



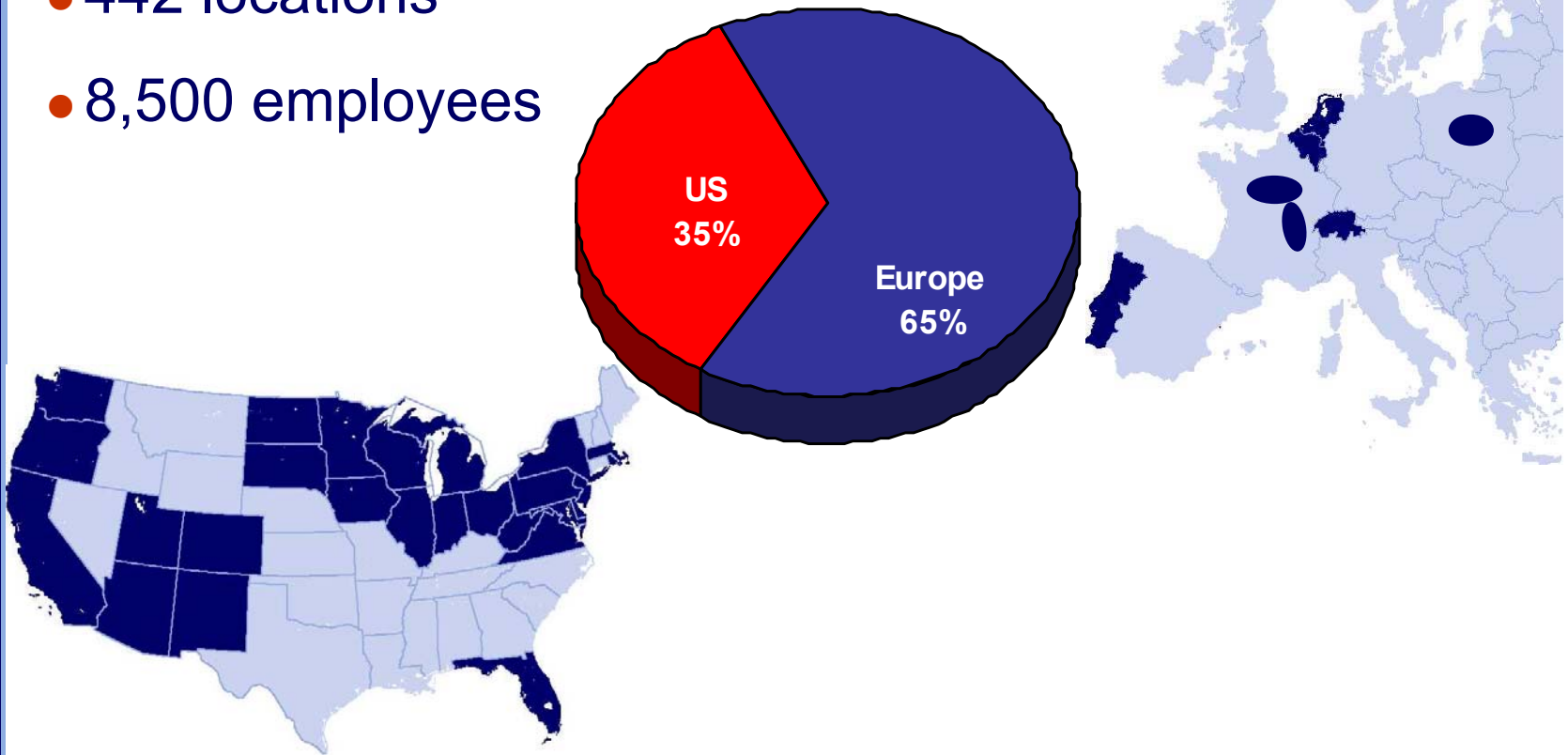
CRH EUROPE DISTRIBUTION

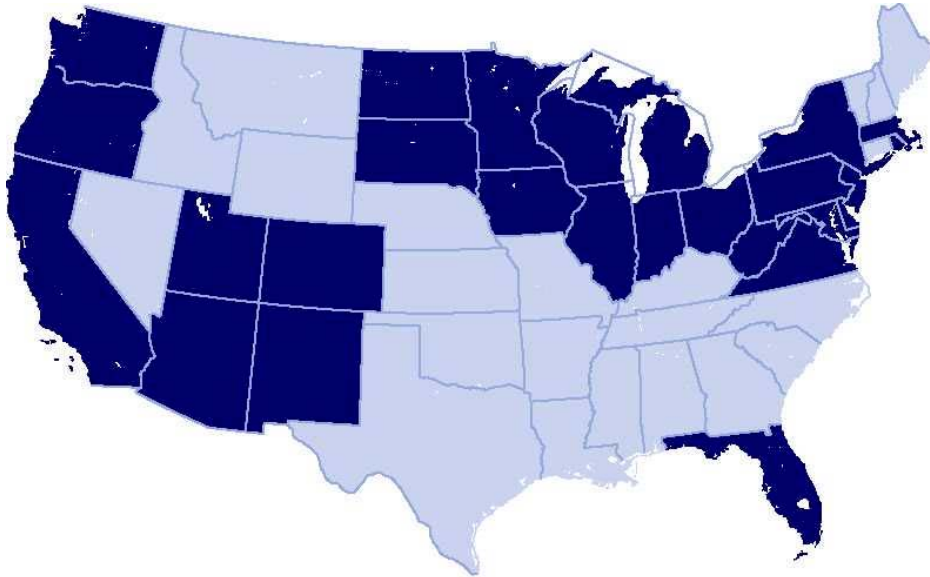
Stephan Nanninga - Managing Director Distribution Europe

May 2004

CRH Distribution Americas & Europe

- 2003 Annualised sales*: €2.8 bn
- 442 locations
- 8,500 employees





- 2003 sales: €1bn
- 123 locations
- 2,500 employees

Specialist Builders Merchants

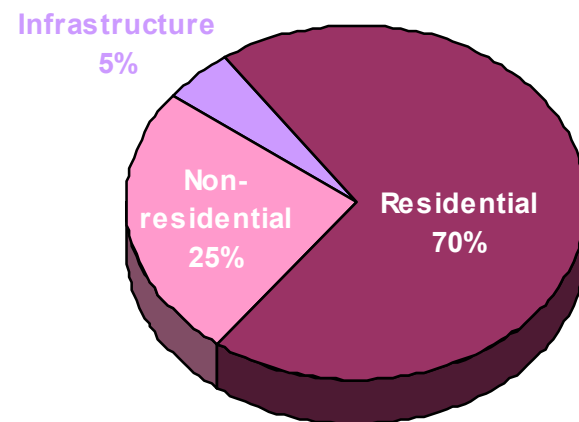
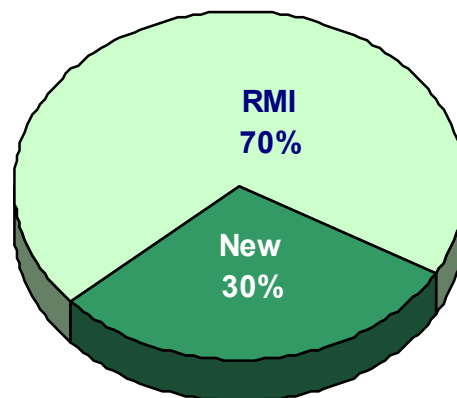
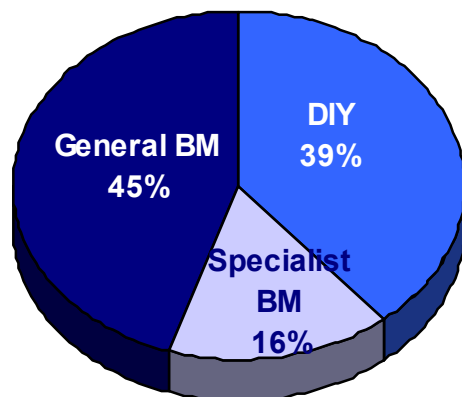
- No.2 US roofing & siding distributor
- Developing “interior” product business
 - Gypsum products
 - Acoustical tile & grid

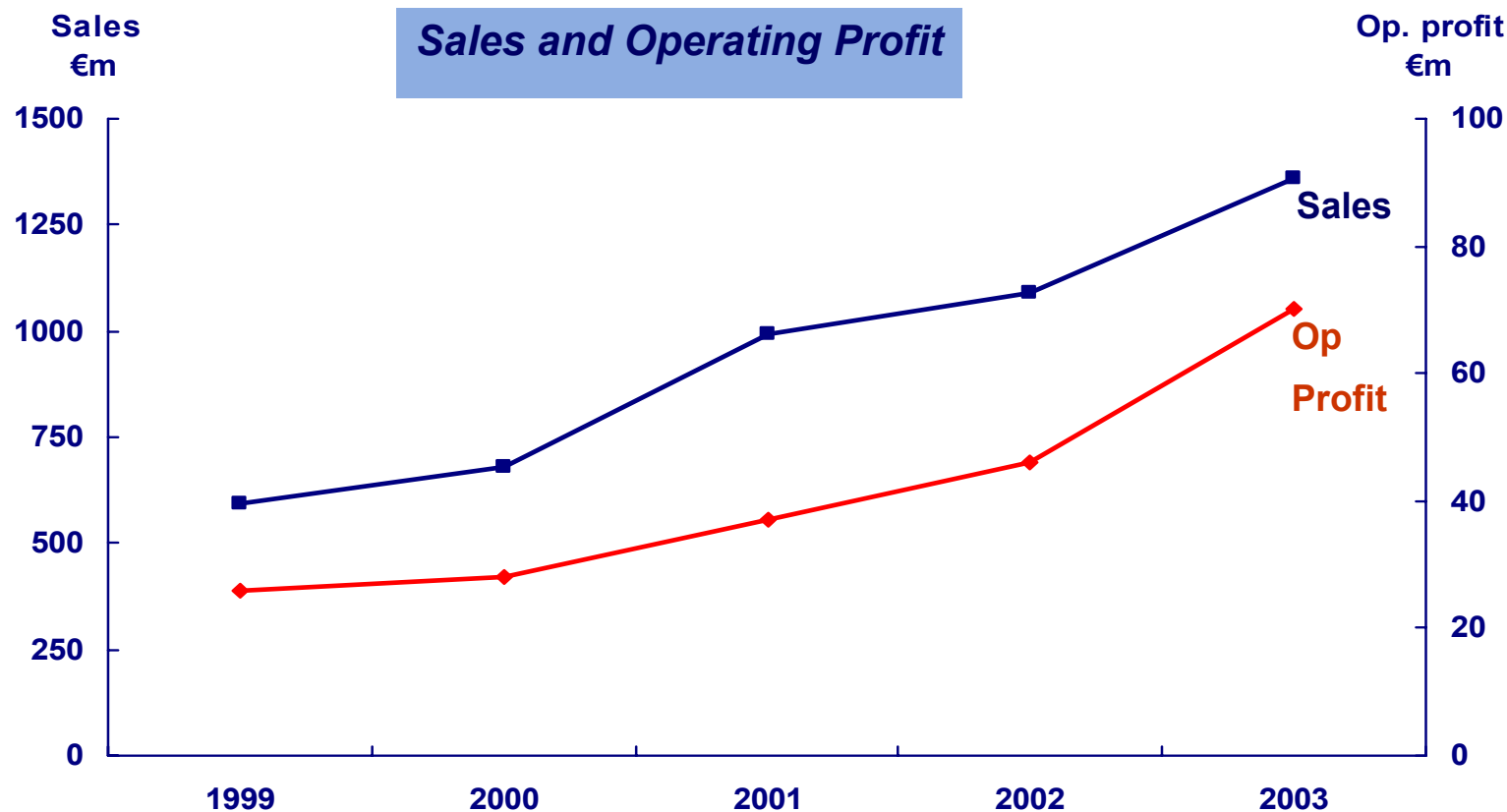


2003 Annualised Sales* €1.8bn

3 Businesses

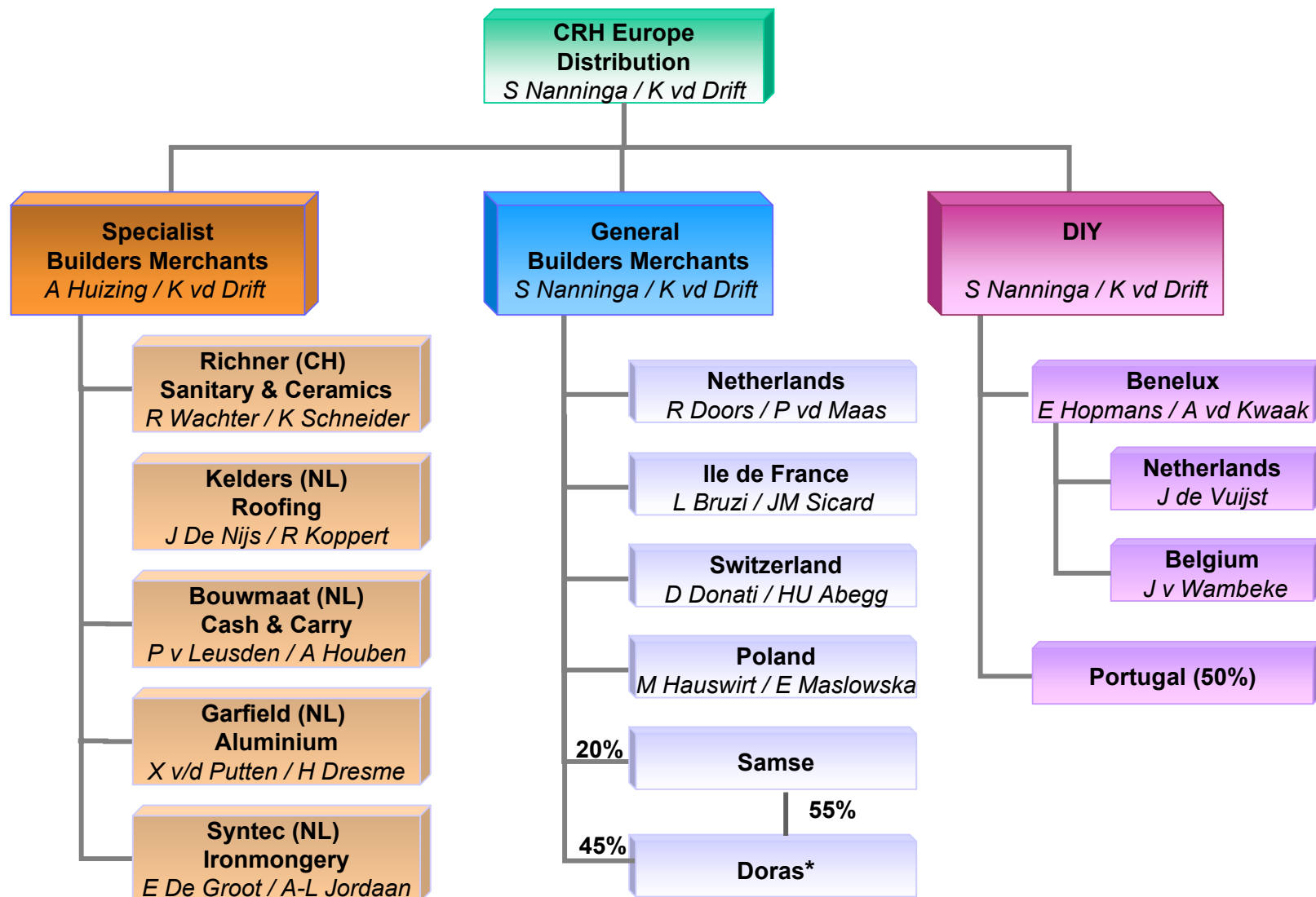
- General Builders Merchants
Broad product range
Targeting general contractors
- Specialist Builders Merchants
Focused product range
Targeting specialist contractors
- DIY
Retail business
Targeting the DIY enthusiast





€m	1999*	2000	2001	2002	2003	CAGR 99-03
Sales	595	682	994	1,090	1,362	23%
Operating profit	26	28	37	46	70	28%
Margin	4.4%	4.1%	3.7%	4.2%	5.1%	

*excludes Keyline, sold June 4 1999



*Doras shareholding post anticipated June 04 completion



Netherlands

- Joint No. 1
- Countrywide coverage
- 49 stores

Poland

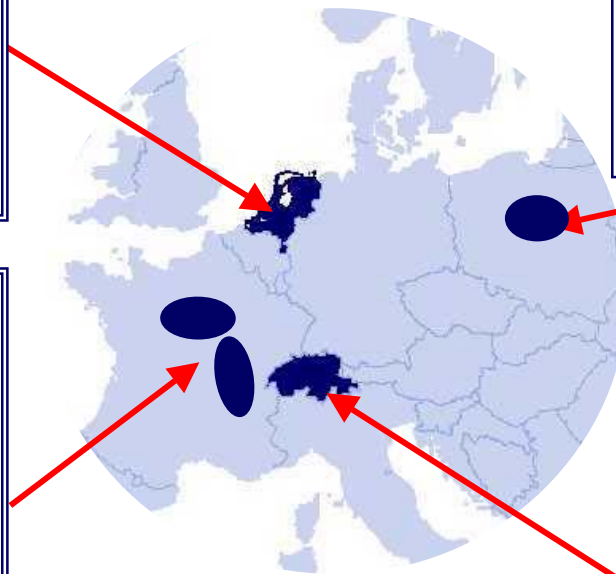
- Operating in fragmented Warsaw market
- 10 stores

France

- No. 2 in Île de France
- 28 stores
- Samse/Doras: No.1 Burgundy, Rhone Alps & France Comte
- 161 stores

Switzerland

- No.1 in German speaking region
- 27 stores





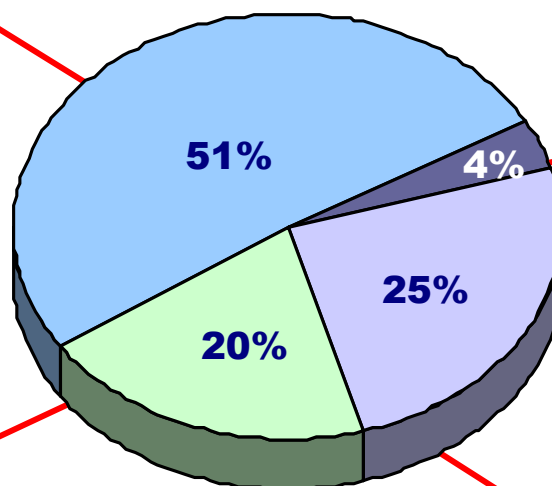
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Sales €0.8bn*



Poland

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Switzerland

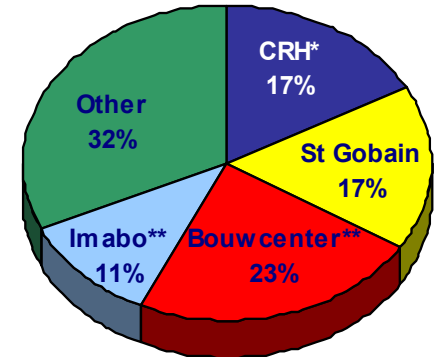
- No.1 in German speaking region
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- Estimated Dutch BM market c €3bn
- CRH joint No.1, excluding purchasing groups
- CRH & Cementbouw (CB) BM integrated under CB management team
- Combination of CB (North & West) and CRH (South) gives national coverage
- Significant benefits from combined purchasing and back office integration
- Opportunities for growth in a rationalising sector

Estimated Market Shares



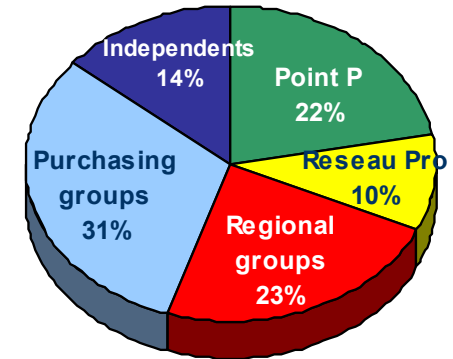
* Includes cash & carry

**Purchasing groups



- Estimated French BM market c €13bn
- CRH No.2 in Île-de-France region
- Samse and Doras have the No.1 position in their regions
- French market offers sufficient opportunities for growth next to Point P (St Gobain) and Reseau Pro (Wolseley)
- Strong platform for growth in a rationalising sector

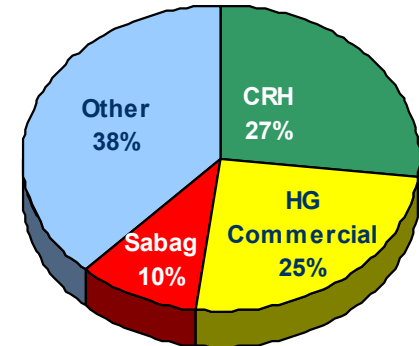
Estimated Market Shares





- Estimated Swiss BM market c €1.5bn.
- German speaking Cantons cover 67%
- BauBedarf (CRH) is No.1 in German speaking Switzerland
- Focus on in-fill opportunities from expanded base
- French speaking region may offer opportunity for growth

Estimated Market Shares



Netherlands

Cash & Carry

*(Bouwmaat) Supplying
small contractors (12
locations)*



Roofing

(Kelders)

*Leading roofing
merchant (19 locations)*



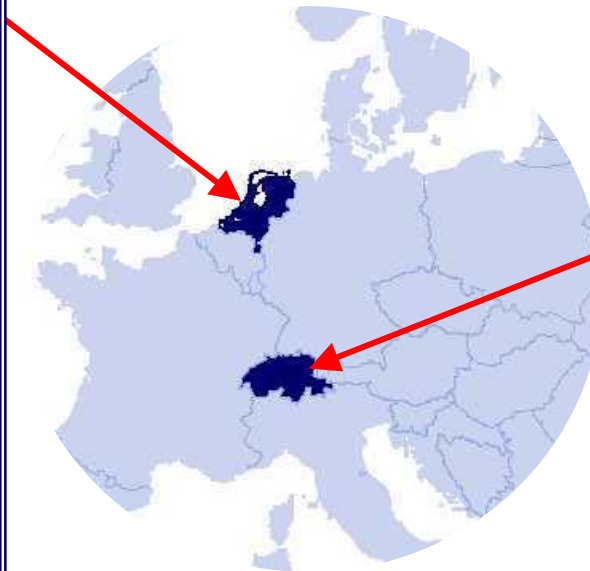
Ironmongery

*(Syntec) Strong
in Southern Netherlands
(8 locations)*



Aluminium

*(Garfield)
Stockholder
(3 locations)*



Switzerland

**Ceramic &
Sanitaryware (Richner)**
*No. 2 in German
speaking Switzerland
(17 locations)*



Netherlands

Cash & Carry

(Bouwmaat) Supplying small contractors (12 locations)



Roofing

(Kelders)

Leading roofing merchant (19 locations)



Ironmongery

(Syntec) Strong in Southern Netherlands (8 locations)

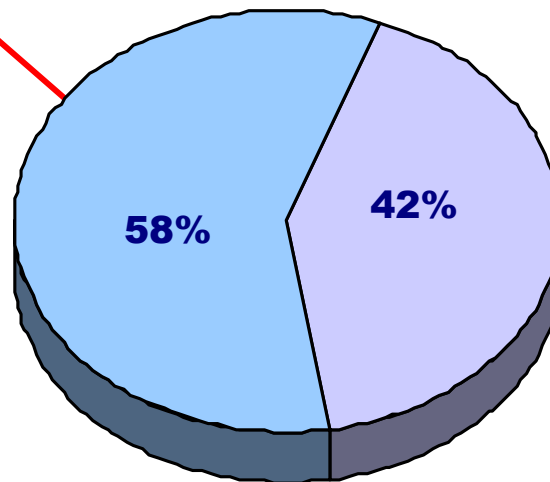


Aluminium

(Garfield) Stockholder (3 locations)



Sales €0.3bn*



Switzerland

Ceramic & Sanitaryware (Richner)
No. 2 in German speaking Switzerland (17 locations)





Portugal

- Maxmat JV
- Joint No.1
- 16 stores

Belgium

- Gamma
- No.2 formula
- 14 stores



Netherlands

- Member of Intergamma franchise
- 2 Formulae
- **Gamma:**
General DIY
No.1 formula
86 stores
- **Karwei:**
Focused on decorative sector
No.3 formula
30 stores





Sales €0.7bn*

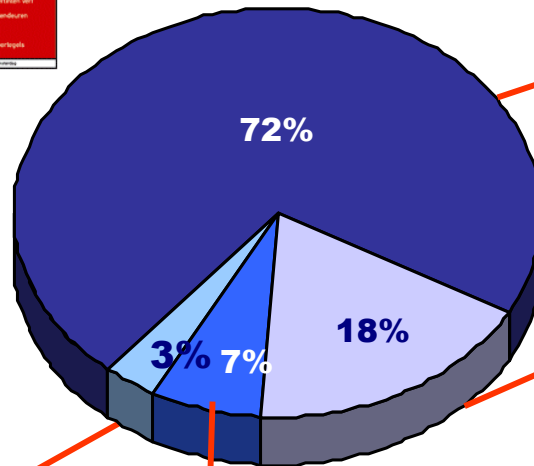


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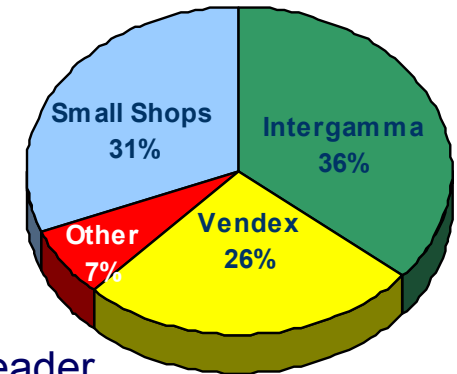
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General DIY
No.1 formula
86 stores
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Focused on decorative sector
No.3 formula
30 stores





Estimated Market Shares



- Estimated Dutch DIY Sales c €4bn
- Intergamma Franchise - Gamma/Karwei – clear market leader
- Vendex - Praxis/Formido - a strong No. 2
- CRH has 116 of 236 Dutch Intergamma stores (86 Gamma, 30 Karwei)
- CRH has 48% stake in Intergamma
- Cementbouw brought significant back office integration benefits
- Opportunities for further expansion

To build a leading pan-European distribution group...

- **In mature economies**
- **With top class regional positions**
- **Supported by strong brands**
- **Driven by focused and entrepreneurial management teams**
- **Delivering superior margins**

#1 CRITICAL MASS

- Dense regional network
- Location, clustering & strong brand recognition → ***“Top of mind”***
- Economies of scales: purchasing, logistics & back office efficiency

#2 BUSINESS FOCUS

- Rigorous focus on margins
- Tight working capital management

#3 CUSTOMER FOCUS

- Local presence
- Strong relationship
- Excellent logistical service

OPPORTUNITIES

- European market rationalising
- Providing growth opportunities in existing and new regions
- Central/Eastern Europe markets at early stage, not yet desirable

STRATEGY

- Strengthen portfolio of leading regional positions in mature markets in Europe

STRATEGY: BY REGION

Netherlands

- Focus on in-fill opportunities from expanded base

Switzerland

- Ongoing margin improvement program
- In-fill existing position in German speaking area
- Seek new positions in French speaking region

France

- Strengthen existing position Ile de France and South-Eastern businesses
- Build further regional leadership positions as market consolidates

Poland

- Review development potential

Other regions

- Seeking further opportunities in Western & Northern Europe

SPECIALIST MERCHANTS

- Specialist merchants: “develop to core” activities
- To become sizeable pan-European businesses
- Grow or exit

OPPORTUNITIES

- European regions largely consolidated
- Limited potential in non-CRH regions; in-fill in existing regions

STRATEGY

- Strengthen existing positions; examine opportunities in consolidated markets

Benelux

- Take advantage of greenfield and bolt-on opportunities
- Continue to expand/re-locate existing stores to keep pace with market growth
- Participate in consolidation of fragmented Belgian market

Portugal

- Continue expansion of network as Portuguese DIY demand develops

Other regions

- Seek opportunities in consolidated market

So far

- Rapid growth
- Strong margin improvement
- Top class regional positions

.... looking forward

- Relentless focus on performance
- Strengthen existing positions
- Growth to continue in rationalising markets

**Distribution - a strong contributor to
Performance & Growth**

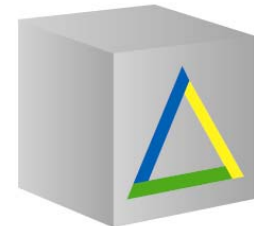
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