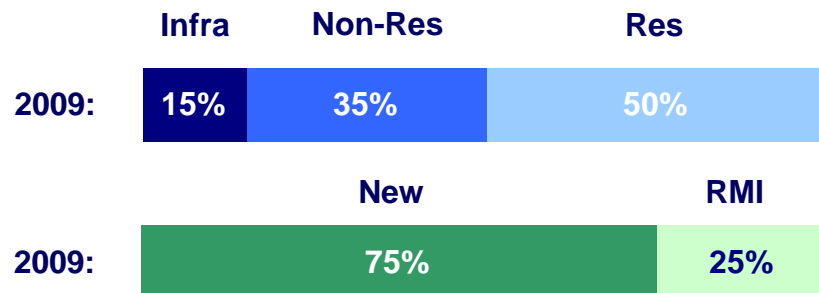
- EI, FI, UA cement vols down 35-45%
- PL cement vols in line from mid year
- Swiss infrastructure resilient
- €0.25Bn development spend



# Europe Products

*Tough markets across all businesses*

- Concrete: Organic sales down (19%)
- Clay: some UK pick-up in Q4
- Insulation: seeking to exit

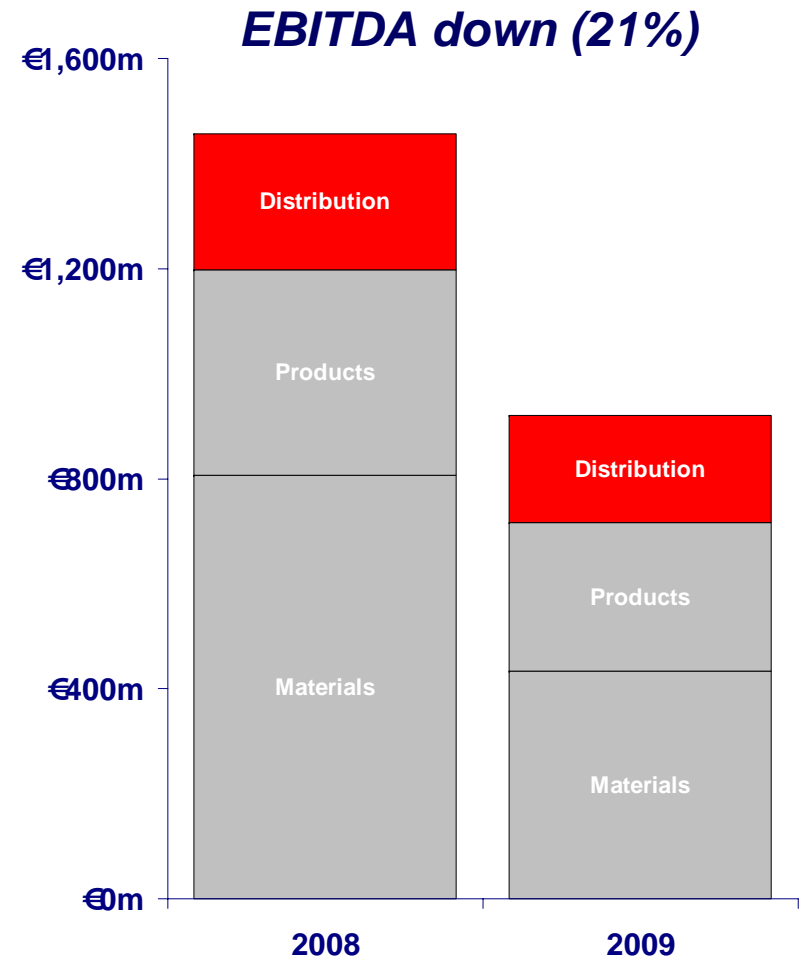
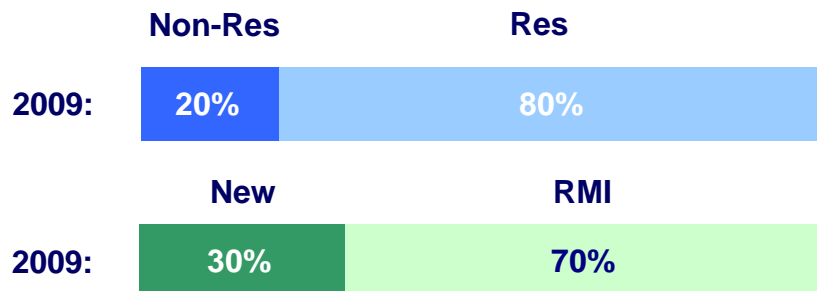




# Europe Distribution

*More resilient than Products due to greater RMI exposure*

- Retail more robust than Trade
- BM: Organic sales down (11%)
- DIY: Organic sales down (6%)

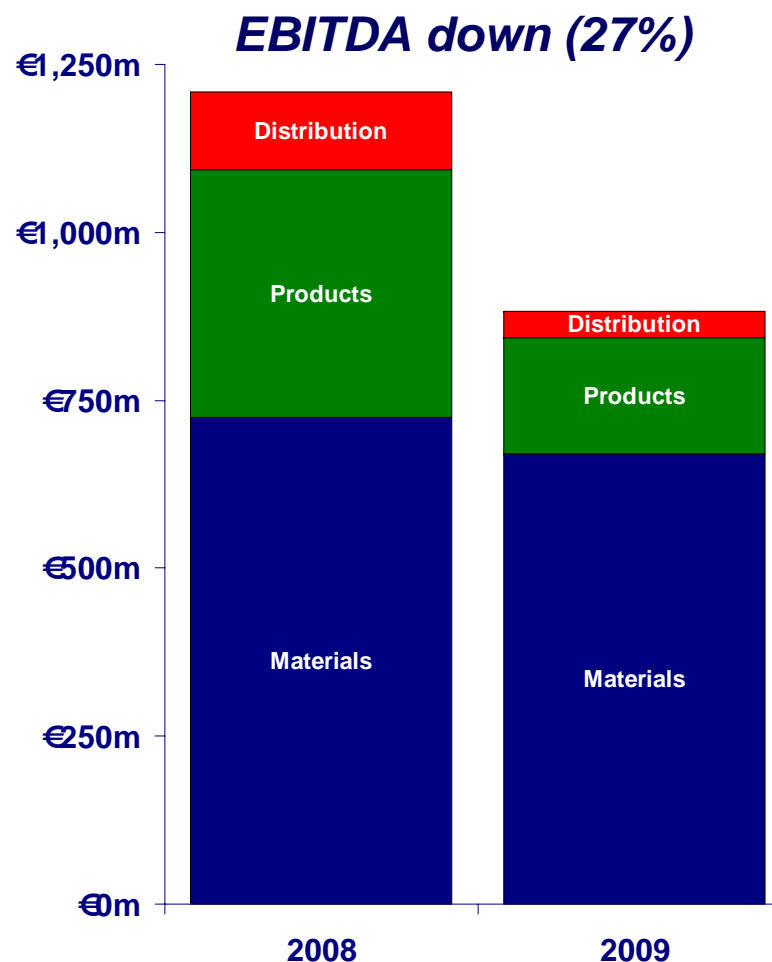


# Americas Divisions

*Govt. Infra stimulus a counterbalance to Res/Non-Res declines*

€m	Sales	EBITDA	Op.Profit
<b>2009</b>	<b>7,989</b>	<b>882</b>	<b>445</b>
2008	9,693	1,209	792
<b>% chg</b>	<b>(18%)</b>	<b>(27%)</b>	<b>(44%)</b>
2009 margin		11.0%	5.6%
2008 margin		12.5%	8.2%

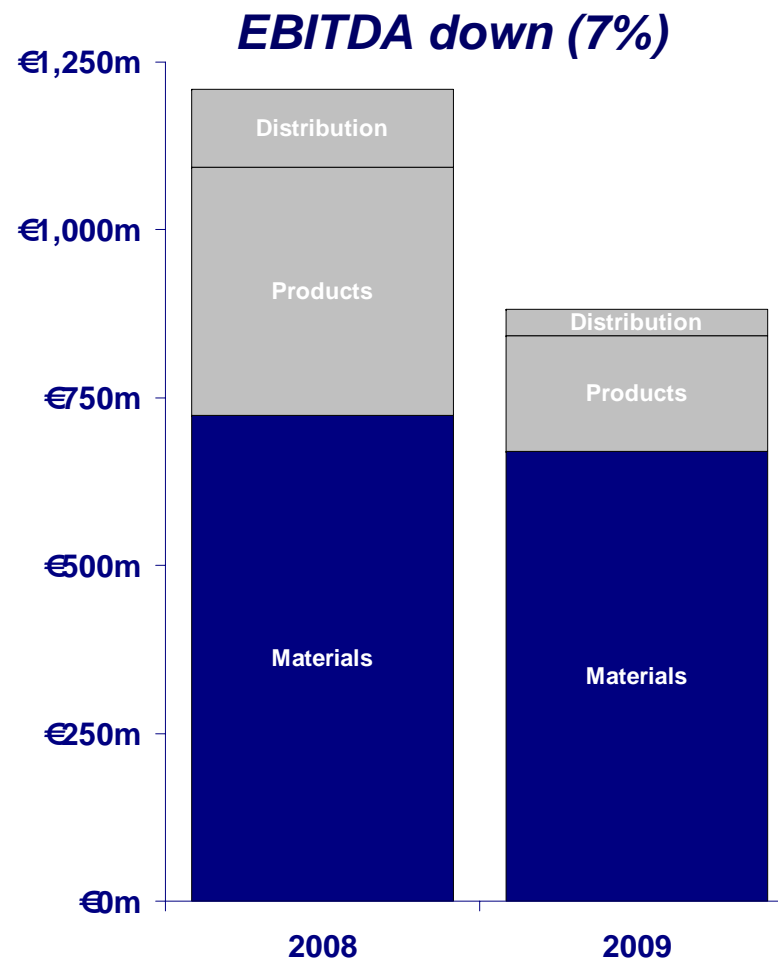
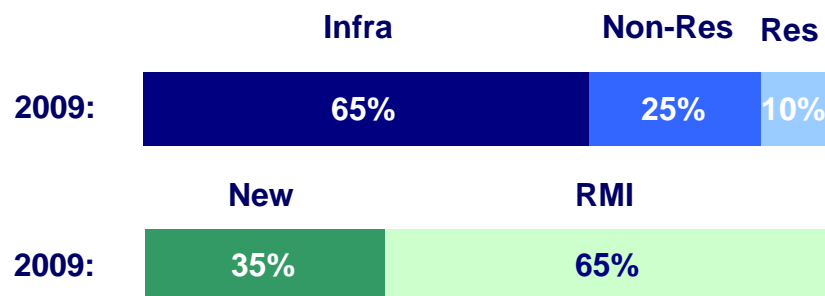
Change €m	Sales	EBITDA	Op.Profit
Organic	(2,258)	(334)	(319)
Acquisitions	54	7	4
Restructuring	-	(58)	(58)
Impairments	-	-	(11)
FX	500	58	37
<b>Total</b>	<b>(1,704)</b>	<b>(327)</b>	<b>(347)</b>



# Americas Materials

*Margins ahead despite sharp volume declines*

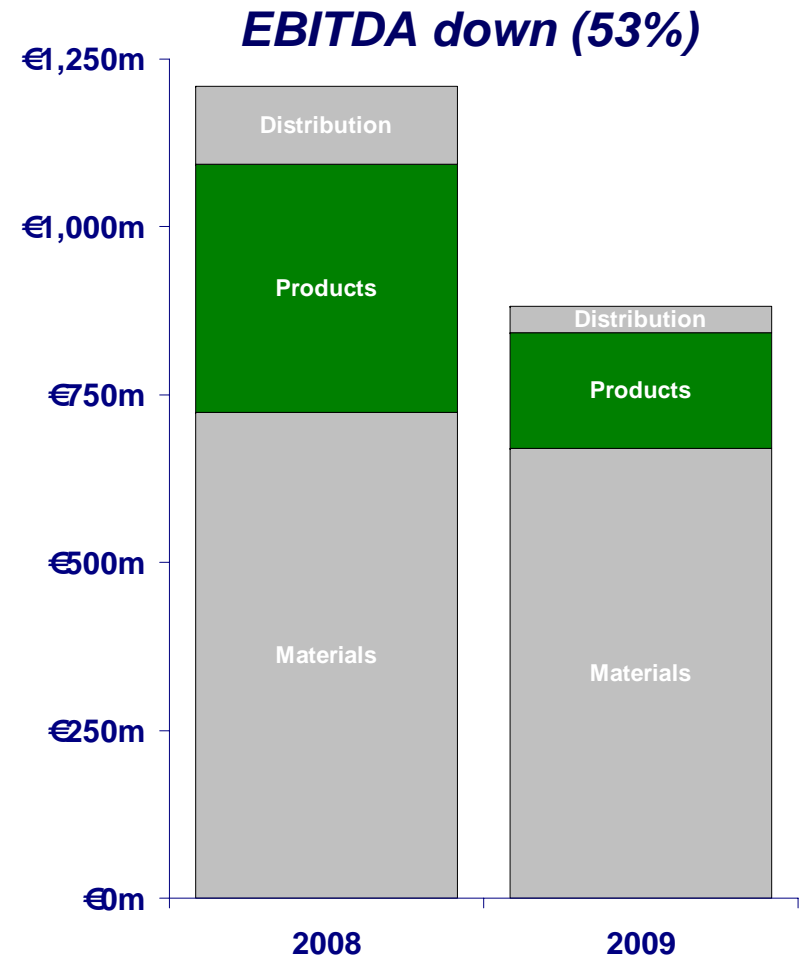
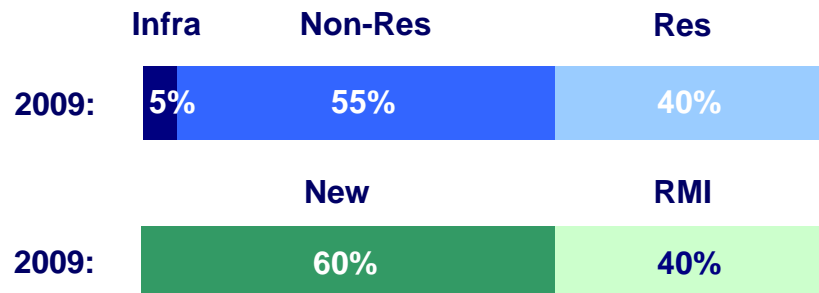
- Aggs: Vols -23%; Prices +6%
- Asphalt: Vols -15%; Prices -2%
- Superior margin performance
- \$0.23Bn spend on 10 bolt-ons



# Americas Products

*Res continues to be weak; Non-Res more significant declines*

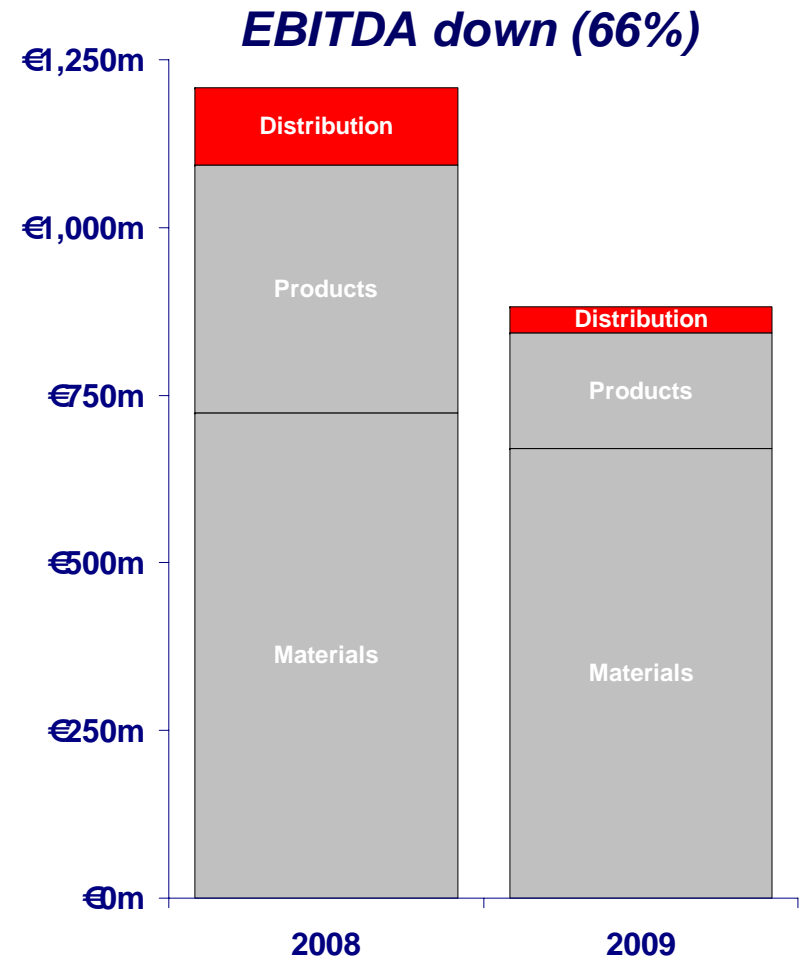
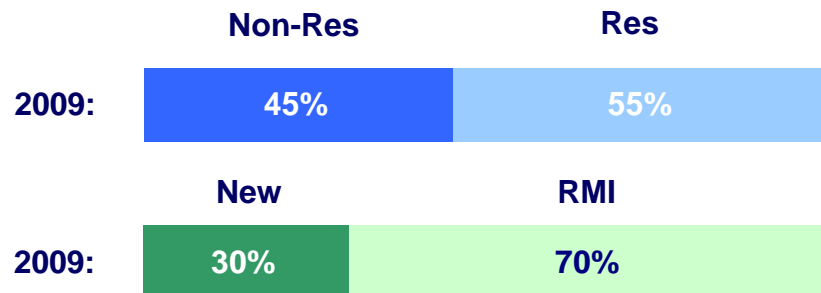
- APG: impact of further Res declines
- Precast: maintained margins
- Glass: Eng. Products held up well
- MMI: significant operating loss



# Americas Distribution

*Exterior less affected than Interior*

- Exterior Products (RMI) more robust than Interior Products (new build)
- Exterior: Organic sales down (18%)
- Interior: Organic sales down (31%)

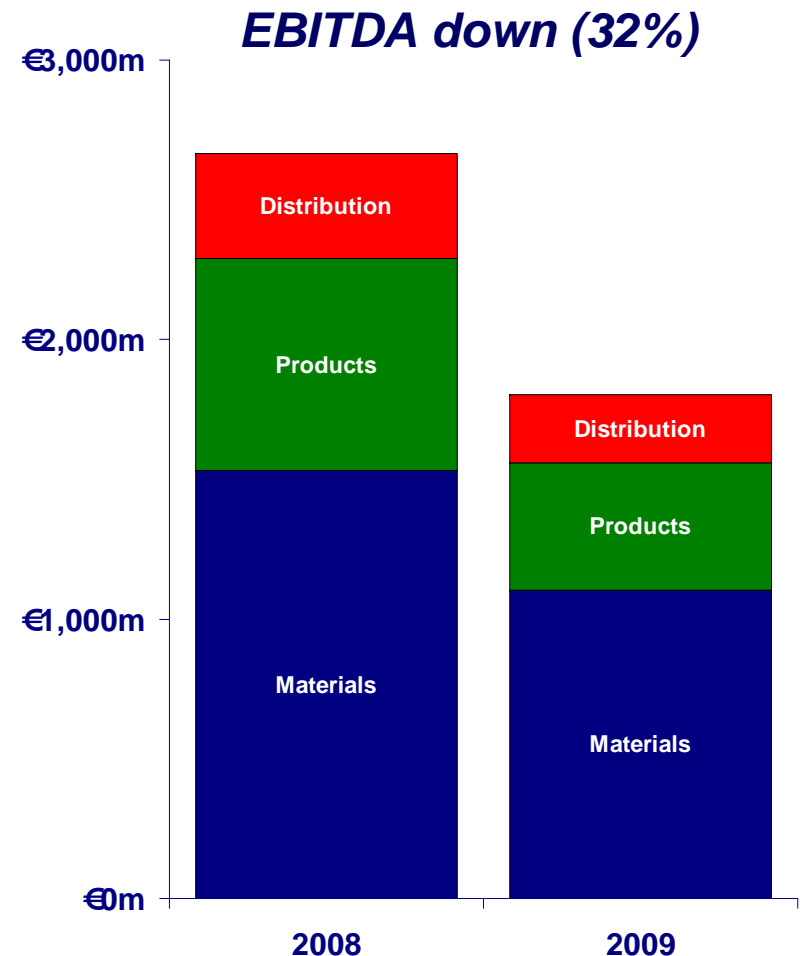




# CRH Overall

## *Delivery in difficult markets*

- Sharp declines in Res & Non-Res
- Infrastructure and RMI-exposed businesses more resilient
- Active response to market conditions
- Significant cost / restructuring to reset business to market demand



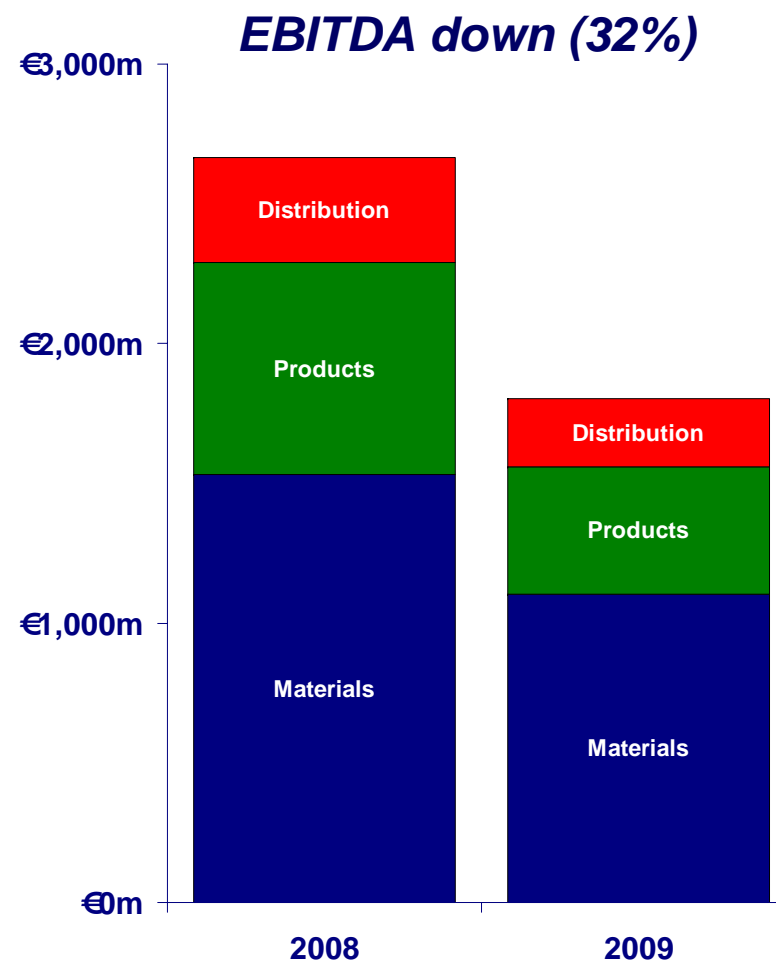
# Contents

---

1	CRH 2009 Operating Overview	1
2	CRH 2009 Financial Overview	14
3	Outlook	21
4	Supplementary Information	24
5	Contact Us	30

# 2009 Profit Performance

€m	Sales	EBITDA	Op.Profit
<b>2009</b>	<b>17,373</b>	<b>1,803</b>	<b>955</b>
2008	20,887	2,665	1,841
<b>% chg</b>	<b>(17%)</b>	<b>(32%)</b>	<b>(48%)</b>
2009 margin		10.4%	5.5%
2008 margin		12.8%	8.8%

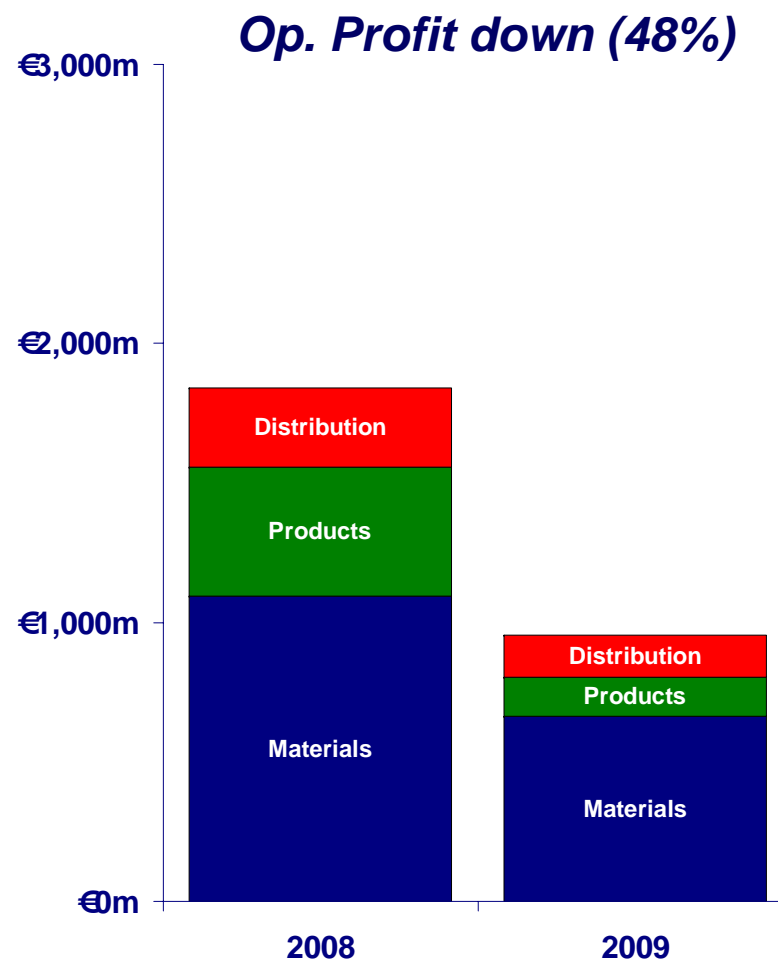


# 2009 Profit Performance

*Operational leverage c18% ... c33% without cost action*

€m	Sales	EBITDA	Op.Profit
<b>2009</b>	<b>17,373</b>	<b>1,803</b>	<b>955</b>
2008	20,887	2,665	1,841
<b>% chg</b>	<b>(17%)</b>	<b>(32%)</b>	<b>(48%)</b>
2009 margin		10.4%	5.5%
2008 margin		12.8%	8.8%

Change €m	Sales	EBITDA	Op.Profit
Organic	(4,103)	(734)	(708)
Acquisitions	298	37	24
Restructuring	-	(143)	(143)
Impairments	-	-	(27)
FX	291	(22)	(32)
<b>Total</b>	<b>(3,514)</b>	<b>(862)</b>	<b>(886)</b>



# Annualised Cost Savings now €1,650m

Initiatives (€m)	P&L Impact				Annualised
	'07	'08	'09	'10	
2007	50				50
2008		447	398		845
2009			450	145	595
2010				160	160
<b>Gross savings</b>	<b>50</b>	<b>447</b>	<b>848</b>	<b>305</b>	<b>1,650</b>
Cost to implement	-	62	205	45	
<b>Net savings</b>	<b>50</b>	<b>385</b>	<b>643</b>	<b>260</b>	

*Progressive activity across all Group divisions ...  
... with c40% of total gross savings being permanent*



# 2009 Cash Performance

*Tight working capital and Capex control*

	<u>2009</u>	<u>2008</u>	<u>% chg</u>
<b>Inflows</b>	€m	€m	
Profit before tax	732	1,628	(55%)
Depreciation	794	781	
Amortisation of intangibles	54	43	
Working capital	661	(62)	
	<u>2,241</u>	<u>2,390</u>	<u>(6%)</u>
<b>Outflows</b>			
Tax Paid	(104)	(322)	
Dividends	(386)	(369)	
Capital expenditure	(532)	(1,039)	(49%)
Other	(59)	(89)	
	<u>(1,081)</u>	<u>(1,819)</u>	<u>(41%)</u>
<b>Operating cash inflow</b>	<u>1,160</u>	<u>571</u>	<u>+104%</u>

***Full year operating cash inflow more than double 2008***

# Cash Generation

*€2.4Bn reduction in Net Debt*

	<u>2009</u>	<u>2008</u>
	€m	€m
<b>Operating cash inflow</b>	<b>1,160</b>	<b>571</b>
Acquisitions and investments	(458)	(1,072)
Disposals	103	168
Share issues	1,445	59
Share purchases	(2)	(414)
Translation	120	(240)
<b>Debt decrease / (increase)</b>	<b>2,368</b>	<b>(928)</b>
Net Debt / EBITDA	2.1x	2.3x
EBITDA / Net Interest	6.1x	7.8x

*Credit metrics amongst the best in sector*

# 2009 Year end Debt

*Balanced maturity profile; well within covenants*

Breakdown of Net Debt YE 2009	€Bn
Gross Debt	5.1*
Gross Cash	(1.4)
<b>Net Debt</b>	<b>3.7</b>

Breakdown of Gross Debt YE 2009	€Bn
Outstanding Bond Debt	4.7*
Drawn Bank Facilities	<u>0.4</u>
<b>Gross Debt</b>	<b>5.1</b>
<b>Unutilised committed facilities</b>	<b>1.6</b>

Maturity Profile €Bn	Total
2010	<b>0.4</b>
2011	<b>0.5</b>
2012	<b>0.8</b>
2013	<b>0.5</b>
2014	<b>0.9</b>
Beyond 2014	<b>2.0</b>
<b>Total</b>	<b>5.1</b>

Principal Covenants	YE 2009 <sup>#</sup>
EBITDA / Net interest $\geq 4.5x$	6.1x
Net Debt / EBITDA $\leq 3.5x$	2.2x

<sup>#</sup> calculated as per covenants

\* including Net Debt related derivatives assets of €0.2 Bn



# Contents

---

1	CRH 2009 Operating Overview	1
2	CRH 2009 Financial Overview	14
3	Outlook	21
4	Supplementary Information	24
5	Contact Us	30

# 2010 – External Environment

*Expect difficult demand backdrop through much of 2010*

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- Prolonged severe weather in January and February
- Europe fiscal deficit concerns; but ... PL resilient & well placed for growth
- US Res recovery unclear; SAFETEA-LU extension progressing
- Potential translation benefits from stronger US\$ and PLN versus the €

***Continuing challenges in 2010***



# CRH Focus – Internal Action

*Significant adjustment to cost base over past 3 years*

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- Ongoing focus on the fundamentals
  - Scaling operations to market demand
  - Delivering further commercial and cost benefits
  - Maximising cash generation to ensure balance sheet flexibility
  - Generating value-enhancing development opportunities
- To strengthen operations and further build our business

***Positioning CRH to respond to upside demand developments ...  
... and to avail of acquisition opportunities***

# Contents

---

1	CRH 2009 Operating Overview	1
2	CRH 2009 Financial Overview	14
3	Outlook	21
4	Supplementary Information	24
5	Contact Us	30

# Analysis by Segment

<b>Sales Revenue (€m)</b>	<b>2009</b>	<b>2008</b>	<b>% change</b>
Europe Materials	2,749	3,696	(26%)
Europe Products	3,002	3,686	(19%)
Europe Distribution	3,633	3,812	(5%)
Americas Materials	4,280	5,007	(15%)
Americas Products	2,536	3,243	(22%)
Americas Distribution	1,173	1,443	(19%)
<b>Total</b>	<b>17,373</b>	<b>20,887</b>	<b>(17%)</b>

<b>Operating Profit (€m)</b>	<b>2009</b>	<b>2008</b>	<b>% change</b>
Europe Materials	257	631	(59%)
Europe Products	116	224	(48%)
Europe Distribution	137	194	(29%)
Americas Materials	407	462	(12%)
Americas Products	23	238	(90%)
Americas Distribution	15	92	(84%)
<b>Total</b>	<b>955</b>	<b>1,841</b>	<b>(48%)</b>

# Analysis by Region

<b>Sales Revenue (€m)</b>	<b>2009</b>	<b>2008</b>	<b>% change</b>
Ireland	726	1,116	(35%)
Benelux	2,762	3,070	(10%)
Rest of Europe	5,888	6,999	(16%)
Americas	7,997	9,702	(18%)
<b>Total</b>	<b>17,373</b>	<b>20,887</b>	<b>(17%)</b>

<b>Operating Profit (€m)</b>	<b>2009</b>	<b>2008</b>	<b>% change</b>
Ireland	(34)	110	(131%)
Benelux	154	257	(40%)
Rest of Europe	389	682	(43%)
Americas	446	792	(44%)
<b>Total</b>	<b>955</b>	<b>1,841</b>	<b>(48%)</b>

# Profit on Disposal

<b>Analysis by Segment (€m)</b>	<b>2009</b>	<b>2008</b>
Europe Materials	4	16
Europe Products	1	15
Europe Distribution	5	15
Americas Materials	17	20
Americas Products	(1)	2
Americas Distribution	-	1
<b>Total</b>	<b>26</b>	<b>69</b>

<b>Analysis by Region (€m)</b>	<b>2009</b>	<b>2008</b>
Ireland	3	12
Benelux	2	18
Rest of Europe	5	16
Americas	16	23
<b>Total</b>	<b>26</b>	<b>69</b>



# Foreign Currency Rates

euro 1=	Average Rates		Year end Rates	
	2009	2008	2009	2008
US Dollar	<b>1.3948</b>	1.4708	<b>1.4406</b>	1.3917
Pound Sterling	<b>0.8909</b>	0.7963	<b>0.8881</b>	0.9525
Polish Zloty	<b>4.3276</b>	3.5121	<b>4.1045</b>	4.1535
Ukrainian Hryvnia	<b>11.2404</b>	7.7046	<b>11.4738</b>	10.8410
Swiss Franc	<b>1.5100</b>	1.5874	<b>1.4836</b>	1.4850
Canadian Dollar	<b>1.5850</b>	1.5594	<b>1.5128</b>	1.6998
Argentine Peso	<b>5.2111</b>	4.6443	<b>5.4885</b>	4.7924
Israeli Shekel	<b>5.4756</b>	5.2556	<b>5.5134</b>	5.3163
Turkish Lira	<b>2.1631</b>	1.9064	<b>2.1547</b>	2.1488
Indian Rupee	<b>67.4271</b>	63.7652	<b>66.9539</b>	67.5553

# Euroconstruct Forecasts

<i>Construction Output 2010 (Euroconstruct November 2009)</i>	<i>% Change</i>	
Belgium	↓	(3.2%)
Denmark	↑	+2.0%
Finland	↓	(5.1%)
France	↓	(0.7%)
Germany	↑	+0.8%
Ireland	↓	(21.7%)
Italy	↓	(2.0%)
Netherlands	↓	(9.3%)
Poland	↑	+9.6%
Portugal	↓	(9.3%)
Spain	↓	(9.7%)
Switzerland	↑	+0.4%
United Kingdom	↓	(0.8%)
Western Europe (EC-15)	↓	(2.7%)
Eastern Europe (EC-4)	↑	+5.4%

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