



Capital Markets Day Americas Materials



Americas Materials

Overview

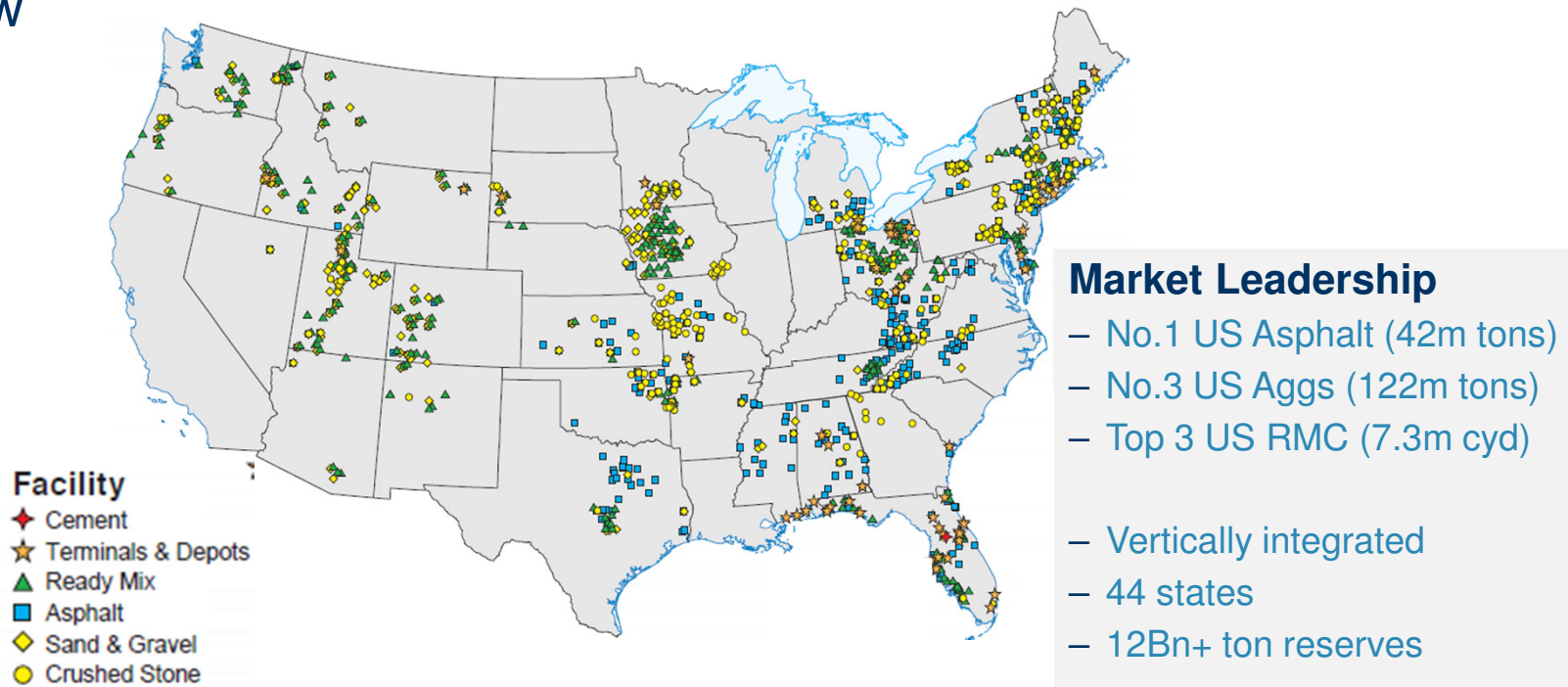
Strategy

Performance & Cost Savings

Positioned for the future



Overview

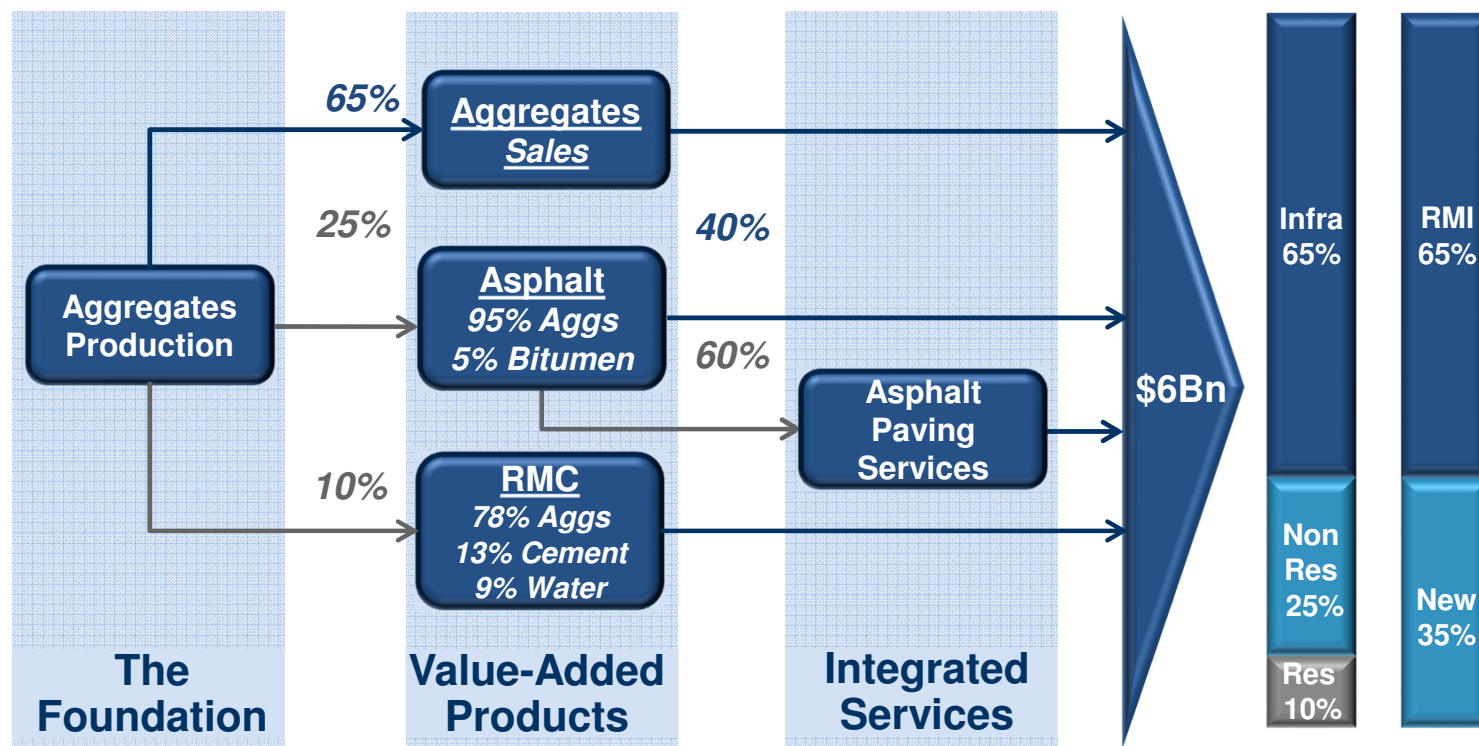


... The No.1 Heavy-side Building materials company in the US ...



Our business

32% of Group EBITDA (2011)



... A vertically integrated primary building materials business ...



Strength of
vertical
integration



- Scarce reserves - defensibility
- Aggs pull through into Asphalt and RMC – security of demand
- Economies of scale – integrated network
- Quality, logistics and efficiency – supports margins
- Local integrated players – available targets for growth



... Aggregates-based integrated model provides competitive advantage ...

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Our strategy

- Establish strong regional positions with long-term reserves
- Build on vertical integration model
- Manage locally, drive synergies nationally
- Develop and grow our leadership pipeline
- Influence U.S. infrastructure agenda



... Proven model, positioned for growth now and in the future ...

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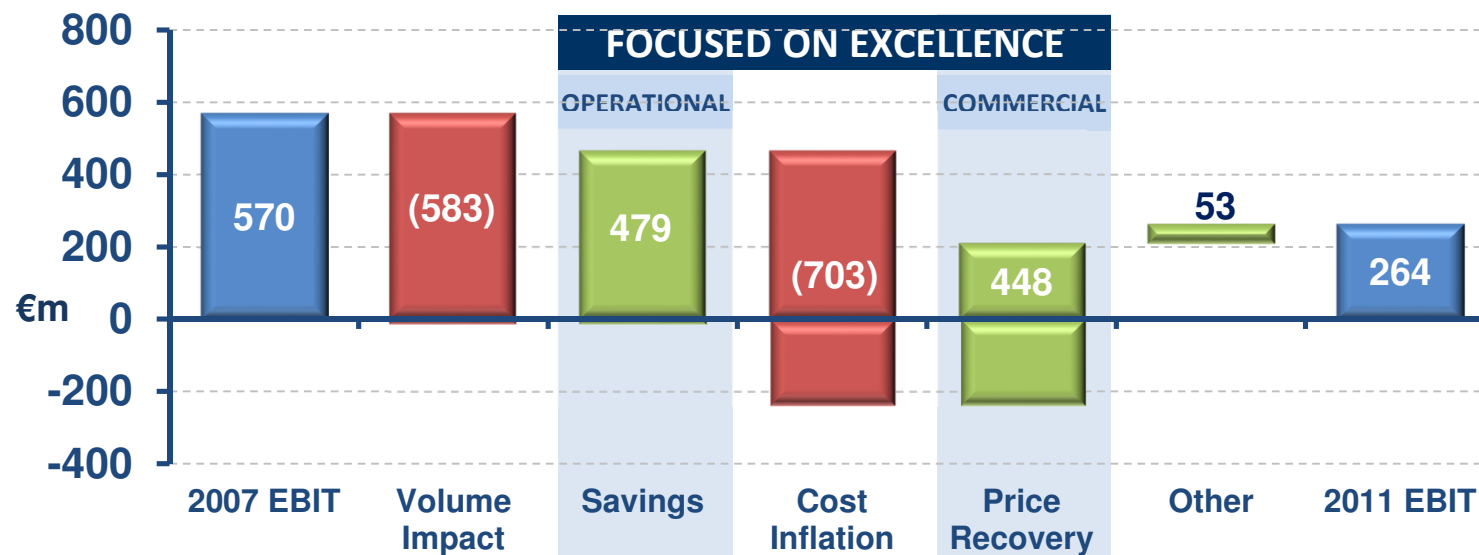
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Managing through the downturn



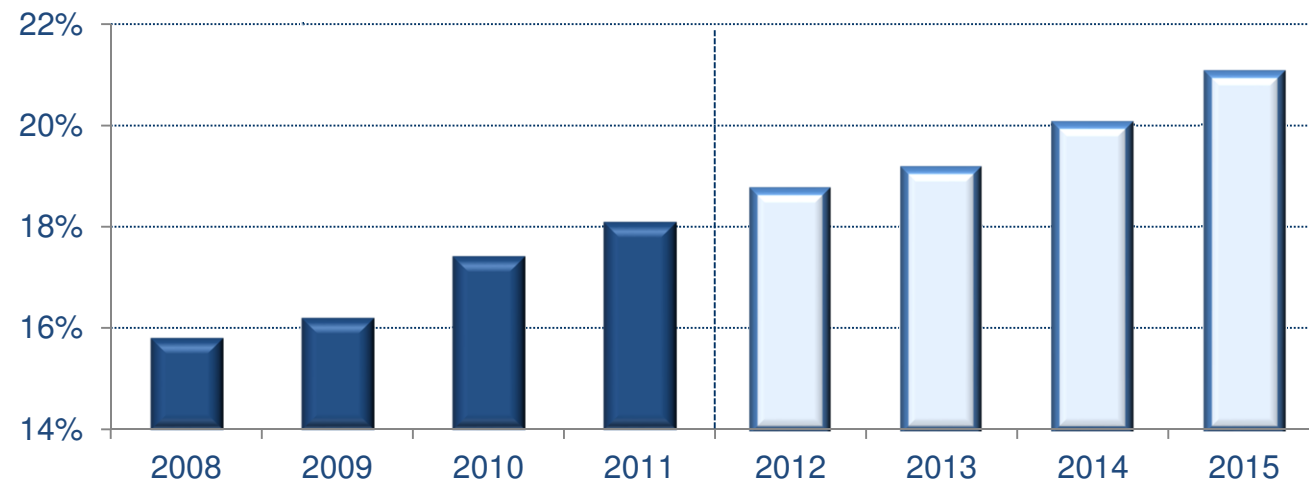
Successful initiatives

- Aggressive best practice sharing across operational and commercial teams
- Extensive use of short-interval controls to maximise efficiency
- Enhanced IT to deliver actionable data to front line leadership

... Almost €500m of savings 2007-2011 ...



Recycled Asphalt Paving and Shingles



Recycle %

- Recycled asphalt pavement and shingles replace virgin bitumen
- Warm mix technology allows higher recycle content
- Recycle limits vary by state as regulations trail product innovation

... Each 1 percentage point increase in RAP saves c.€10m ...



Further
targeted
initiatives

Structural

- Optimise local/national operating structure
- Enhance back office efficiency

Process

- Scale plant automation to improve labour efficiency
- Align fleet proactively to changing demand

Procurement

- Drive best cost advantage through global direct sourcing
- Leverage unique scale, networks and relationships



... c.€110m of cost savings 2012-2015 ...

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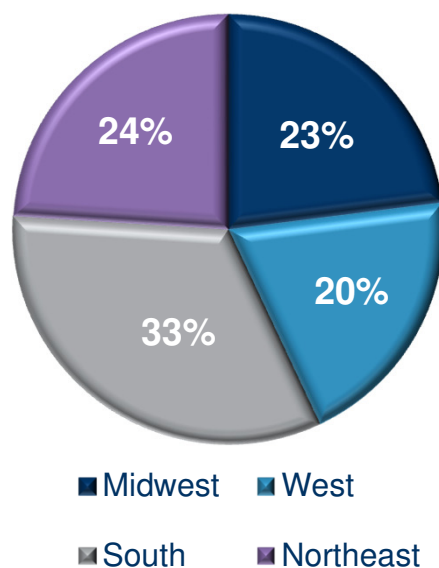
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Market positions

U.S Sales by Census Division

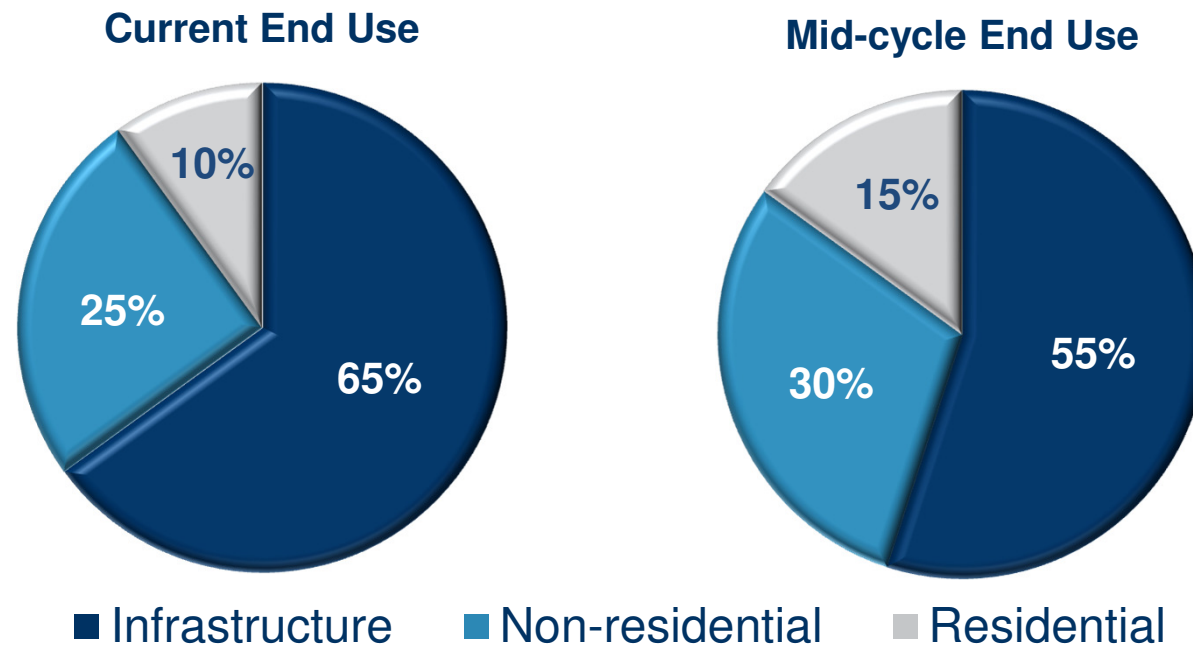


| | OMG Volume 2011 (m) | US Market Volume 2011 (Bn) | OMG % U.S. Market | Estimated Private % |
|----------------|---------------------|----------------------------|-------------------|---------------------|
| Aggs (tons) | 122 | 2.1 | 6% | 60% |
| Asphalt (tons) | 42 | 0.36 | 12% | 70% |
| RMC (cyd) | 7.3 | 0.26 | 3% | 60% |
| Cement (tons) | 0.5 | 0.72 | 1% | 15% |

... Room for continued consolidation ...



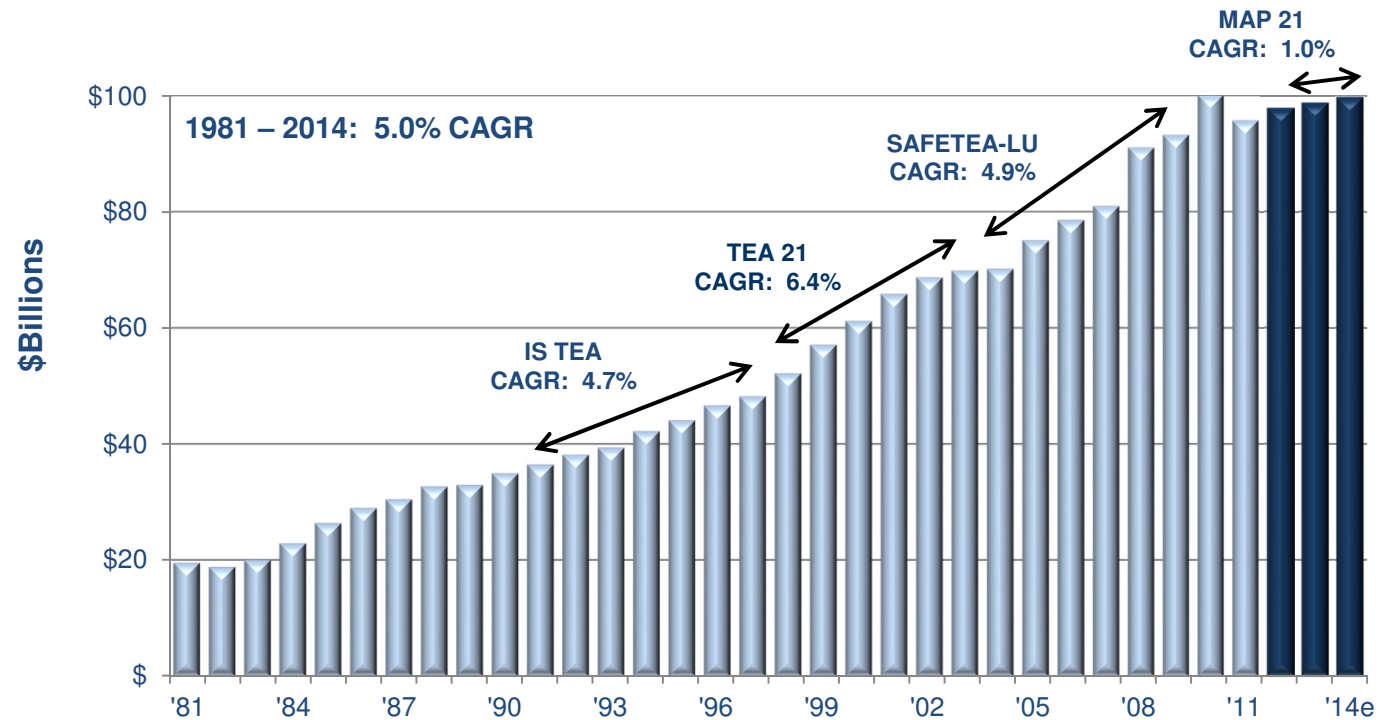
Product mix balance



... Recovery will re-balance our product mix and end-use balance ...



U.S. public highway funding



- U.S. investment in roads & highways – steady growth the past three decades
- Most stable of all markets since IS TEA introduced in 1991
- Has historically enjoyed broad bipartisan political support



U.S. public highway funding

Moving Ahead for Progress in the 21st Century (MAP-21)

- Extends & funds Federal Highway program for 2+ years, through Sept 30, 2014
- \$120Bn investment for infra programs; \$39.9Bn ('12); \$40.4Bn ('13); \$41.0Bn ('14)

Positioning for the future

- MAP-21 addressed positive policy changes for the highway construction industry
- Industry/Stakeholder focus post MAP-21 will be funding/revenue streams
- Industry planning for the next highway bill is underway and will develop further in 2013

*... MAP-21 removes short term federal funding uncertainty ...
... Must now address long term US infrastructure needs ...*



Positioned for the future

- Leading market position with 12Bn+ tons (100 + years) reserves
- Unique liquid asphalt sourcing capability
- Fragmented industry provides step out and bolt on opportunities
- Recovering demand driven by aging infrastructure and population growth
- Experienced team with proven ability to drive performance and growth

... 25 year track record of delivering value ...

