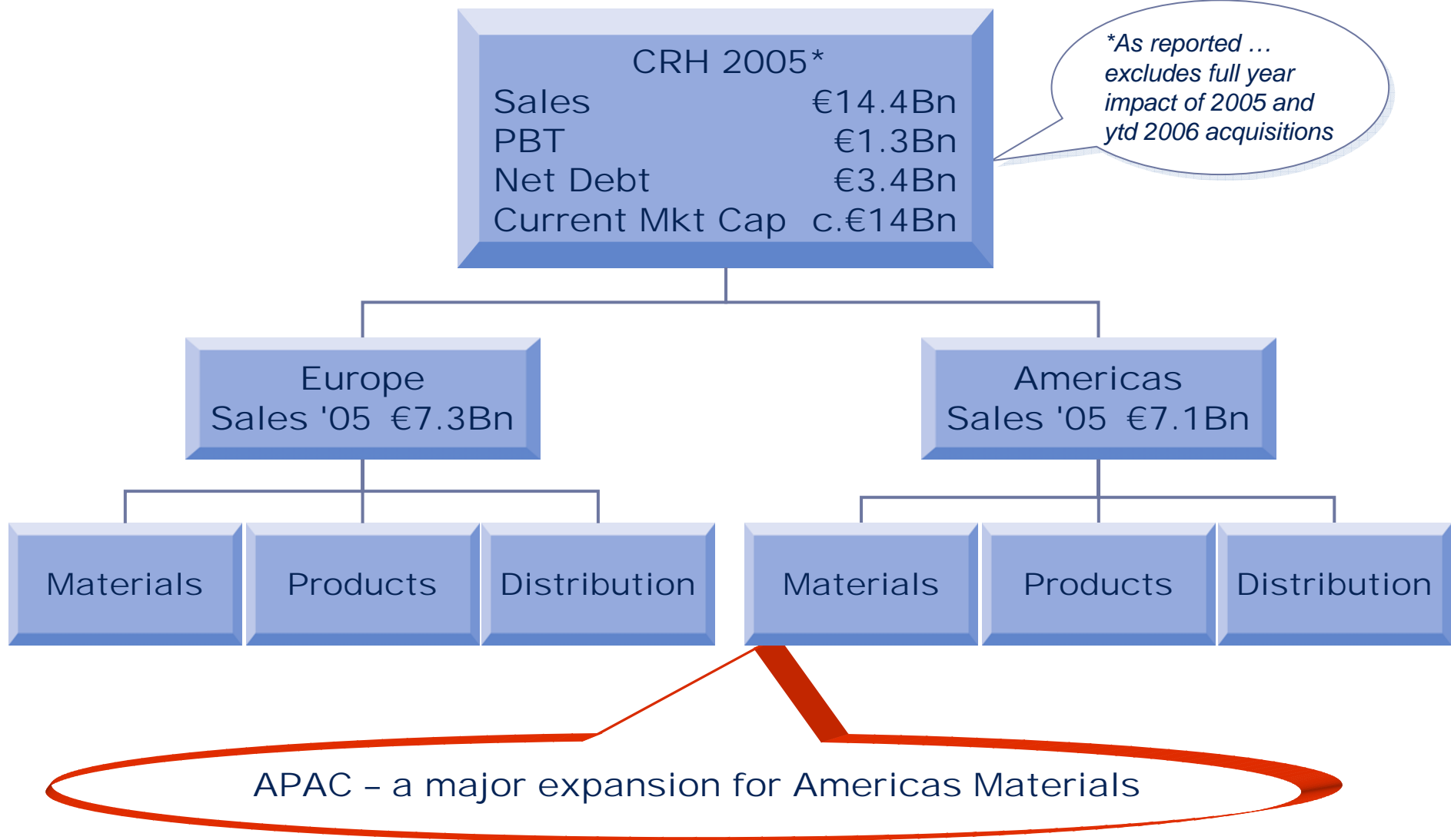




## ***Acquisition of Ashland Paving And Construction (APAC)***







# APAC – ACQUISITION

---

- Major expansion into midwestern and southern US states
- Significantly increases US aggregates and asphalt positions
- Increases exposure to positive US infrastructure spending trend
- Substantial scope for administrative, operational and purchasing synergies
- Development platforms for future growth in new markets



## APAC – ENTERPRISE VALUE \$1.3Bn

Rolling 12 months to June 2006			June 2006 Multiples		
Sales	EBITDA	EBIT	Sales	EBITDA	EBIT
\$2,879m	\$220m	\$114m	0.45x	5.9x	11.4x
<i>with near-term synergies</i>			<i>0.45x</i>	<i>~5.4x</i>	<i>~9.7x</i>

- Largest ever CRH transaction at \$1.3Bn (€1.01Bn)
- Reasonable multiple with upside potential
- Near-term synergies c.\$20m rising to c.\$40m p.a. within 3 years
- Estimated goodwill of approximately \$450m

# APAC – KEY RATIO IMPACT

	<b>CRH y/e 2005<sup>#</sup></b>	<b>Pro Forma 2005 incl APAC<sup>#</sup></b>
EBITDA Interest Cover	12.3x	9.5x
Net Debt / EBITDA	1.8x	2.1x
Net Debt / Sh. Funds Ratio	55%	72%
Net Debt / Market Capitalisation	26%	33%

- Financed with 100% debt
- Deal easily accommodated by strong CRH balance sheet / cash flow
- Flexibility to continue active development programme
- Likely near-term debt capital markets issue as part of overall CRH financing

*# Including joint ventures*



# AMERICAS MATERIALS – PRE APAC

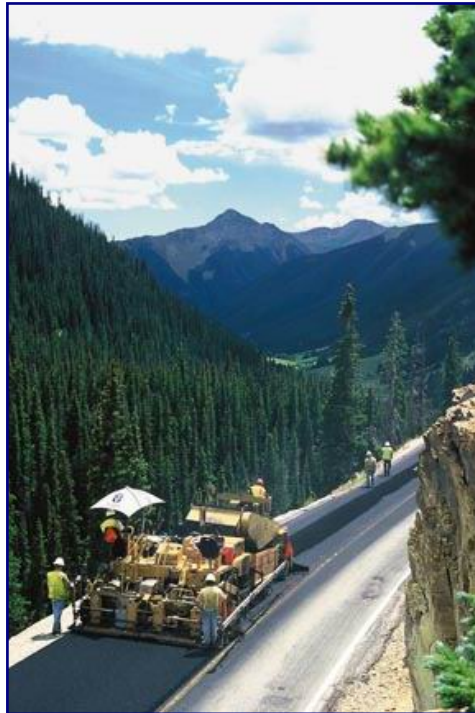
*Americas Materials ...*

*... the largest integrated aggregates, asphalt, readymix  
and highway construction company in the US*

**#4 in US Aggregates**  
**(2005: 162 m tons)**



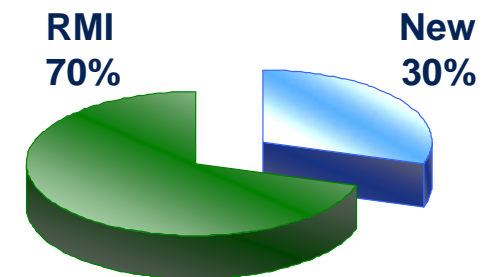
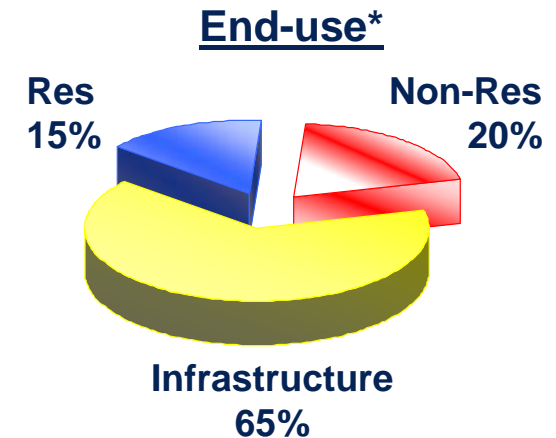
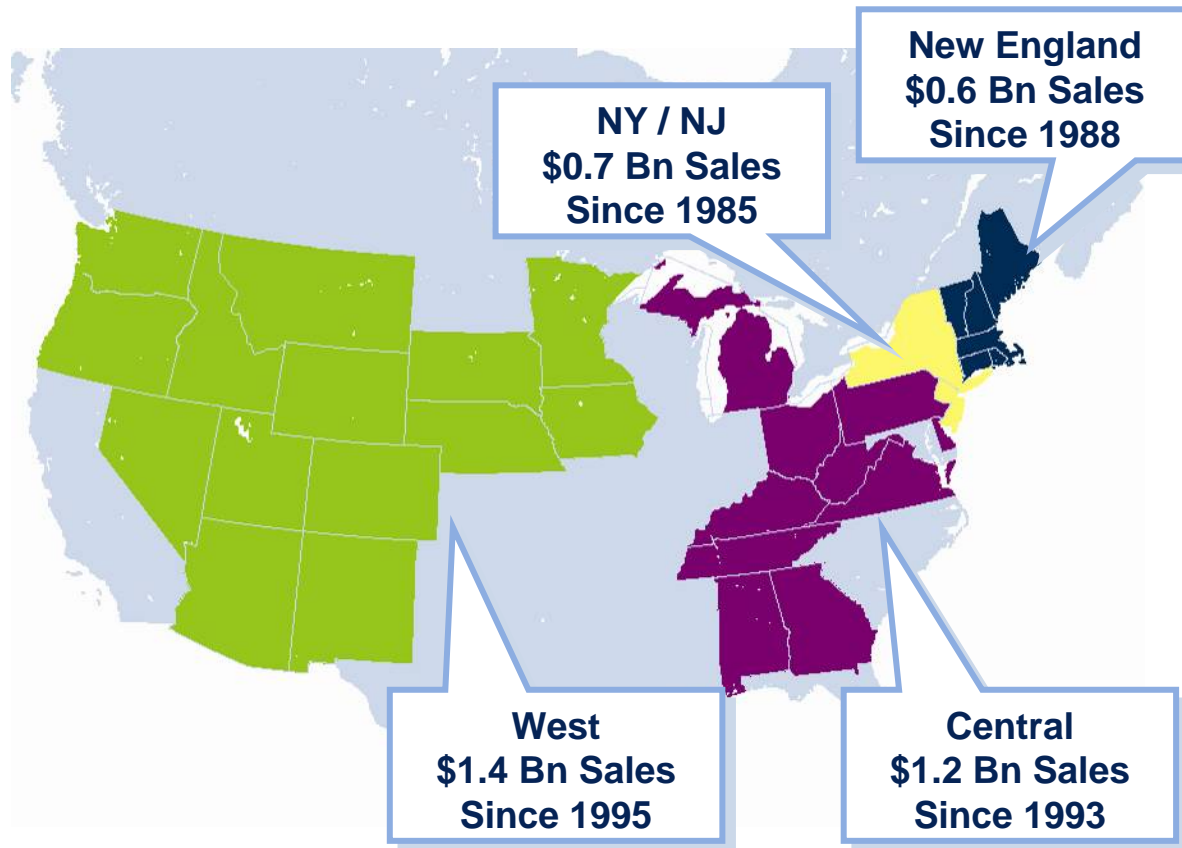
**#1 in US Asphalt**  
**(2005: 41 m tons)**



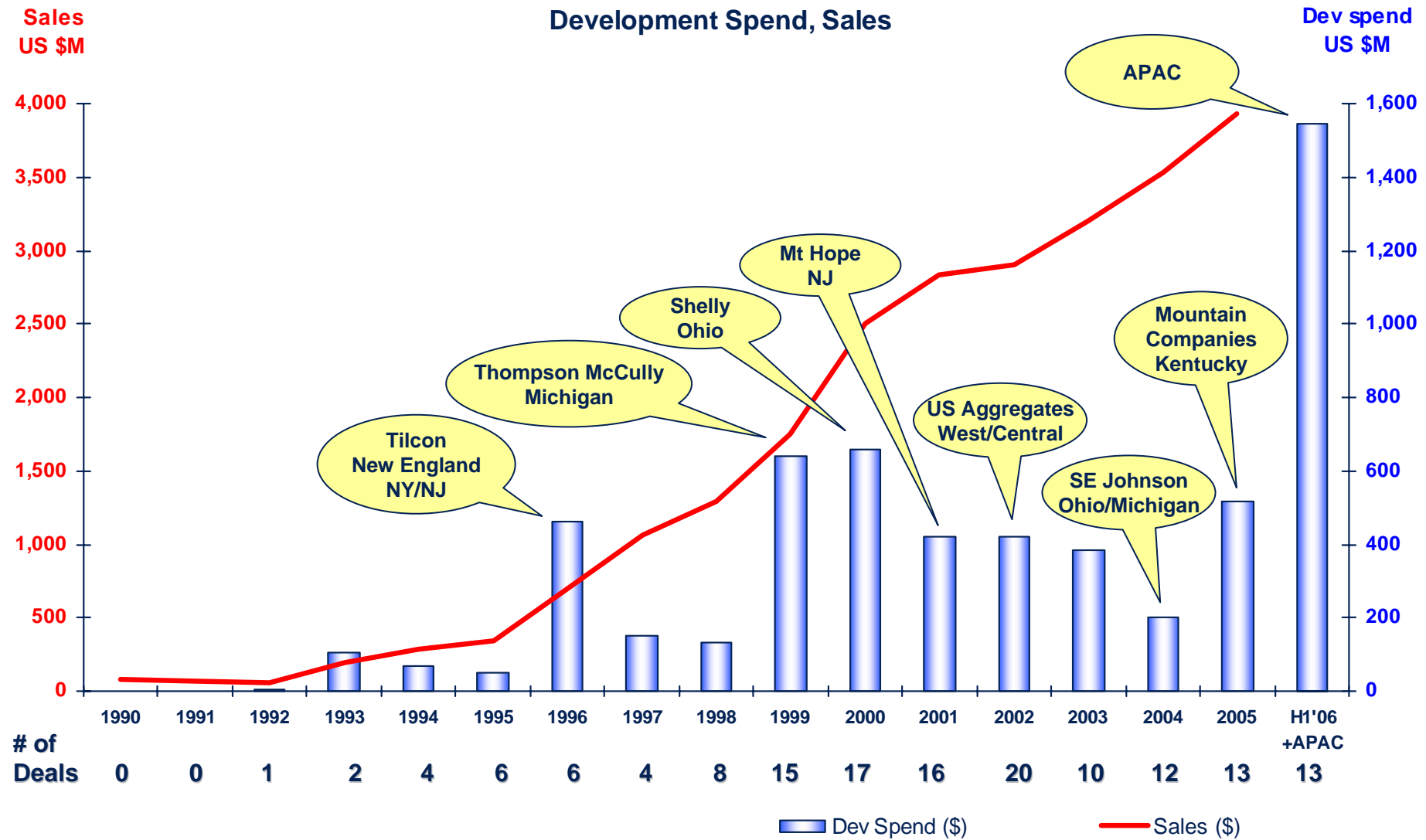
**Top 10 in Readymix**  
**(2005: 8.5 m cyds)**







- 2005 Sales \$3.9 Bn across 4 divisions primarily in northeastern and western US
- Operations underpinned by strong regional market positions / long-term aggregates reserves
- Vertically integrated; highway construction activities as an outlet for aggregates / asphalt

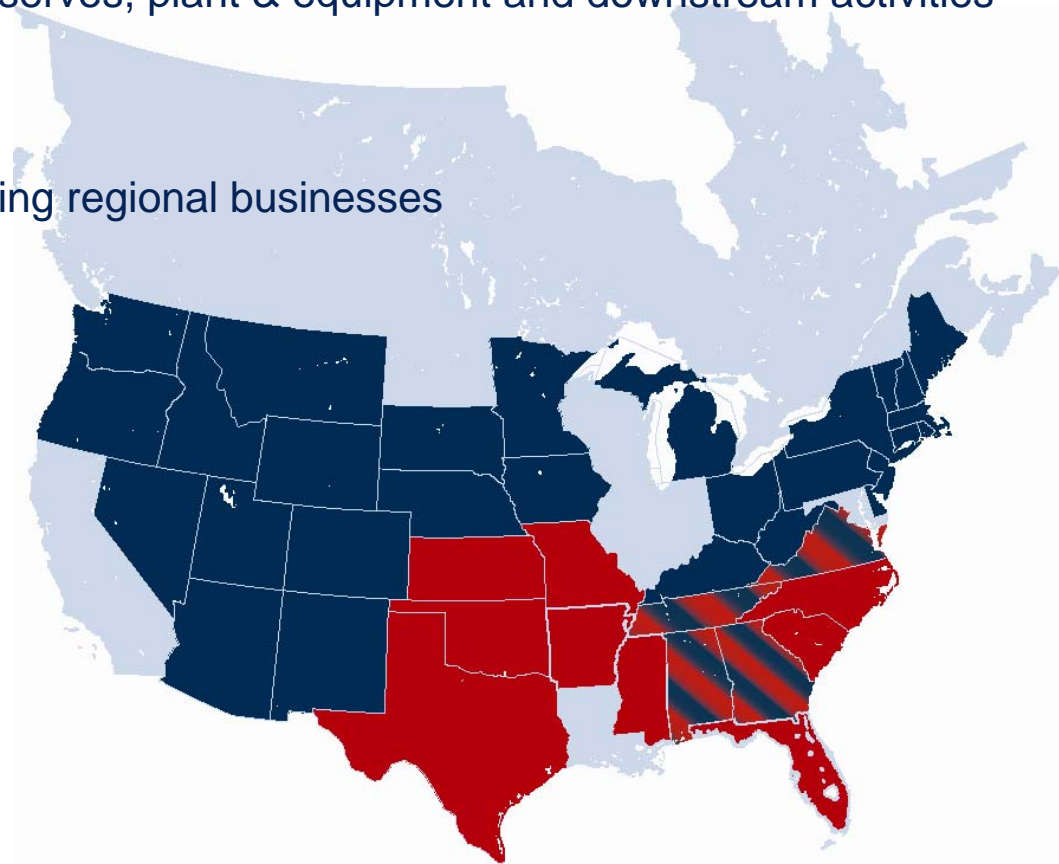




- Leverage strong regional market positions / long-term aggregates reserves
- Ongoing investment in additional reserves, plant & equipment and downstream activities
- Bolt-on acquisitions to expand existing regional businesses
- *Seek new growth platforms*

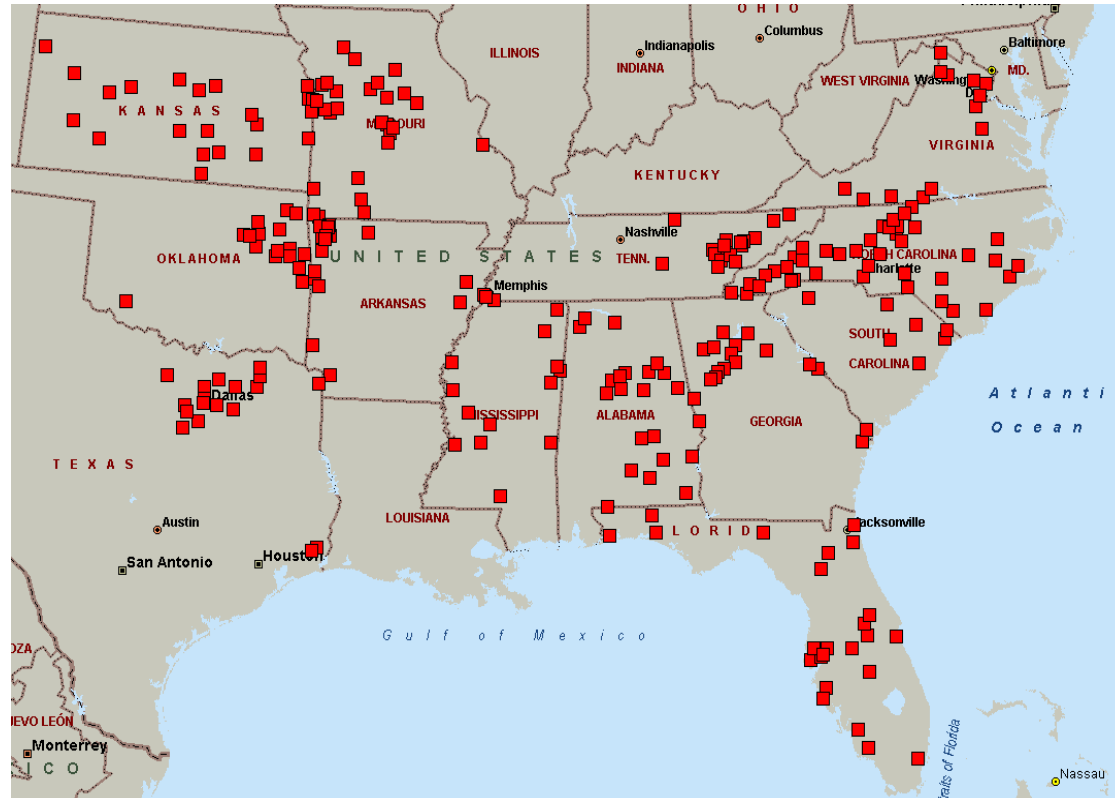


**APAC**



- Subsidiary of Ashland, Inc.; headquartered in Atlanta, GA
- Modern, well maintained operations in 14 midwestern and southern states
- Aggregates: 32.5 million tons p.a. = #10 in the US; over 2 Bn tons of permitted reserves
- Asphalt: 31 million tons p.a. = #2 in the US
- Construction: c.\$1.7 Bn sales, net of internal aggregates / asphalt transfers
- Readymixed concrete: c. 1 million cyds
- 9,700 employees





- Aggregates, asphalt & highway construction operations in ...
  - Kansas, Missouri, Oklahoma, Arkansas, Mississippi, Tennessee, western N. Carolina, Florida
- Asphalt & construction operations in ...
  - West Virginia, Virginia, Alabama, Georgia, N. Carolina, S. Carolina, Florida, Texas

- Transition current emphasis of business from construction with materials to ...
- ... materials with construction; closer to Oldcastle model
- Likely to involve aggregates / other downstream bolt-ons over time, and ...
- ... selective contracting / non-integrated unit disposals
- Implement CRH's aggregates/asphalt pricing model
- Leverage asphalt purchasing arrangements
- Synergies rising to c.\$40 million p.a. to provide margin improvement



- Excellent fit with CRH regional development strategy
- New platforms for Americas Materials
- Reasonable multiples
- Significant synergy and margin improvement potential
- Easily accommodated by CRH balance sheet
- Earnings enhancing

