



Citigroup  
Building Materials  
Conference

***CRH – Delivering  
through the Cycle***

***Liam O'Mahony  
Chief Executive  
CRH plc***

***November 2007***



# CRH Overview

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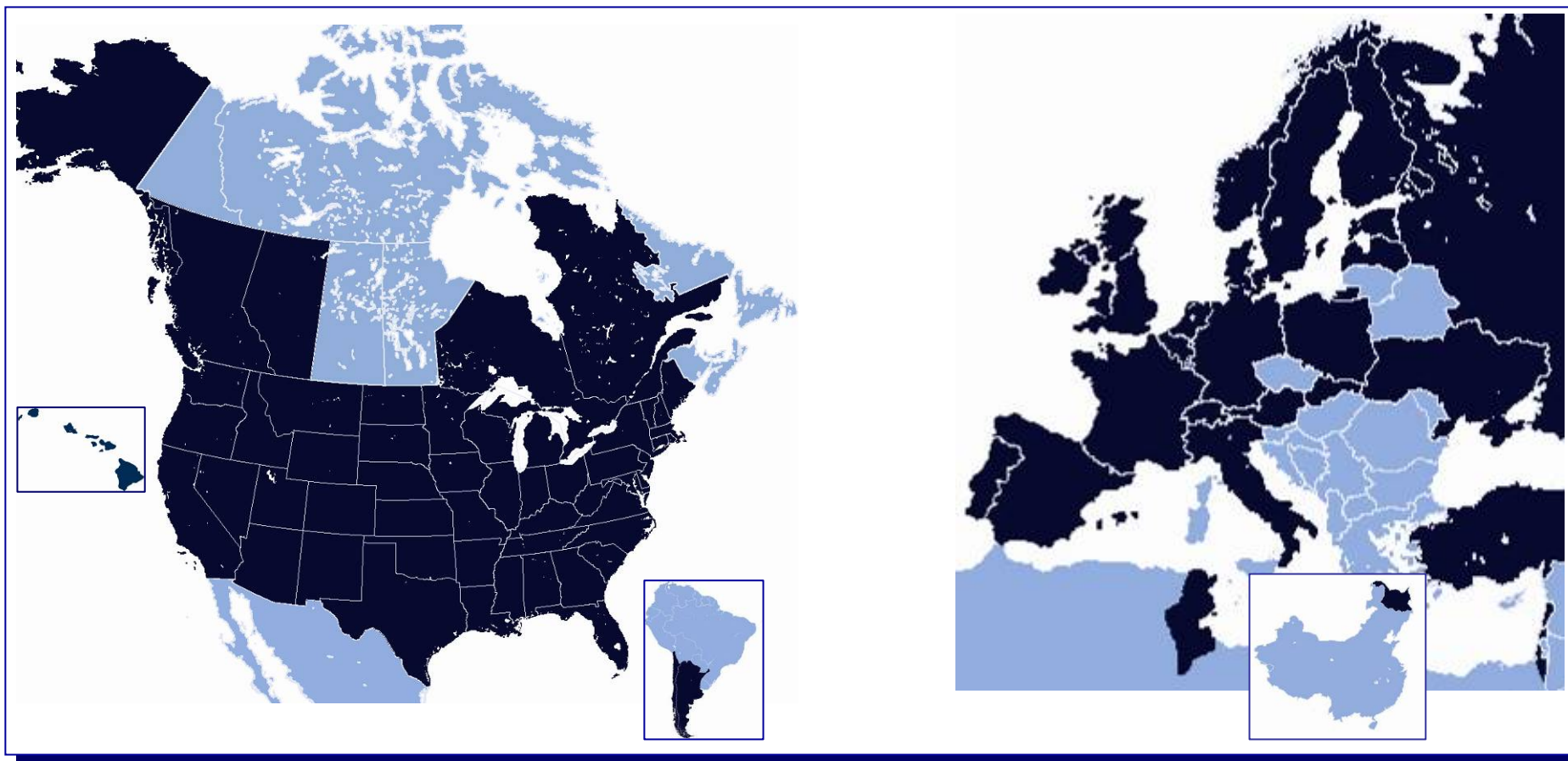
## *The International Building Materials Group*

- 1970 merger of Irish Cement and Roadstone; Sales €26M, 95% Ireland
- Now in 30 countries; 3,300+ locations; 80,000+ people
- Annualised Sales over €20Bn focused on three core businesses
- Evenly balanced across geographies, products and sector end-use
- Market Cap c.€13Bn, top 6 in sector worldwide
- Listed: Dublin (CRH.I), London (CRH.L) and NYSE (CRH)



# CRH - The International Group

*In 30 countries and in all 50 US States*



***Developed world focus; increasing presence in emerging regions***

# CRH - The Building Materials Group

*Leading positions in local / regional markets*

## Materials



### Europe

Top 10 Cement  
Leader Aggs/RMC

### USA

No 3 Aggregates  
No 1 Asphalt

## Products

### Concrete



### Europe

No 1 Architectural  
No 1 Structural

### USA

No 1 Architectural  
No 1 Precast

### Other



### Europe

No 1 Accessories  
No 1 Facing Brick  
[UK/NL]

### USA

No 1 Glass  
No 1 NE Brick

## Distribution



### Europe

Top 3 Distributor

### USA

Top 3 Roof/Siding  
Top 3 Int.Products

55%

EBITDA

20%

75%

13%

EBITDA

12%

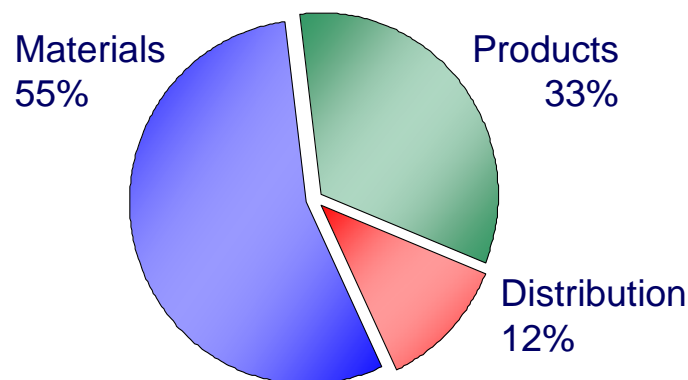
25%



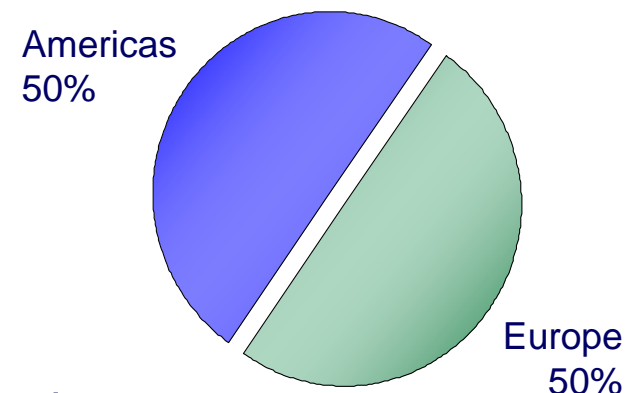
# CRH - Servicing the Breadth of Demand

*Balanced exposure to industry demand drivers*

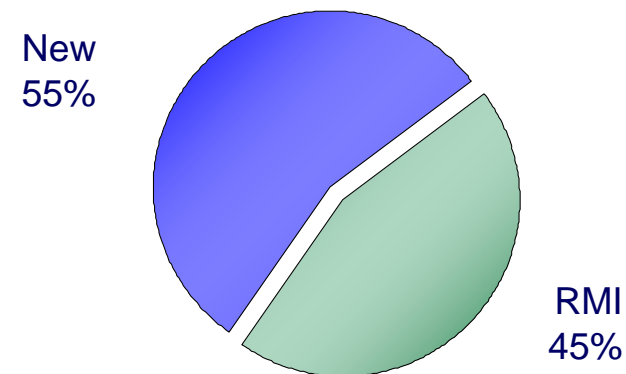
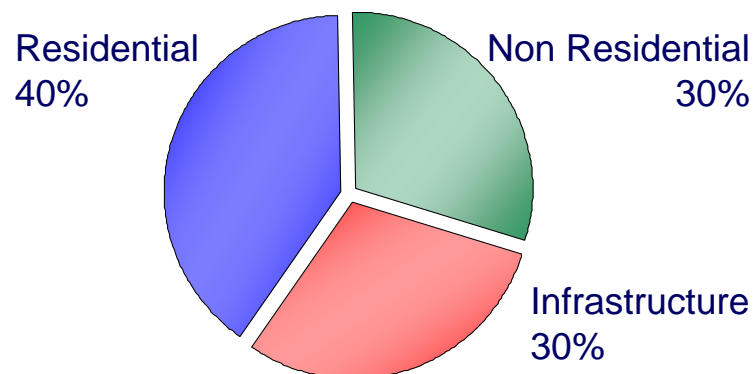
**Product End Use\***



**Geographic End-Use\***



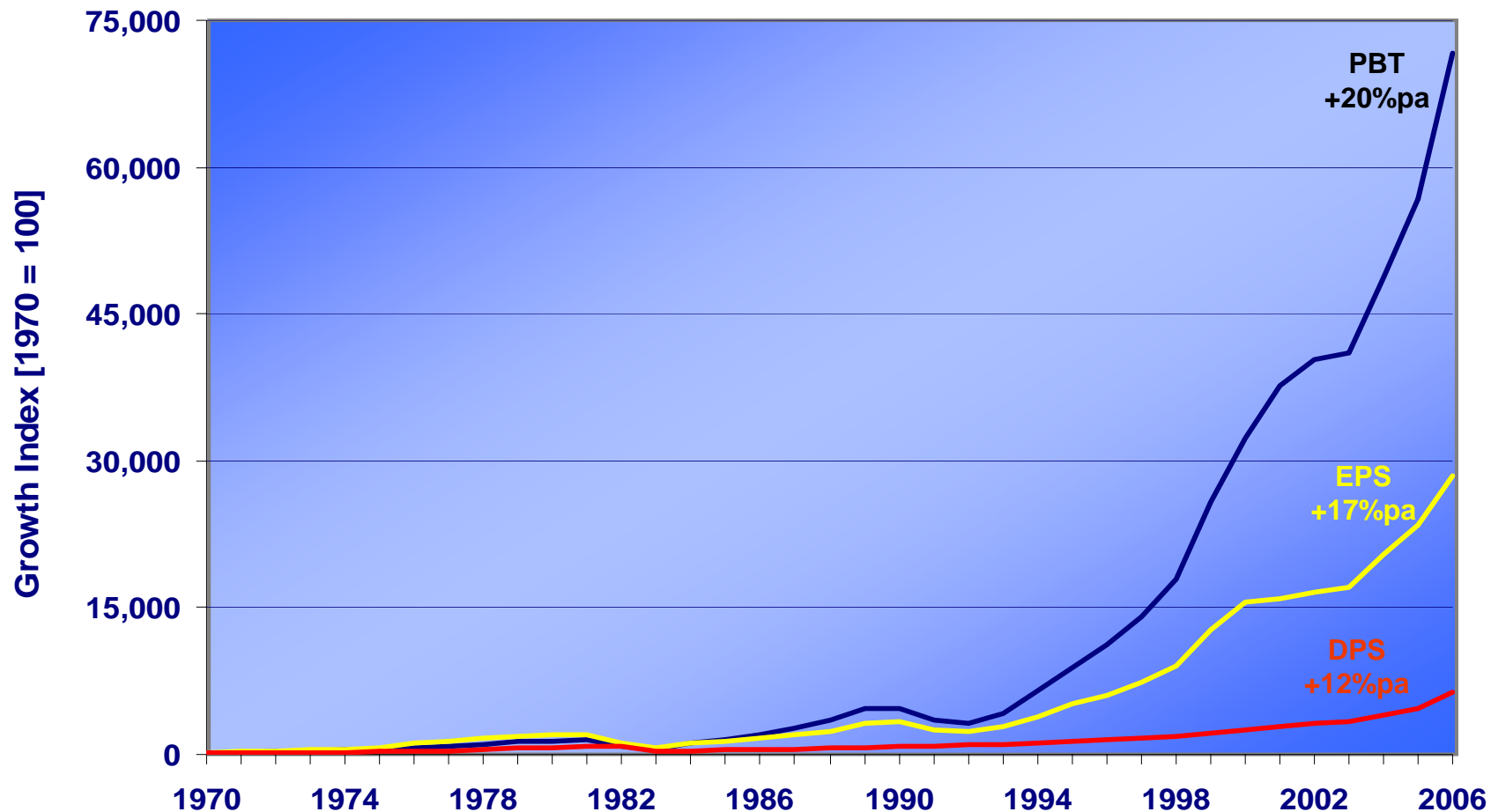
**Sectoral End Use\***



***Balance yields performance stability + growth opportunity***

# CRH - Track Record

*A strong culture of delivering superior Performance & Growth*

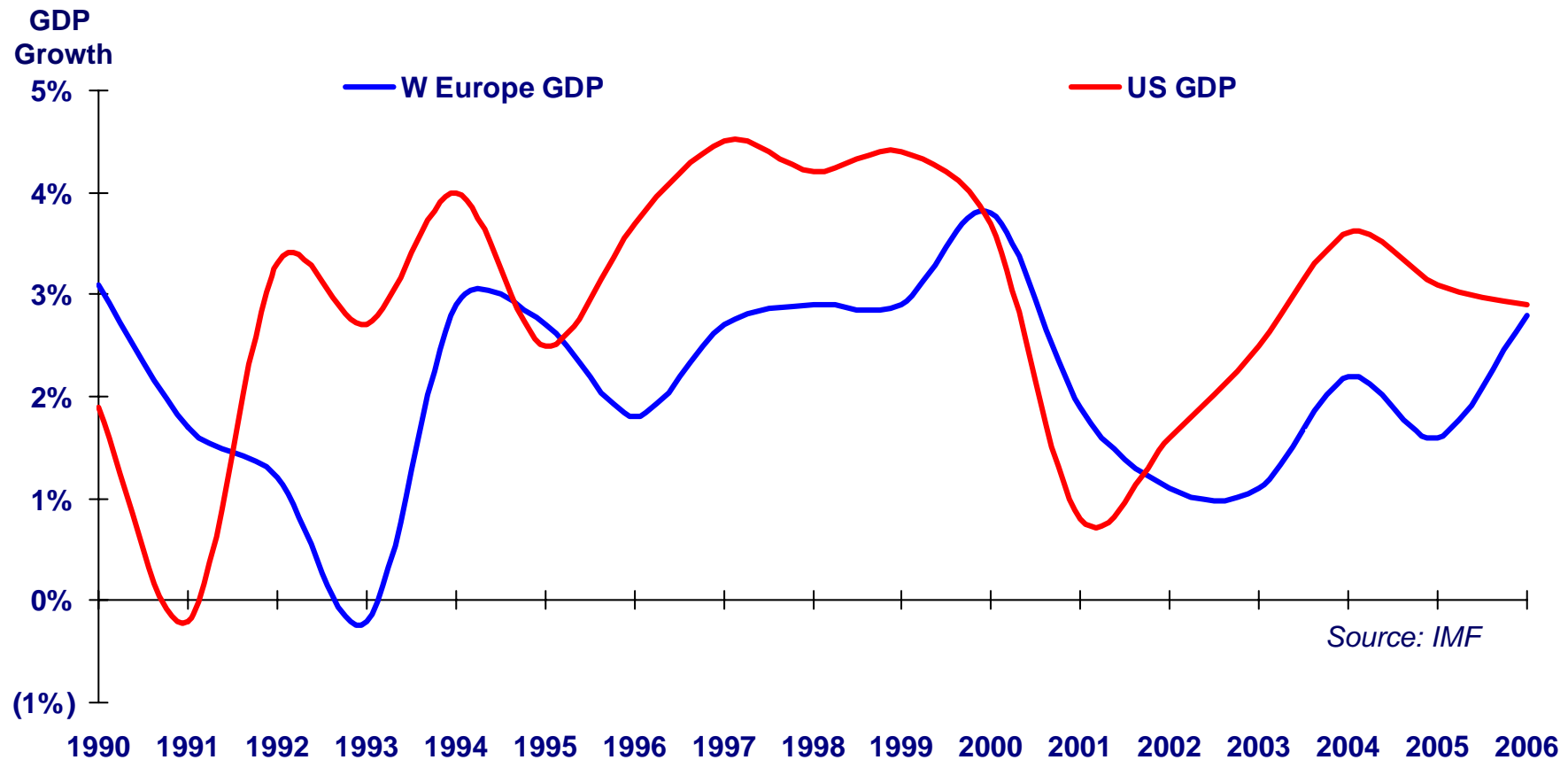


**20% CAGR in Total Shareholder Return 1970 - 2006**

# Delivering Through the Cycle

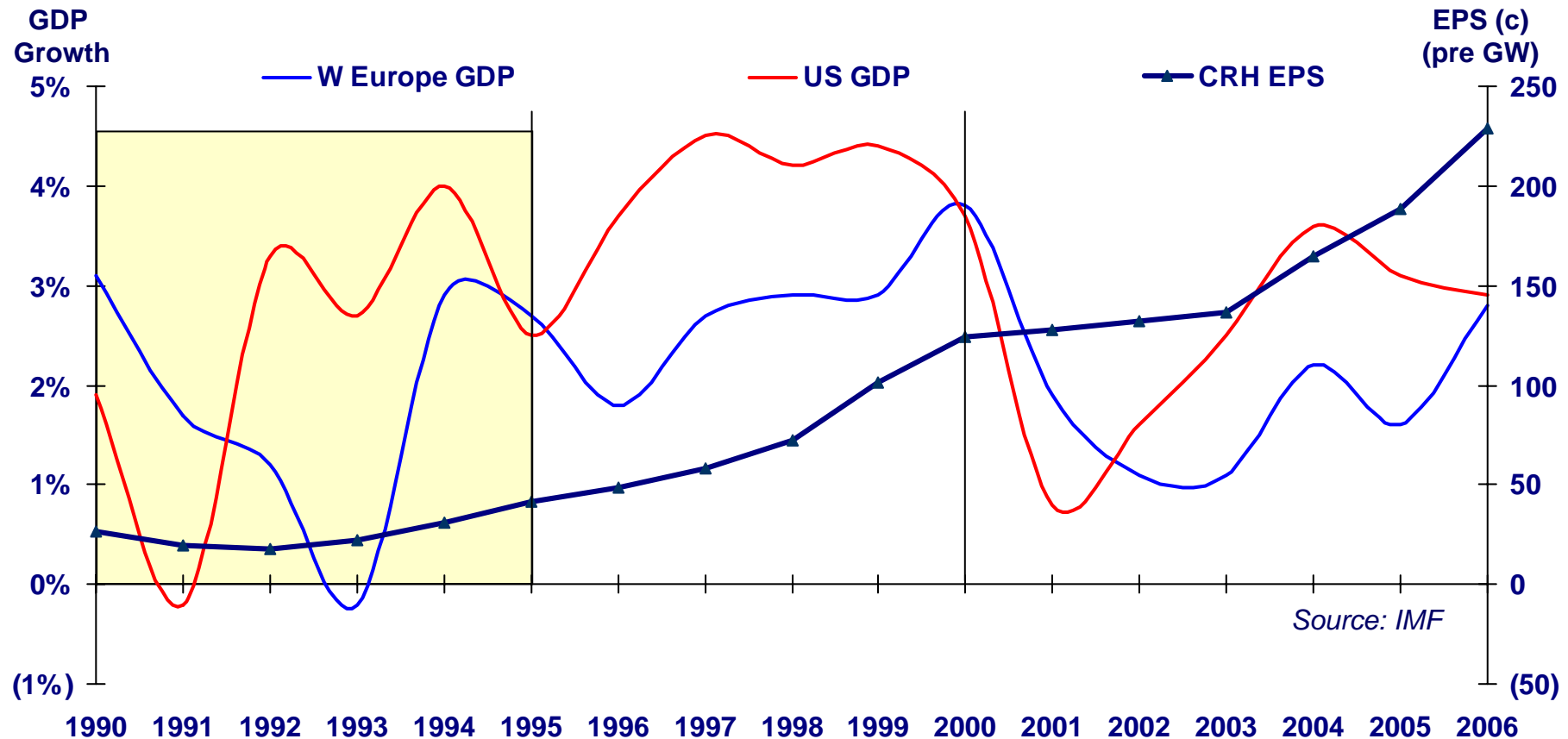
# Recent Economic Cycles

*Western Europe & US GDP growth 1990 - 2006*



# Recent Economic Cycles

*Building materials demand linked to economic cycles*



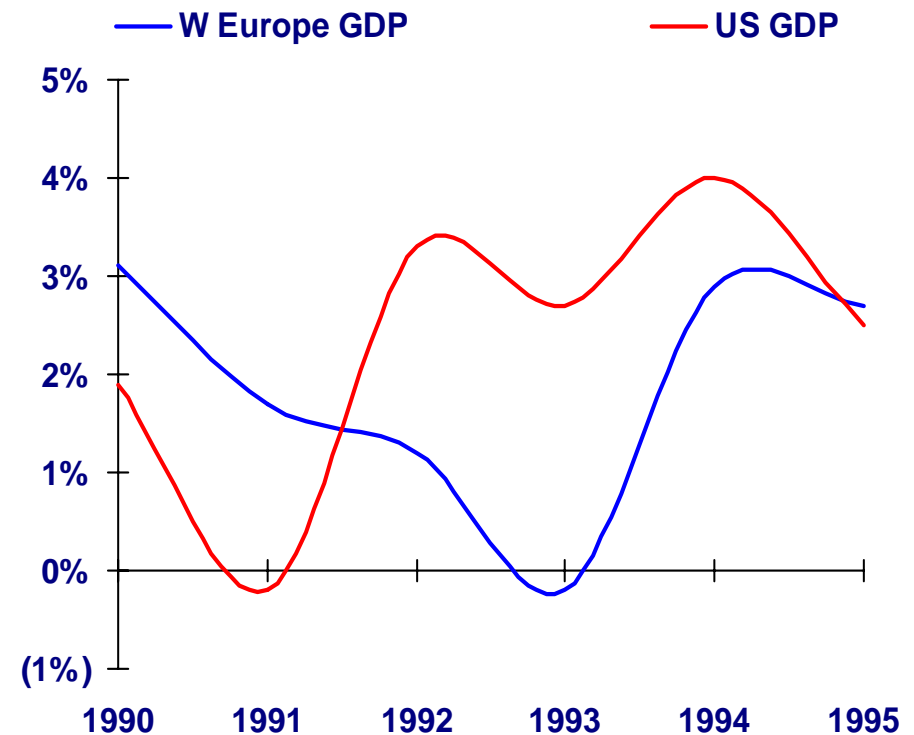
***CRH - delivering superior performance through the cycle***

# Period I: 1990 – 1995

## *Economic Backdrop*

### Worldwide Recession

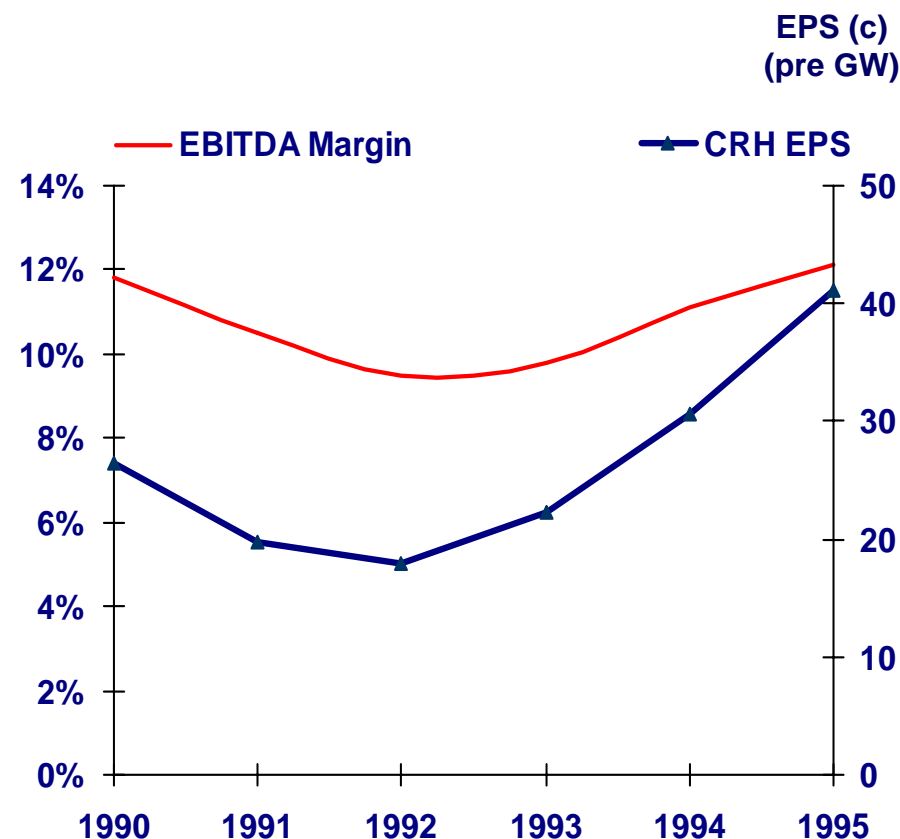
- Gulf War
- High energy prices
- Sharp US decline & recovery
- Europe lagged with slower decline
- GDP growth stalled US & Europe



# Period I: 1990 – 1995

## CRH Performance

- Strong Cashflow through downturn
- Rapid EBITDA margin recovery
- Benefits of operational leverage
- Pursuit of new opportunities
- Sales from €1.7Bn to €2.5Bn



**EPS cagr 9% (1990-1995)**

CRH

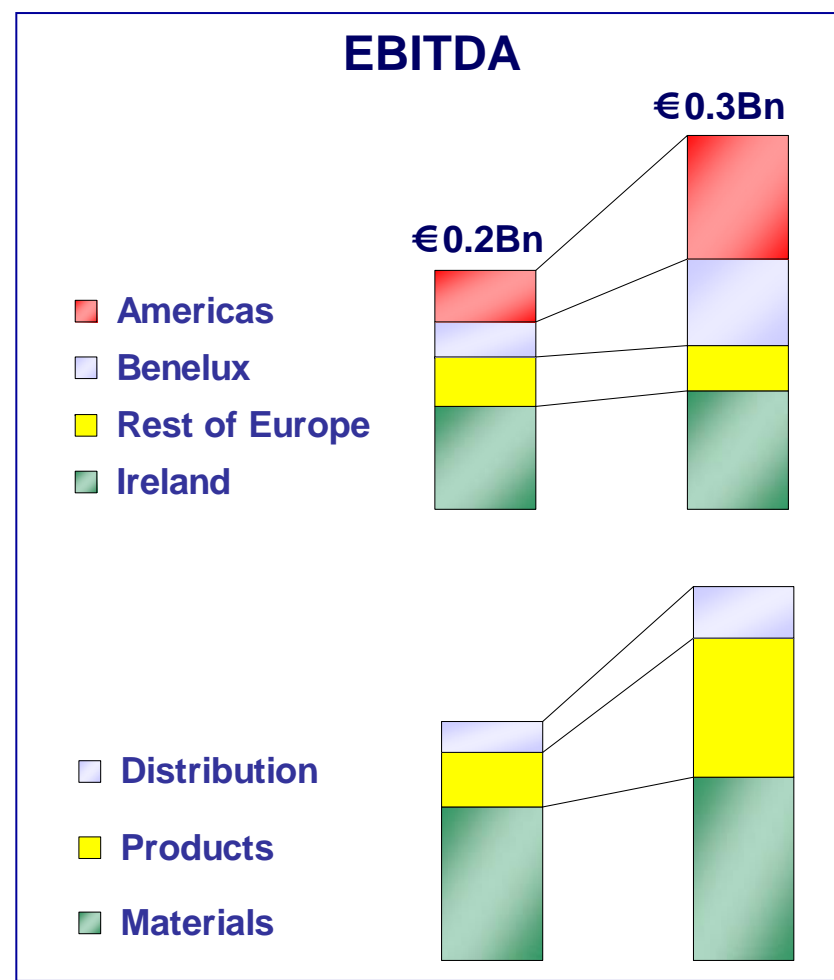
# Period I: 1990 – 1995

*Acquisition Spend c€0.6Bn ... Expansion of P&D*

- Group EBITDA growth c60%

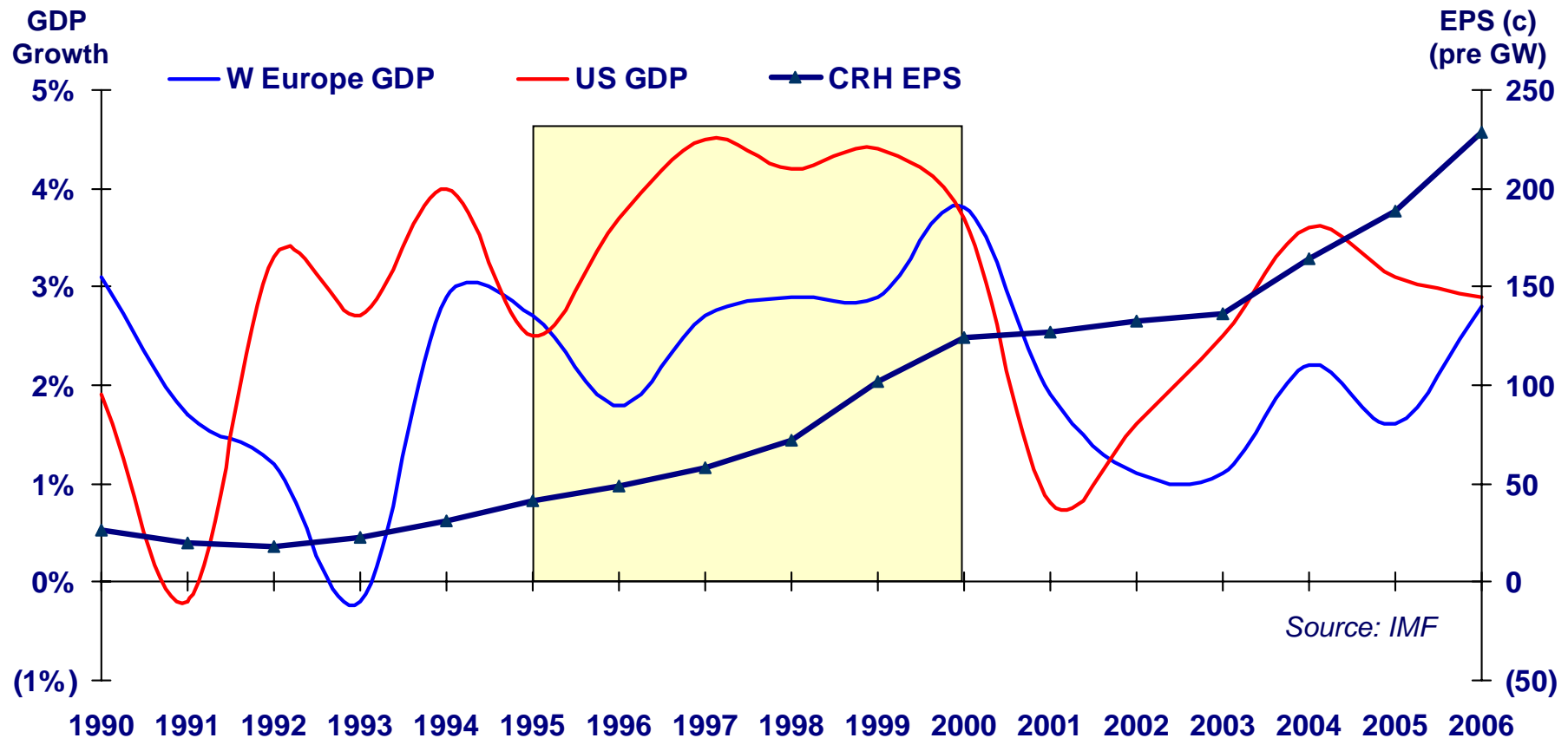
	<u>1990</u>	<u>1995</u>
○ Ireland	43%	32%
○ Europe	36%	35%
○ Americas	21%	33%

	<u>1990</u>	<u>1995</u>
○ Materials	64%	49%
○ Products	23%	37%
○ Distribution	13%	14%



# Period II: 1995 - 2000

*Period of strong economic growth in US and Europe*



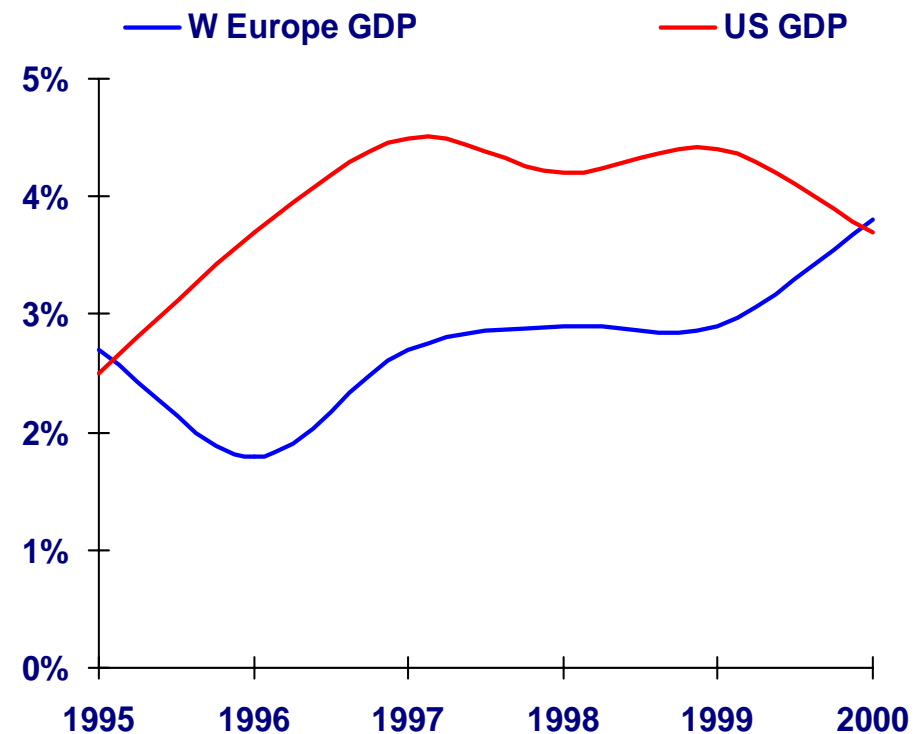
***CRH accelerated pace of acquisitive growth***

# Period II: 1995 – 2000

## *Economic Backdrop*

### Favourable Economies

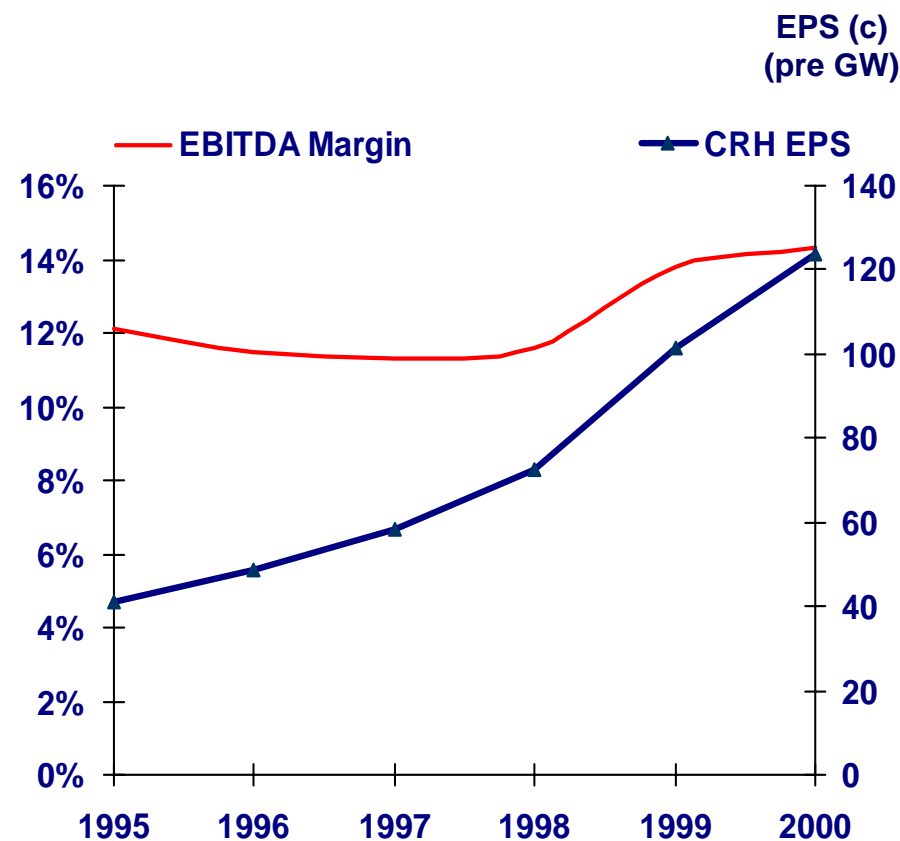
- Lower energy prices
- Stronger USD [1€ = 1.26 to 0.92]
- Strong US growth c4% p.a.
- Lower Europe growth c3% p.a.



# Period II: 1995 – 2000

## CRH Performance

- Rapid expansion on all fronts
- Strong & rising EBITDA margins
- Underpinned by growing Cashflow
- Sales from €2.5Bn to €8.9Bn



**EPS cagr 25% (1995-2000)**

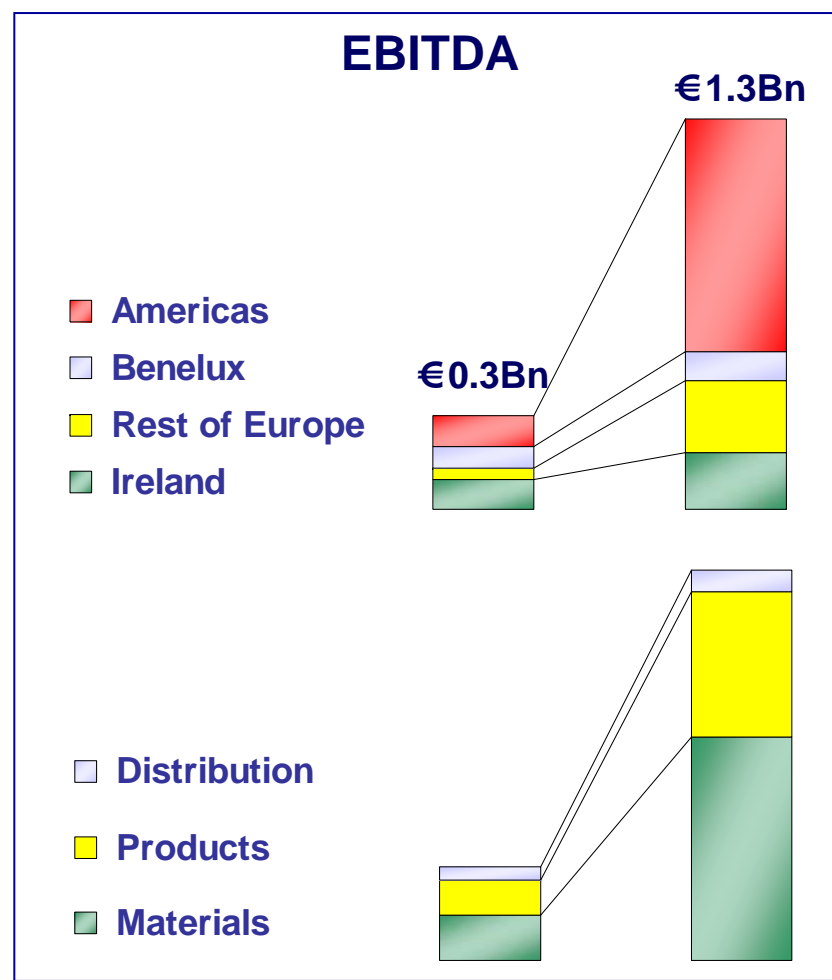
CRH

# Period II: 1995 – 2000

*Acquisition Spend c€3Bn ... 55:45 Americas:Europe*

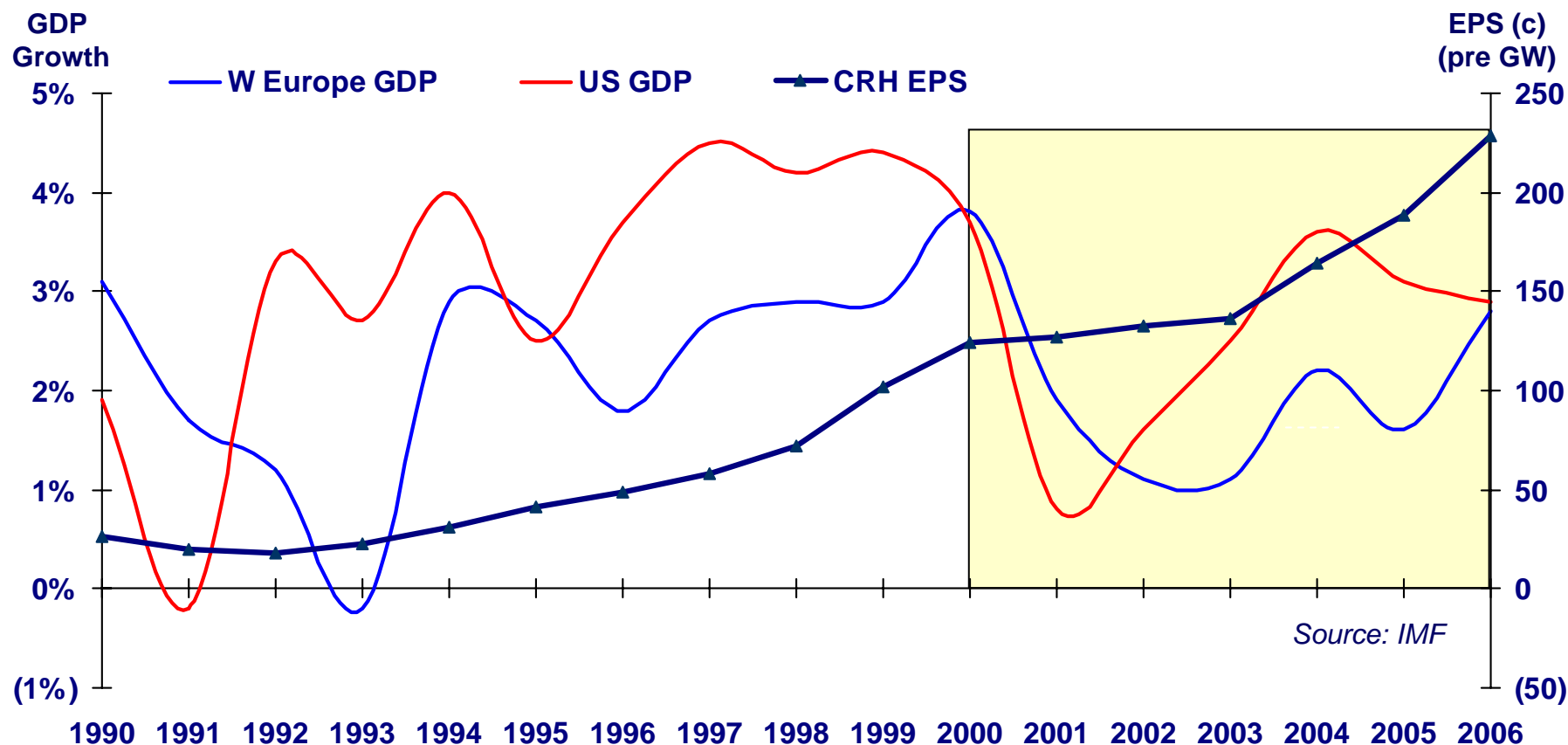
- EBITDA growth over 300%
- Rapid US expansion + stronger \$

	<u>1995</u>	<u>2000</u>
○ Ireland	32%	14%
○ Europe	35%	26%
○ Americas	33%	60%
	<u>1995</u>	<u>2000</u>
○ Materials	49%	57%
○ Products	37%	37%
○ Distribution	14%	6%



# Period III: 2000 - 2006

*Worldwide slowdown post Dot.Com crash and 9/11*



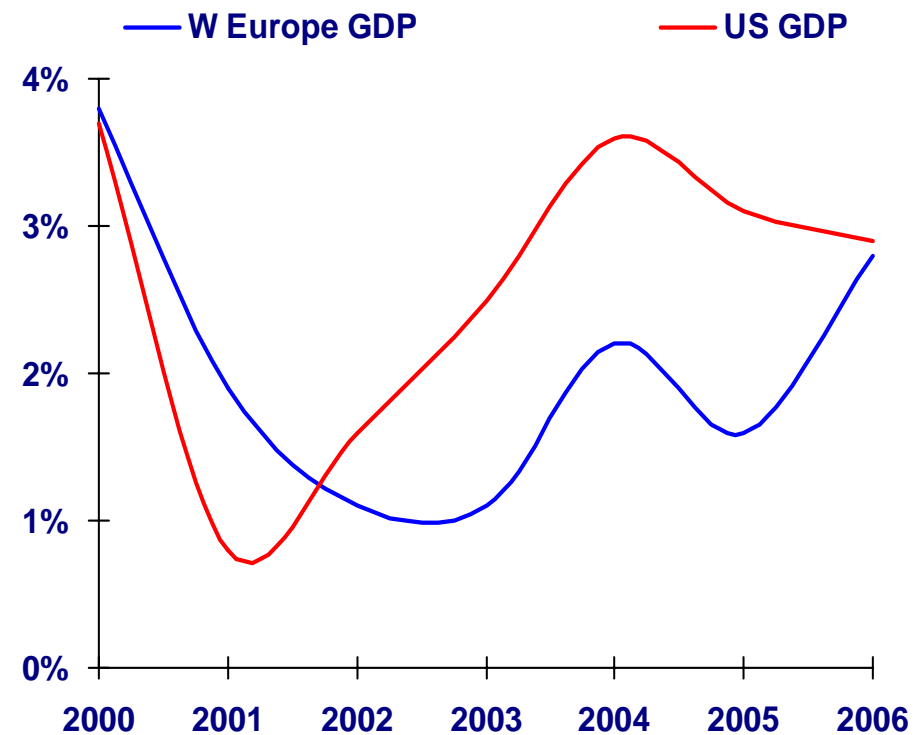
***CRH maintained EPS growth through 2001-2003 slowdown***

# Period III: 2000 – 2006

## *Economic Backdrop*

### Worldwide Slowdown

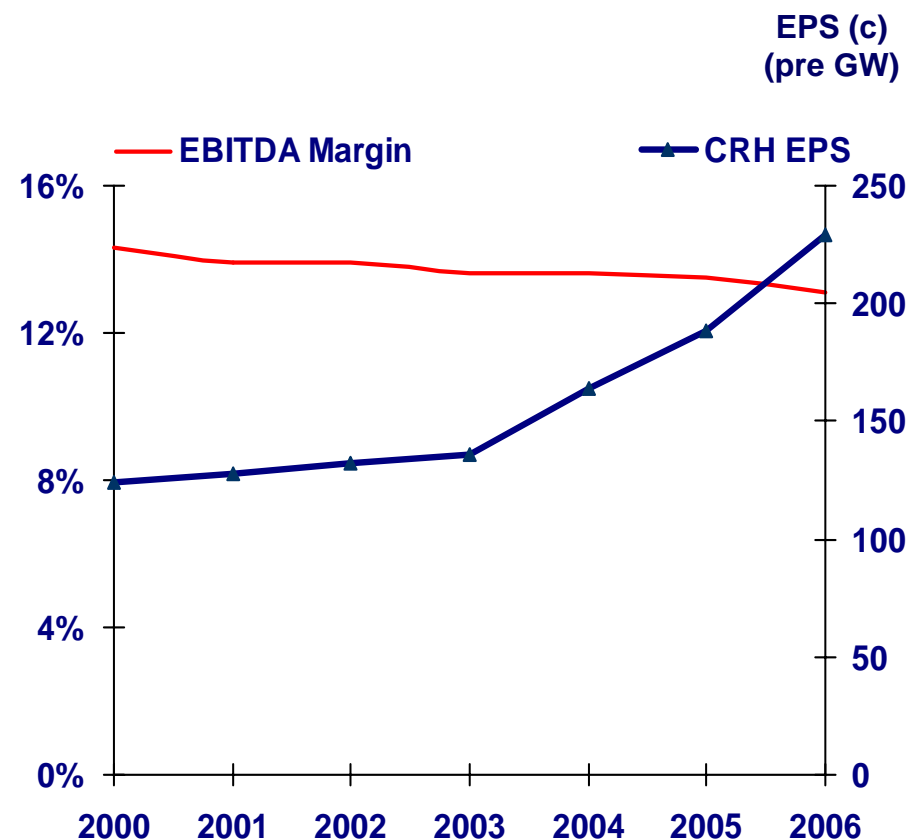
- Dot.Com bust and 9/11 tragedy
- Weaker USD [ $1\text{€} = 0.92 - 1.26$ ]
- Again sharp US decline/recovery
- Europe followed – slower pick-up
- However; neither economy stalled



# Period III: 2000 – 2006

## CRH Performance

- US Non Res particularly affected
- Rapid recovery; strong Res/Infra
- EBITDA margins 12-14% range
- Significant development activity
- Sales from €8.9Bn to €18.7Bn



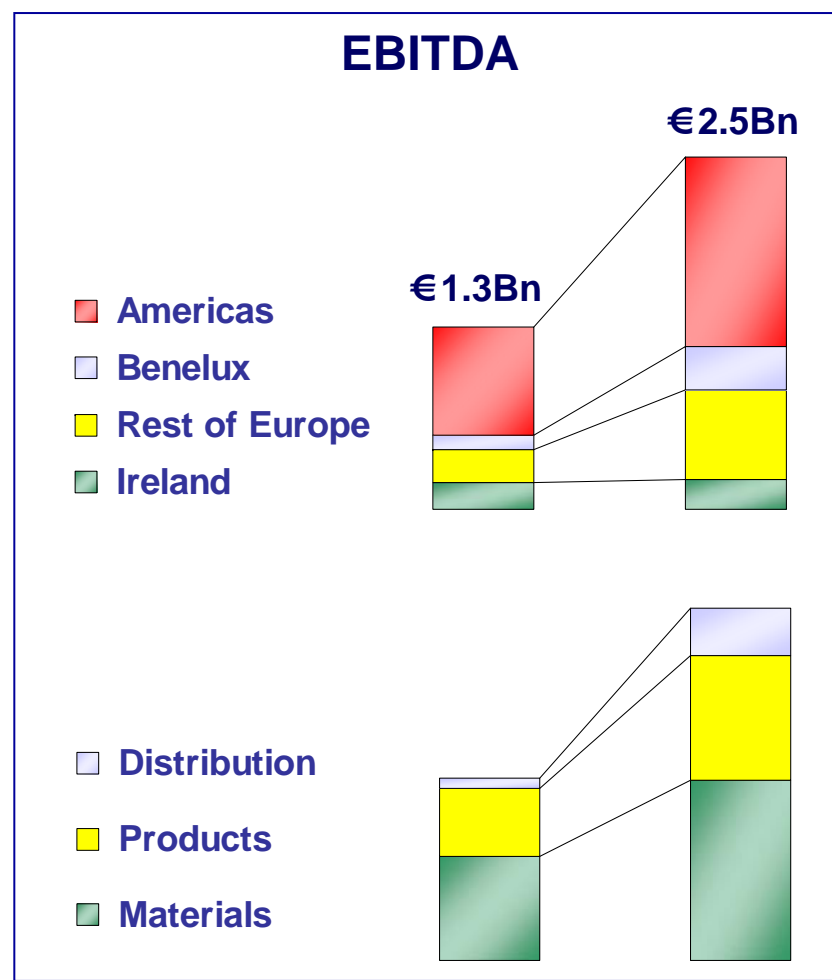
***EPS progression each year with 11% EPS cagr (2000-2006)***

# Period III: 2000 – 2006

*Acquisition Spend c€9.6Bn ... 57:43 Americas:Europe*

- EBITDA growth c100%
- Eastern Europe expansion

	<u>2000</u>	<u>2006</u>
○ Ireland	14%	8%
○ Europe	26%	38%
○ Americas	60%	54%
	<u>2000</u>	<u>2006</u>
○ Materials	57%	51%
○ Products	37%	35%
○ Distribution	6%	14%

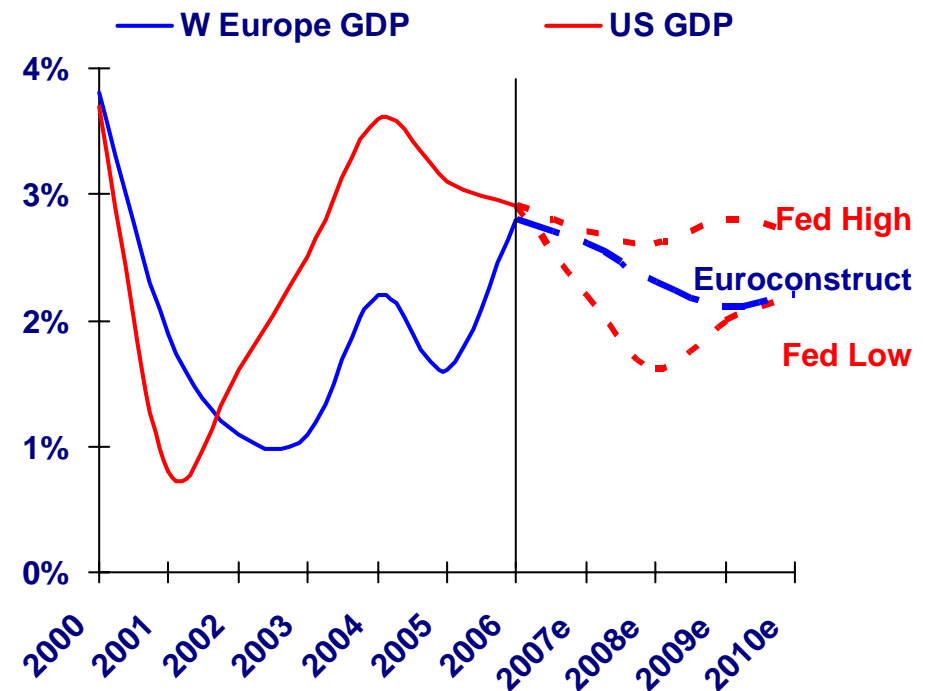


# Looking Ahead 2005 – 2010

*Economic outlook uncertainty – range of views*

## Current GDP Forecasts

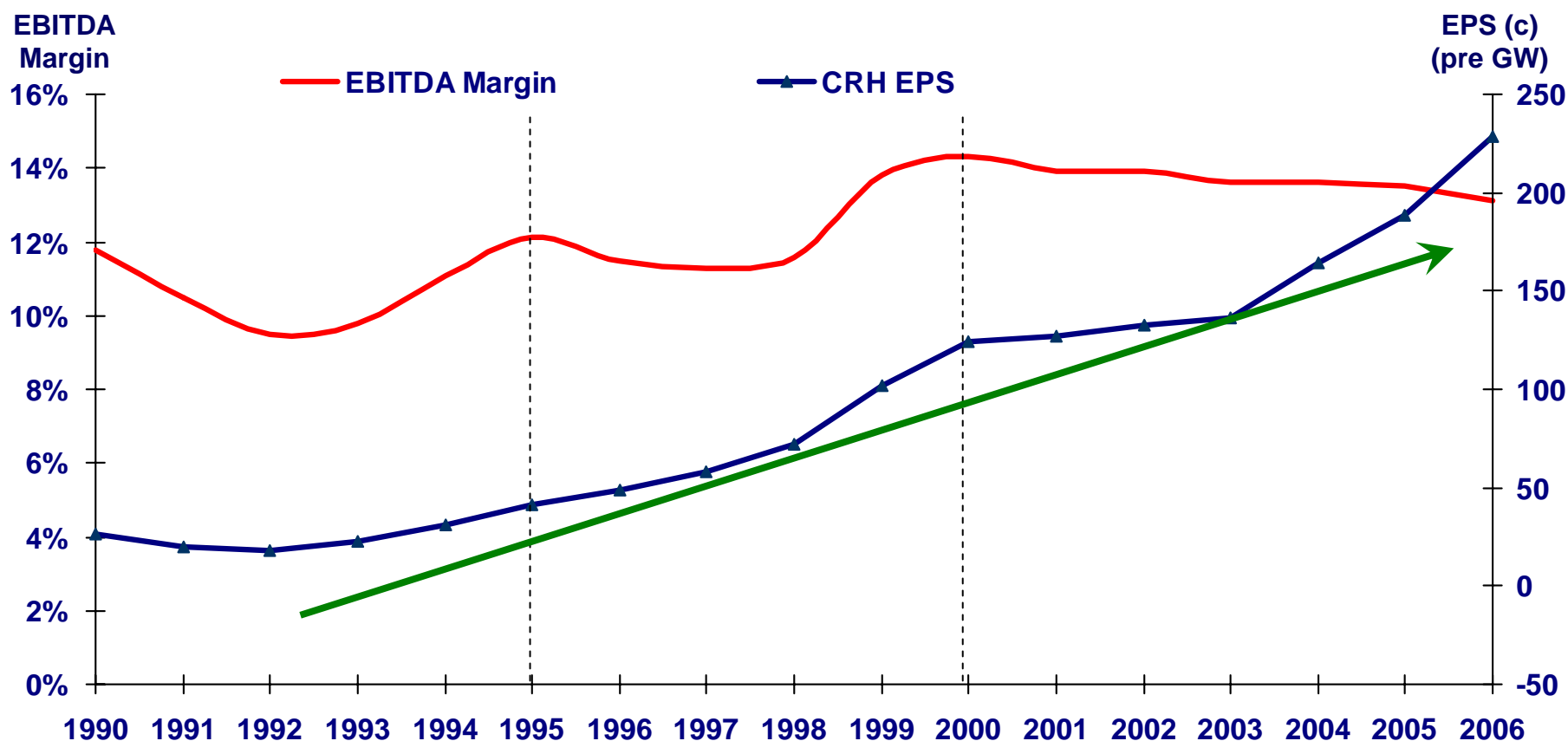
- Some see risk of US recession
- Mean forecasts ...
  - ... Not as bleak as early '90s / '00s
  - ... Not negative growth
- Fed/ECB important roles to play
- Challenges ahead, as always
- Key is to be responsive



***CRH has track record of continued delivery***

# CRH 1990 - 2006

*Strong delivery of Performance and Growth*



**1993 – 2006 ... 14 consecutive years of EPS growth**

# CRH Today

# CRH in 2007

## *A Leading International Building Materials Group*

- Aggregates ..... Top 5 worldwide with c13Bn tonnes reserves
- Cement ..... Top 10 in Europe
- Readymix ..... Top 5 worldwide
- Concrete Products ... No. 1 in US and Europe
- Construction Accessories ..... No. 1 in Europe, No. 2 in US
- Clay Facing Brick ..... No. 1 in UK, M.Europe and NE US
- Building Materials Distribution ... Top 3 in Americas and Europe

# CRH in 2007

## *Group operating characteristics*

- Developed world focus ... 85-90% of annualised EBITDA (c20 countries)
- Increasing presence in emerging regions ... 10-15% EBITDA (c10 countries)
- Vertically integrated materials business
- Complemented by value-added products & distribution
- Robust cashflow, strong balance sheet and interest cover

# CRH Strengths

*In our 15th consecutive year of earnings growth*

- Diverse yet balanced geographic, sectoral and product end-use
- Experience of managing through economic cycles
- Devolved structure supports ability to respond promptly
- Focus on cost control, operational efficiency, margins and cashflow
- Challenges also bring opportunities

***Sound basis to continue strategy of Performance & Growth***

# Conclusion

*A culture and track record of delivery*

- Relentless focus on operational performance
- Disciplined approach to acquisition evaluation
- Focussed integration with emphasis on value-creation
- Dedicated people with ambition to achieve

***... enables CRH to deliver  
Superior Performance and Growth  
... through the Cycle!***



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