



# **Citi Building Materials & Construction Conference**

**20<sup>th</sup> November 2009**

**Glenn Culpepper  
Finance Director**



# Agenda

---

1 CRH – Group Overview

2 CRH – 2009 Trading & Outlook

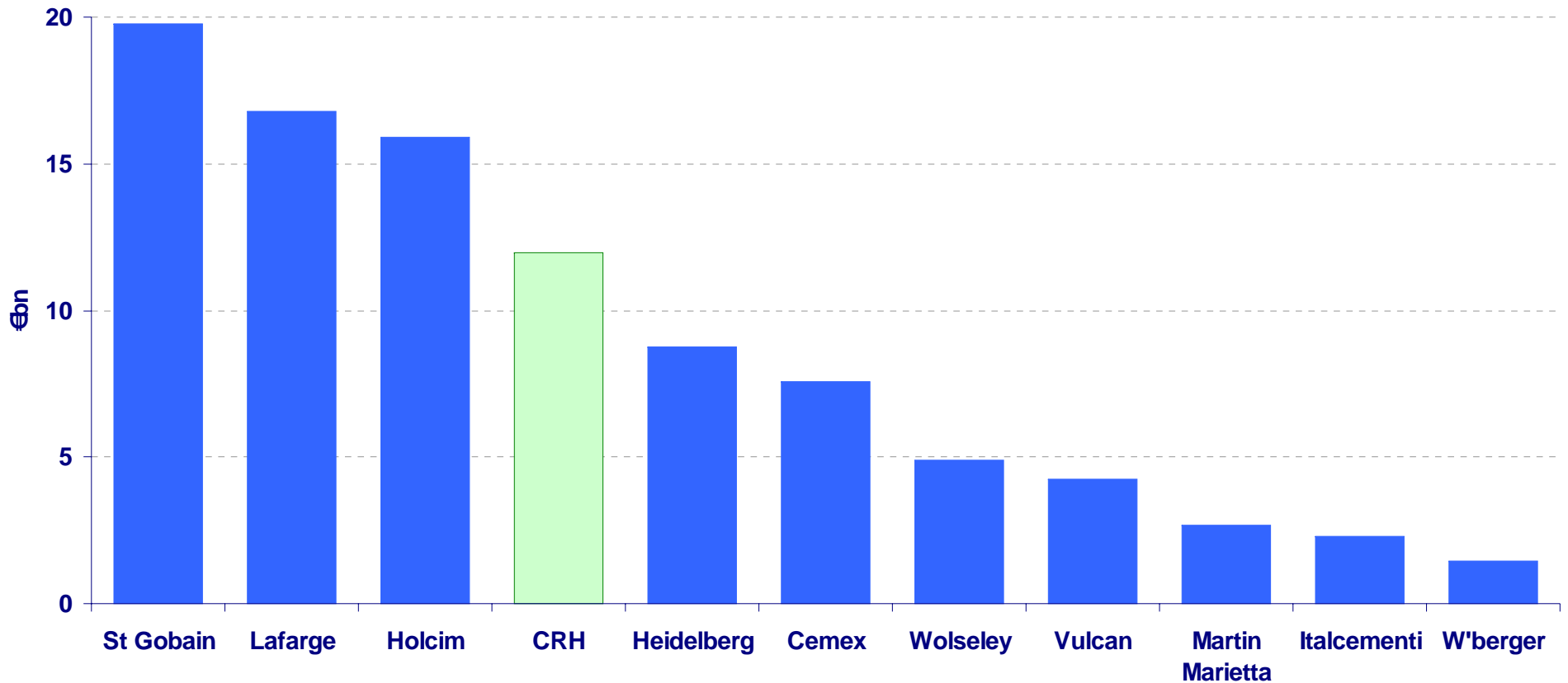
3 CRH – Our North American Operations

4 CRH – Investment Highlights



# CRH ... A Leading Player

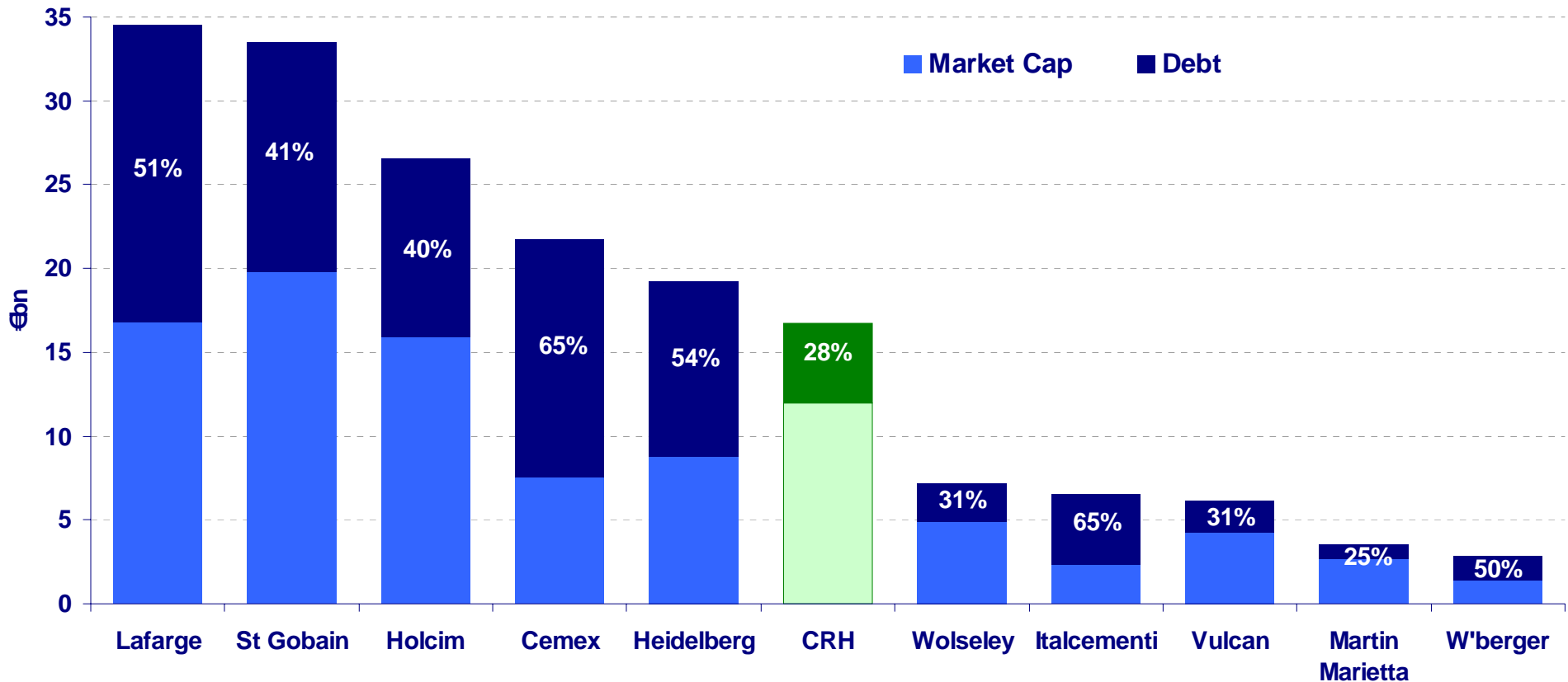
*in the Building Materials Sector worldwide*



***No. 4 by Market Capitalisation***

# CRH ... A Leading Player

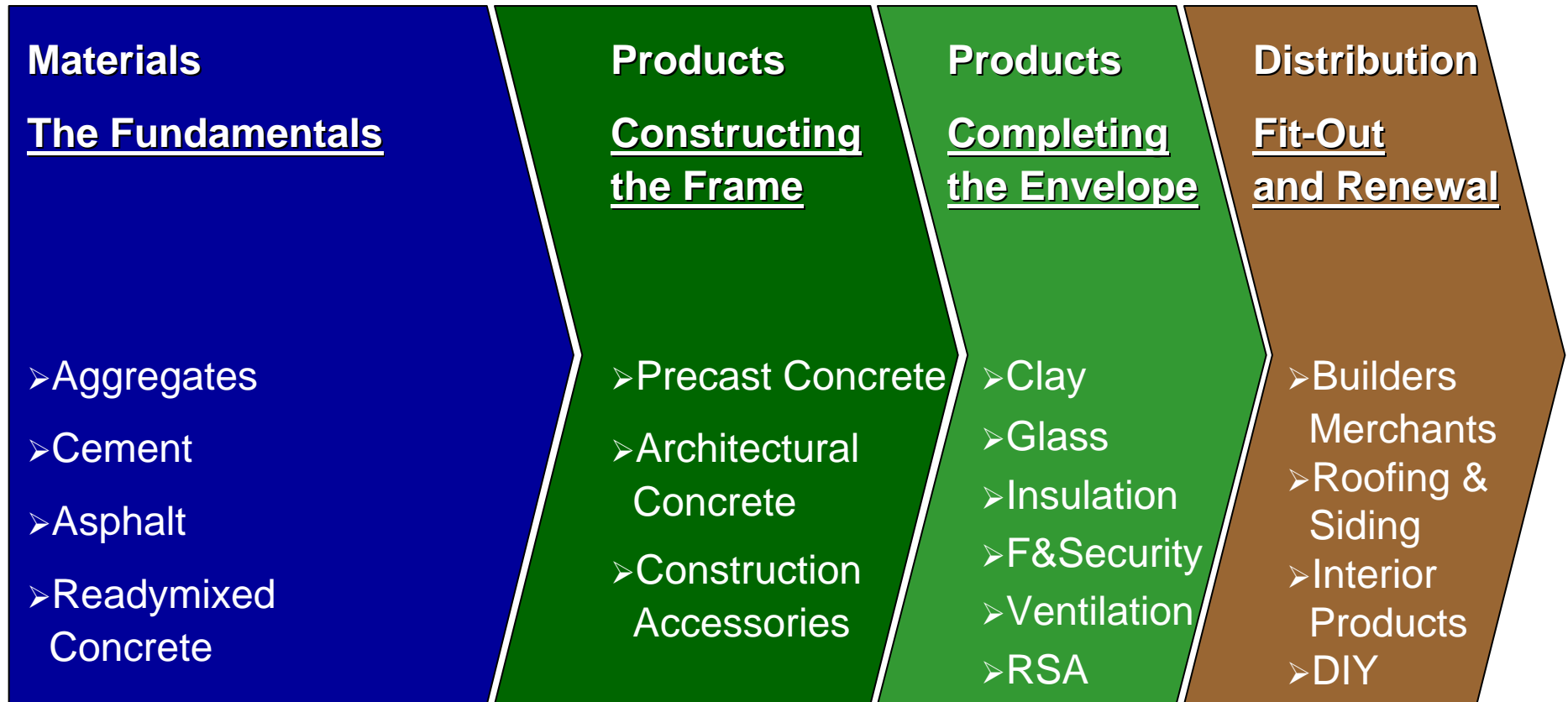
*in the Building Materials Sector worldwide*



***No. 6 by EV ...  
... with the strongest Debt / Equity profile***

# CRH... A Balanced Portfolio

*Providing Building Materials for Our World*



*Embracing the benefits of Integrated & Complementary Businesses*

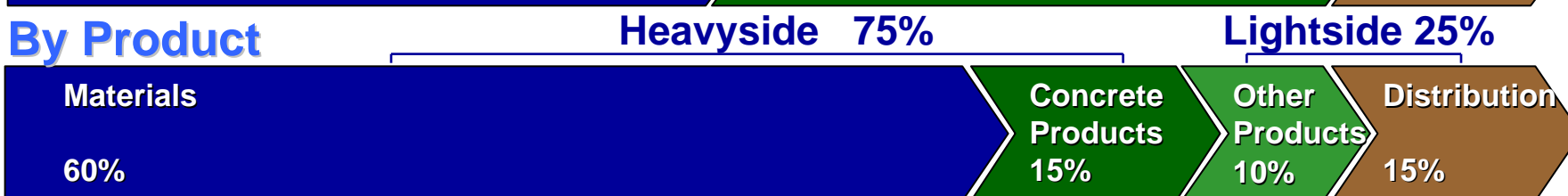
# CRH ... Broad-based Exposure

*International and Balanced*

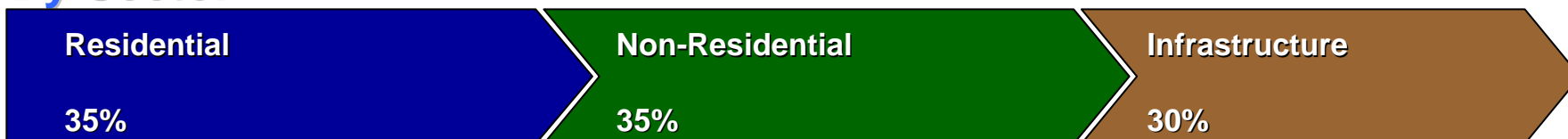
## By Geography



## By Product



## By Sector



## By End-use



*Consistent strategy and broad exposure to industry demand drivers ...  
... yields stability of performance*

# Agenda

---

1 CRH – Group Overview

2 CRH – 2009 Trading & Outlook

3 CRH – Our North American Operations

4 CRH – Investment Highlights



# CRH Interim Management Statement

## *Third Quarter Trading and Cash Flow*

---

- Recent economic and financial market news flow more positive than H1
- Trading remains difficult; Q3 like-for-like Sales down c19% (H1: -21%)
- Rate of profit decline eased; cost benefits, lower energy than 2008
- Q3 EBITDA down approximately 25% (H1: -41%)
- Very strong Q3 cashflow with c€0.9 billion reduction in Net Debt

***Continued strong focus on Cost and Cash Management***



# Year-to-date Acquisitions

*Focus on Heavyside, Compelling Value, Synergistic Fit*

---

**H1 total development spend €280 million comprising:**

- €224 million for 26% stake in Yatai Cement in northeastern China
- 6 further bolt-ons in our Materials and Distribution segments

**A further €50 million invested July 2009 to-date:**

- Americas Materials: Hilty Quarries (MO) acquisition; 105mt Aggs reserves  
Excellent geographic and strategic fit with existing APAC operations
- Yatai Cement platform: increased market presence in northeastern China

***CRH remains very well positioned to take advantage of further appropriate development prospects***

# Net Debt further Reduced

*Long debt maturities; Cash reserves/Undrawn facilities of €3bn*

September 2009 – Including JVs		
CRH Debt €Bn (incl. Derivatives)	Gross Debt by Maturity	Undrawn Committed Facilities
Overdrafts	0.1	-
2009	0.2	0.2
2010	0.3	0.3
2011	0.6	0.4
2012	0.8	0.8
2013	0.5	0.1
2014	1.0	0.1
2015 +	2.0	0.0
<b>Total</b>	<b>5.5</b>	<b>1.9</b>
<b>Cash/Liquid Invs</b>	<b>1.3</b>	

*No undue concentration of Debt Maturities*

# 2009 Outlook

*Expect approx. one-third decline in EBITDA (2008: €2.665Bn)*

---

- Q4 EBITDA % decline likely to exceed Q3
- Due to poor October weather and additional one-off cost effects
- Expect full year PBT in the range €0.73-0.76Bn (2008: 1.628Bn)
- After cost reduction implementation costs of c€200m\*
- And before any asset impairment charges
- PBT forecast reflects adverse FX impact of c€45m (principally PLN)

*\* Higher than the €158m estimated in July reflecting the cost of further initiatives undertaken since mid-year*

# Summary

---

- While trading conditions remain extremely difficult
- Our businesses continue to generate strong cashflow
- And are focussed on commercial delivery
- Good benefits from ongoing Cost Savings programmes
- Strong B.Sheet supports development for compelling value and fit

***CRH ...  
well positioned to respond to evolving trading circumstances  
and take advantage of suitable development opportunities***

# Agenda

---

1 CRH – Group Overview

2 CRH – 2009 Trading & Outlook

3 CRH – Our North American Operations

4 CRH – Investment Highlights





# CRH in North America

*The largest integrated Building Materials Group*



Residential  
25%

Non-Residential  
40%

Infrastructure  
35%

New  
45%

RMI  
55%

## 1978 – First Step

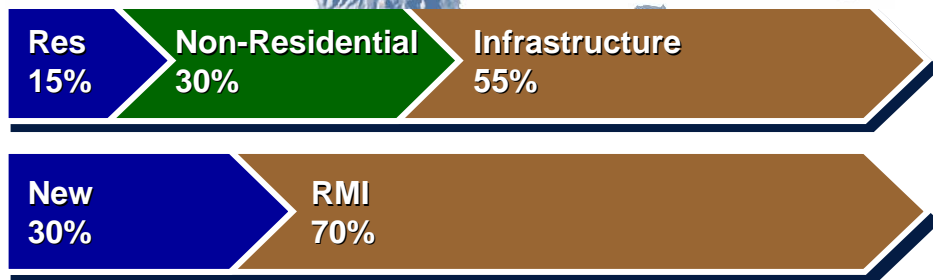
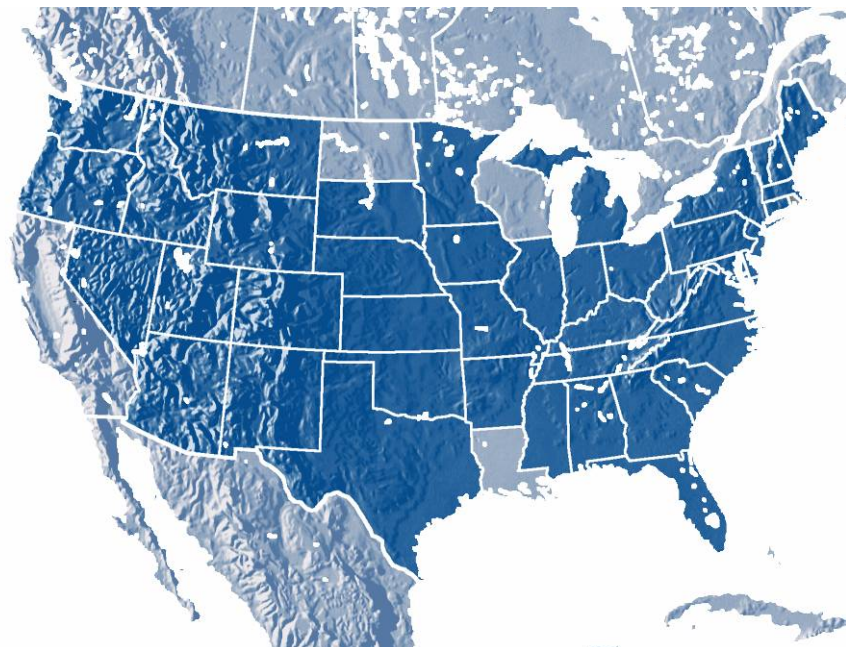
- Acquired Amcor a Utah-based concrete products manufacturer

## Today

- In Materials, Products & Distribution
- All 50 US States; 4 Canadian Prov.
- c.50% of CRH Group

# Americas Materials

*#1 Asphalt and a Top 3 Aggregates player*



## Industry Comparisons:

Jan-Sep 2009 Vols*	CRH	VMC	MLM
Aggregates (m tons)	83	117	97
Asphalt (m tons)	31	6	n/a
RMC (m yd <sup>3</sup> )	5	3	n/a

## Seasonal Operational bias to H2:

Volume split	Q1	H1
Aggregates	15%	45%
Asphalt	5%	35%

***Market Shares ... c7% US Aggregates ... c12% US Asphalt***

# Americas Materials

*Strong asset-backed business*

Aggregates Reserves (Bn tons)	CRH	VMC	MLM
Owned	9.1	6.5	7.5
Leased	2.3	4.0	5.6
Part Owned/Leased	-	2.8	-
Total	11.4	13.3	13.1
% Owned	80%	49%	57%

## CRH (US)

- Strategically located long-term aggregates reserves
- 11+ billion tons permitted to-date; 15+ billion tons total (*incl. unpermitted*)
- 80% owned facilities
- 75+ years quarry life



# Americas Materials

## *Structured to service US Infrastructure demand*

---

- Current underlying SAFETEA-LU funding for US Infra **c\$80Bn p.a.**

Funded 45:55 from Federal Programmes and State/Local budgets

- American Recovery & Reinvestment Act (ARRA) ...

Providing US\$787Bn to the US economy over 2009 – 2012

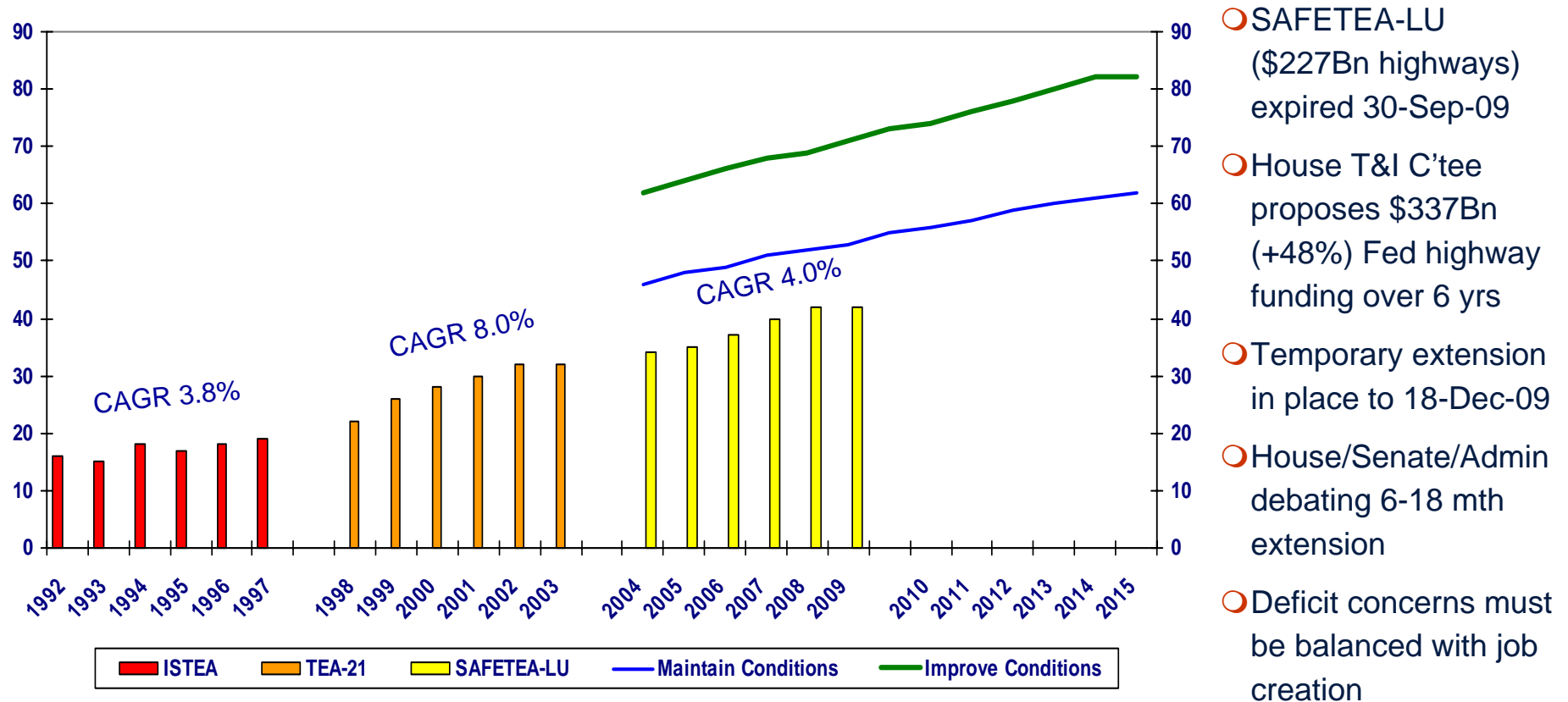
Of which \$49 billion is allocated to Transportation

Which includes **\$27.5 billion** to Highways and Bridges

*Increasing recognition of need to redress  
long-term under-investment in US Infrastructure*

# Americas – Infrastructure Sector

## *Federal Funding programmes*

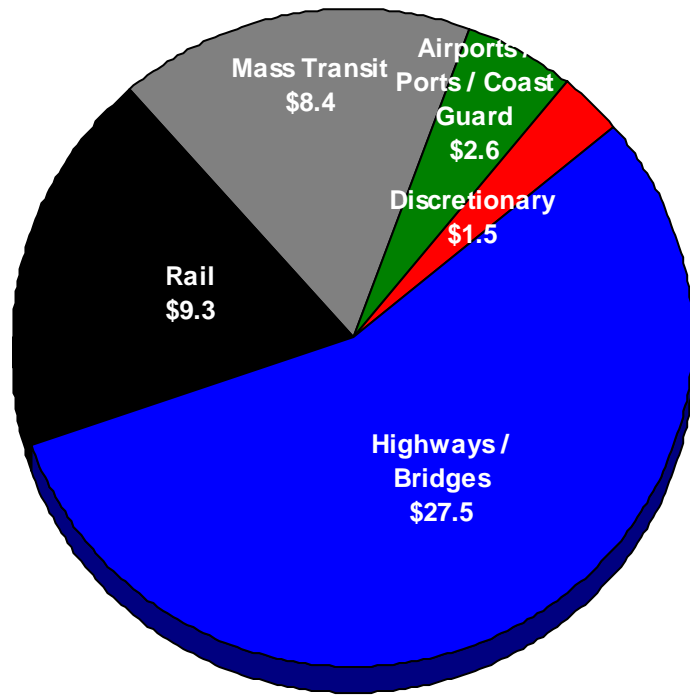


***CRH Americas Materials strongly positioned ...  
... to service long-term US infrastructure development needs***



# Americas – Infrastructure Sector

## *What ARRA means for Highways & Bridges – US\$27.5Bn*



■ Highways / Bridges  
■ Rail  
■ Mass Transit  
■ Airports / Ports / Coast Guard  
■ Discretionary

○ Estimated timing of \$27.5Bn spend

➤ '09 c\$ 5.5Bn

➤ '10 c\$ 12Bn

➤ '11 c\$ 8Bn

➤ '12 c\$ 2Bn

○ \$19.9Bn (75%) obligated to 31-Oct

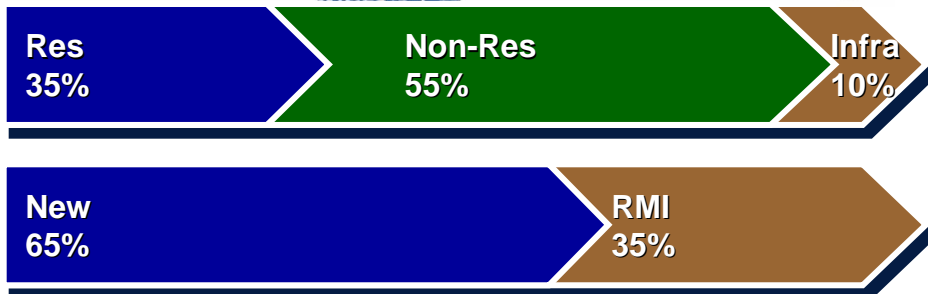
○ \$3.7Bn gross outlays to 31-Oct

○ 4,845 projects under construction

***CRH Americas Materials strongly positioned to service ARRA projects ...  
... in particular resurfacing, restoration & rehabilitation work***

# Americas Products & Distribution

*#1 Concrete Products; #1 Glass/Glazing Systems, Top3 Distributor*

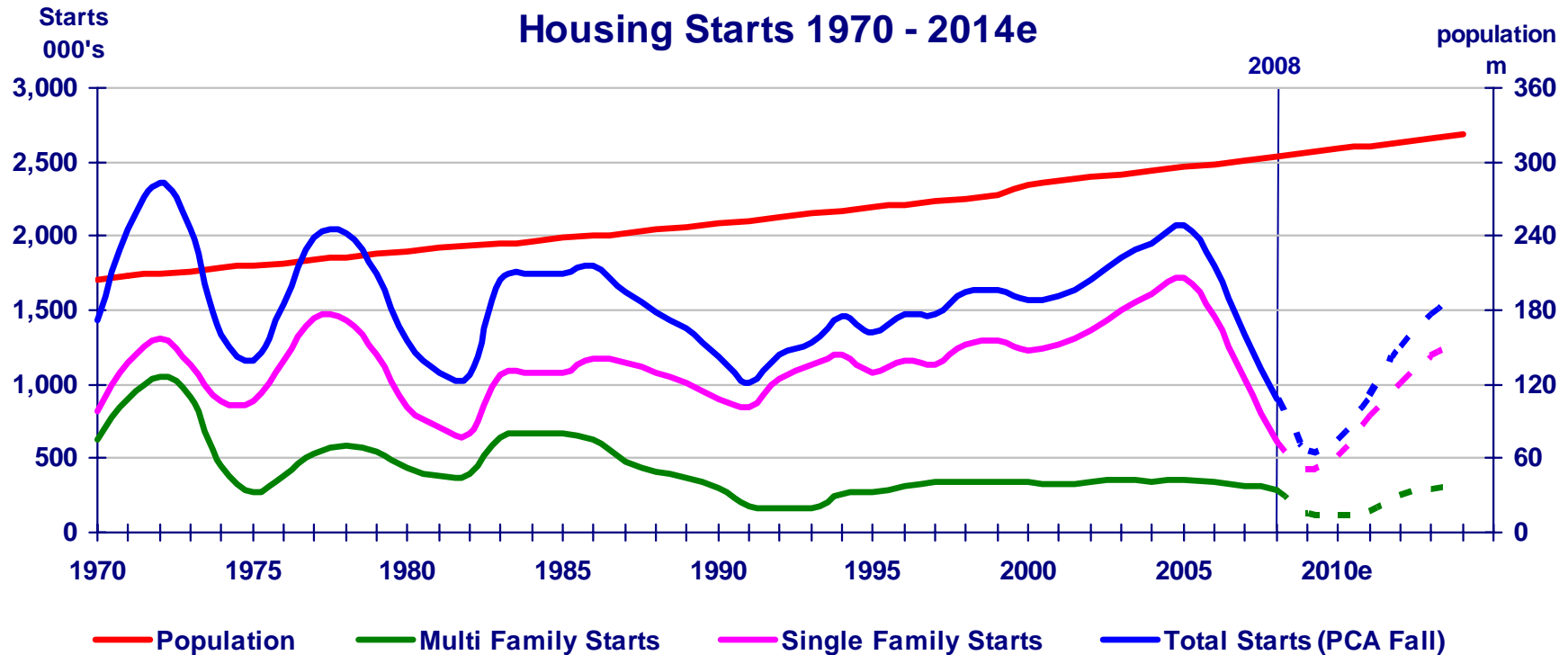


## Business areas:

- Architectural Concrete Products
- Precast Concrete Products
- Glass Fabrication
- Engineered Glazing Systems
- Construction Accessories
- Exterior Products Distribution
- Interior Products Distribution

# Americas – Residential Sector

*Indication of recovery commencing 2010*

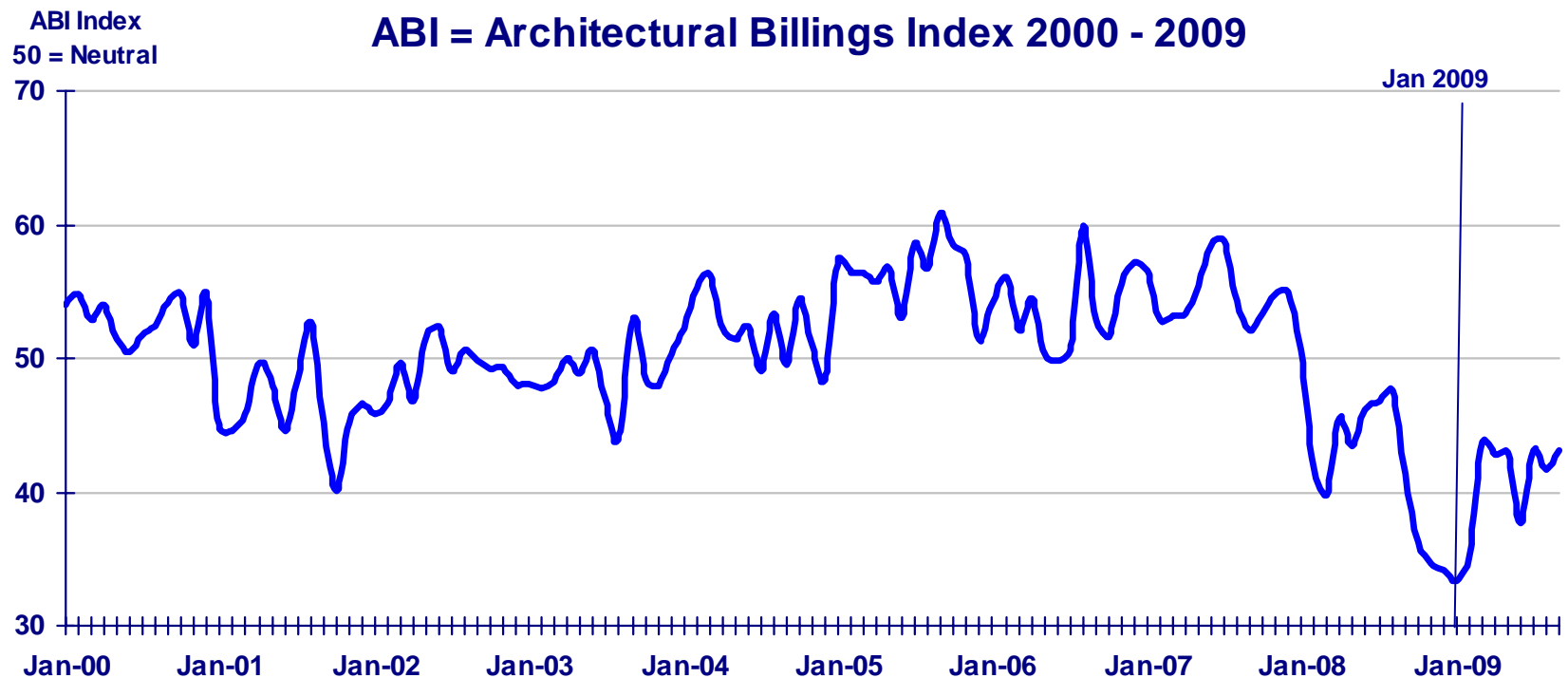


Source: 1970 – 2014 US Census Bureau  
2007 – 2014 PCA (Fall), October 2009

**Annual Housing starts 548k (2009e) ... vs ... 1.6m (1970 – 2007)**  
**Annual starts / '000 population 1.8 (2009e) ... vs ... 6.4 (1970 – 2007)**

# Americas – Non Residential Sector

*ABI up from Jan-09 low; New projects inquiry highest since Sep-07*

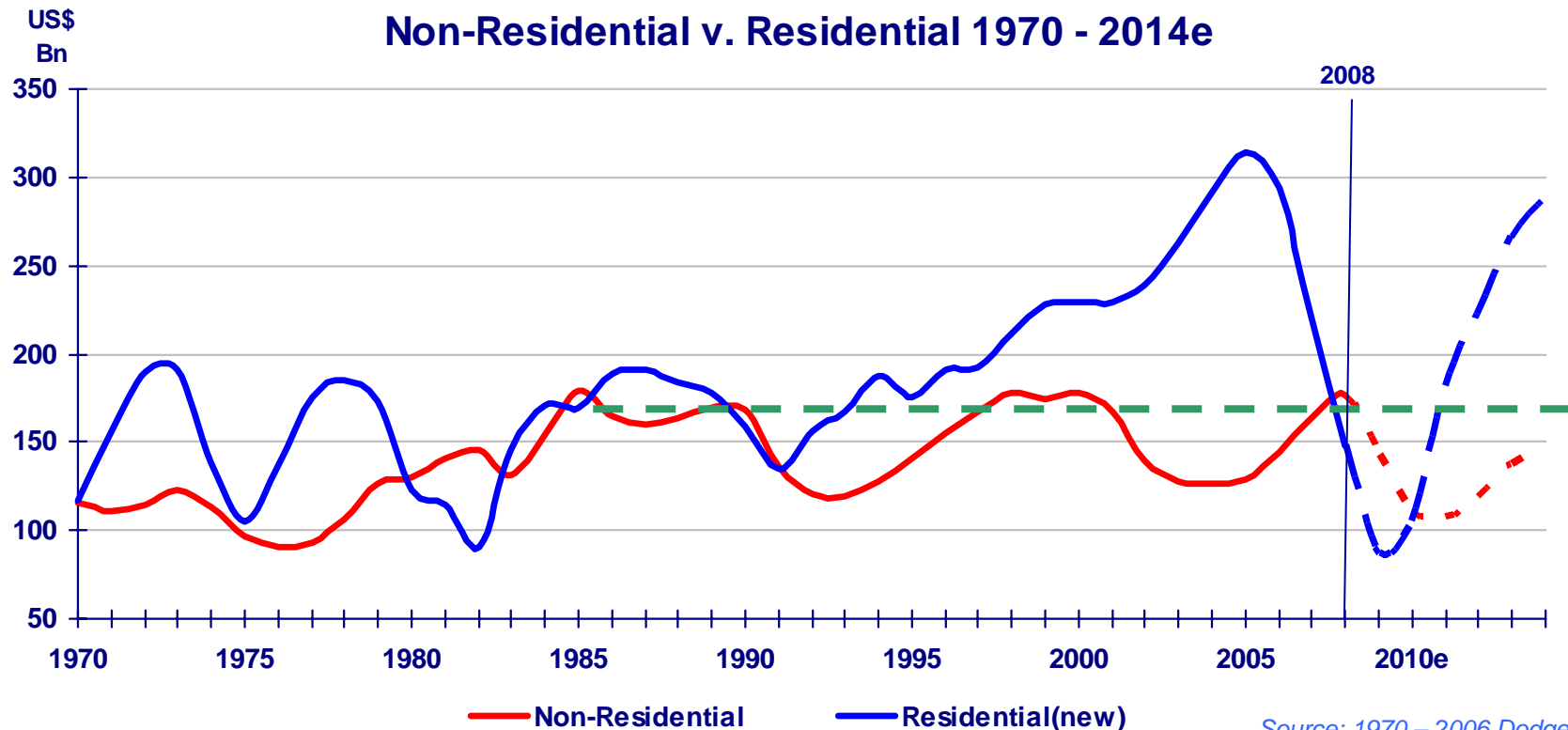


Source: US ABI 2000 – Sep 2009

***ABI considered to be ...  
... a 12 – 18 month lead indicator of Non-Residential activity***

# Americas – Non Residential Sector

*Indication of Non-Res recovery to lag Res by c12-24 mths*



Source: 1970 – 2006 Dodge  
2007 – 2014 PCA (Fall), October 2009

***Non-Res recession 2001-2005 ... recovery 2006-2007  
2009-2010 decline impacted by constrained credit***



# Leveraging the Portfolio

*Integrated solutions for the Building Industry*

---

## One supplier to ...

- Manufacture
- Manage
- Deliver

... a sizeable component of the total project

## Advantage to the customer ...

- Early value-engineered savings
- Less co-ordination of suppliers
- Less risk of delay
- Better efficiency

***CRH ... uniquely positioned to provide ...  
Integrated Solutions for major project owners, architects & contractors***

# Leveraging the Portfolio

*Strategy in Action – The Dallas Cowboy Stadium 2009*

---



# Leveraging the Portfolio

*CRH companies provided ...*

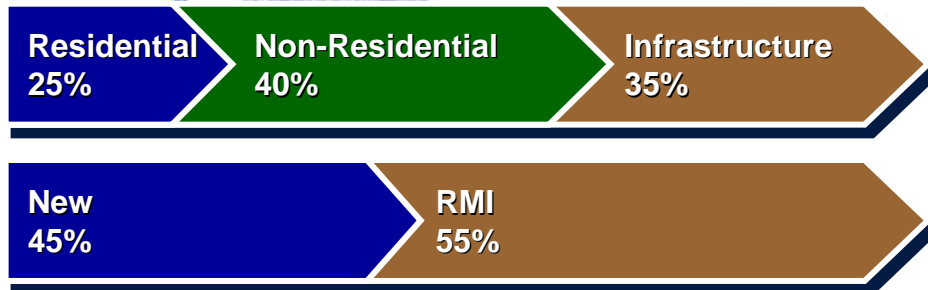


- Glass      Aluminium framing for all entrances  
Glass covering for all 400 luxury suites  
Aluminium frame and glass for hand/guard rails
- Precast      Utility boxes and pads
- APG      Waterproofing, concrete sealer, block fill speciality concrete
- Distribution      Wallboard and metal stud framing
- MMI      Reinforcing bar supports and concrete forming accessories
- Materials      Paved the parking lot using recycled materials

***Leveraging CRH's integrated businesses in the US ...  
each Product Group supplied product to this landmark stadium***

# Summary – CRH in North America

*No. 1 in North America*



- No.1 Building Materials player with strong regional/national positions
- Prompt response to deteriorating market conditions 2007-2009
- No. 1 supplier of materials for road construction in US
- Well positioned to participate in eventual recovery in residential and commercial construction

***CRH ... Committed to developing our US business for the long-term***

# Agenda

---

1 CRH – Group Overview

2 CRH – 2009 Trading & Outlook

3 CRH – Our North American Operations

4 CRH – Investment Highlights





# CRH Investment Highlights

---

- Consistent strategy and growth record over c.40 years
- Geographic, sectoral and product balance a key strength
- Strong market positions and well located strategic reserves
- Experienced management team responding to the credit crisis
- Aggressive cost cutting, debt reduction
- Leaves us with upside leverage to recovery in markets
- And the financial flexibility to make value enhancing acquisitions

***Focused on delivery – Short-term and Long-term***

# Contact Us

CRH plc  
Investor Relations  
Belgard Castle  
Clondalkin  
Dublin 22  
Ireland

Phone: + 353 1 404 1000  
Fax: + 353 1 404 1007  
Email: [ir@crh.com](mailto:ir@crh.com)

or look up our Website - [www.crh.com](http://www.crh.com)



FTSE4Good

*This presentation contains certain forward-looking statements as defined under US legislation. By their nature, such statements involve uncertainty; as a consequence, actual results and developments may differ from those expressed in or implied by such statements depending on a variety of factors including the specific factors identified in this presentation and other factors discussed in our Annual Report on Form 20-F filed with the SEC.*

*CRH® is a registered Trade Mark of CRH plc*

