

CRH plc 2011 Results



2011 Results

- **Trading Performance**
- Financial Overview
- Outlook

2011 Results Highlights

Sales

FY Like-for-like +5%
H1 +5%; H2 +5%

PBT & EPS Growth

PBT +33%
EPS +35%

Margins resilient

Supported by
Products & Distribution

Acquisitions

€0.6 Bn cash spend
45 Transactions

Disposals

€0.5 Bn total proceeds
On-going portfolio review

Dividend

Maintained at 62.5 cent
Gross yield c.4%

2011 Outcome – Ahead of November Guidance

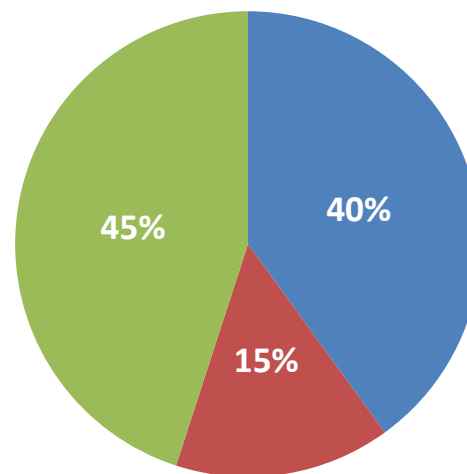
€ m	<u>EBITDA</u>	<u>Impairment</u>	<u>PBT</u>	
			Pre Impairment	Post Impairment
IMS Guidance	<i>“Approximately €1.6 billion”</i>	<i>“Significantly Lower”</i>	<i>Between €678m and €708m</i>	<i>“Well ahead of 2010”</i>
Actual 2011	1,656 +3%	(32)	743 +13%	711 +33%
Actual 2010	1,615	(124)	658	534

Europe Materials – EBITDA Margin Steady Excluding CO₂

€m	% chg	<u>2011</u>	<u>2010</u>
Sales	+12%	2,985	2,665
EBITDA	+3%	436	423
Op. profit	+5%	264	251
EBITDA margin	↓	14.6%	15.9%
Op. margin	↓	8.8%	9.4%

*Includes Restructuring € 19m (2010: € 33m)
and Impairment € nil (2010: € nil)*

EBITDA Split



■ Developing

*Poland, Ukraine,
Turkey, China, India*

■ Stable

*Switzerland, Finland,
Netherlands*

■ "Austerity"

*Ireland, Portugal,
Spain*

Europe Materials – Operational Delivery in 2011



2011 Results

- FY vols +5% (H1:+4%); FY prices +4% (H1:+2%); Improved H2 cost recovery
- Underlying EBITDA ex CO₂ +€11m; H1 -€22m; H2 +€33m
- EBITDA margin excluding CO₂ steady at 13.3%



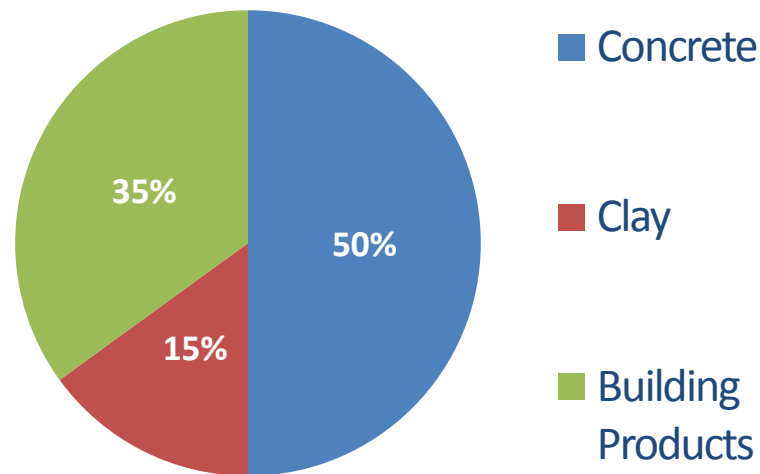
2011 Highlights

- Increased alternative fuel usage from c13% to c17%
- Procurement: Further savings in 2011
- Successful H2 commissioning of cement plant in Ukraine

Europe Products – Margin Improvement

€m	% chg	<u>2011</u>	<u>2010</u>
Sales	(6%)	2,648	2,817
EBITDA	(2%)	194	198
Op. profit	n/m	66	11
EBITDA margin	↑	7.3%	7.0%
Op. margin	↑	2.5%	0.4%

EBITDA Split



*Includes Restructuring € 24m (2010: € 16m)
and Impairment € 15m (2010: € 54m)*

Europe Products – Operational Delivery in 2011



2011 Results

- Business disposals impact; sales -€364m, EBITDA -€8m, EBIT +€3m
- FY like-for-like sales +6%; strong H1 +8%; slower H2 +4%
- Good H1 EBITDA progress; additional restructuring costs in H2



2011 Highlights

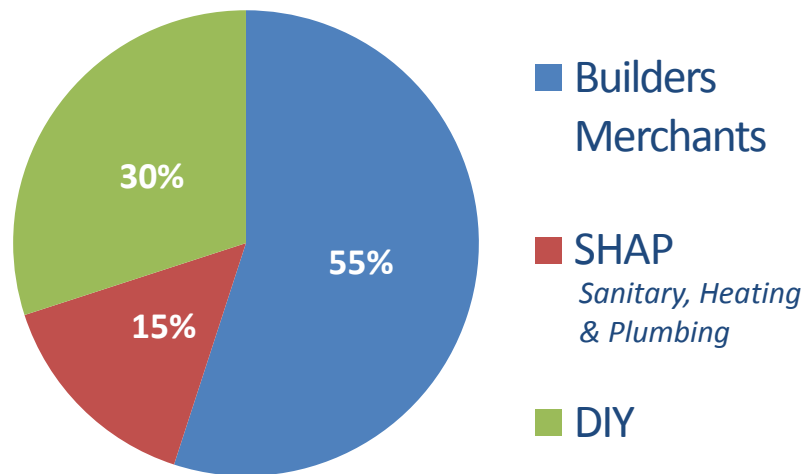
- Recovery in Structural Concrete businesses
- Expansion of Concrete Landscaping plant network in Germany
- Re-focusing of Building Products portfolio

Europe Distribution – Significant Progress

€m	% chg	<u>2011</u>	<u>2010</u>
Sales	+22%	4,340	3,566
EBITDA	+25%	267	214
Op. profit	+41%	190	135
EBITDA margin	↑	6.2%	6.0%
Op. margin	↑	4.4%	3.8%

*Includes Restructuring € 4m (2010: € 4m)
and Impairment € 2m (2010: € 8m)*

EBITDA Split



Europe Distribution – Operational Delivery in 2011



2011 Results

- Acquisitions impact; sales +€486m, EBITDA +€32m, EBIT +€23m
- FY like-for-like sales +4%; strong H1 +7%; slower H2 +2%
- DIY operations impacted by weakening consumer confidence in H2



2011 Highlights

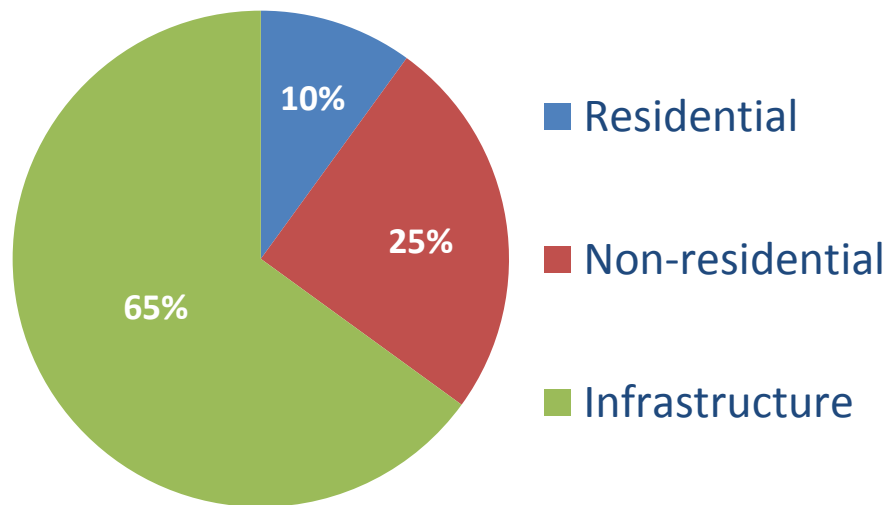
- Procurement programme delivering BM/DIY margin improvements
- Commercial excellence and category management
- SHAP acquisitions doubled Belgian branch network

Americas Materials – US\$ EBITDA ahead of Nov. guidance

€m	% chg	<u>2011</u>	<u>2010</u>
Sales	-	4,395	4,417
EBITDA	(6%)	530	566
Op. profit	(8%)	264	288
EBITDA margin	↓	12.1%	12.8%
Op. margin	↓	6.0%	6.5%

*Includes Restructuring € 9m (2010: € 17m)
and Impairment € nil (2010: € nil)*

EBITDA Split



Americas Materials – Operational Delivery in 2011



2011 Results

- Δ Volumes (LFL)
- Δ Prices (LFL)
- Δ Unit Var. Cost (LFL)
- Δ EBITDA

Aggs
122m tons

+4%
(1%)
(2%)
Ahead

Asphalt
42m tons

(1%)
+5%
+8%
Lower

RMC
7.3m yd³

+10%
(1%)
+1%
Flat

Paving

LFL Sales flat

Lower



2011 Highlights

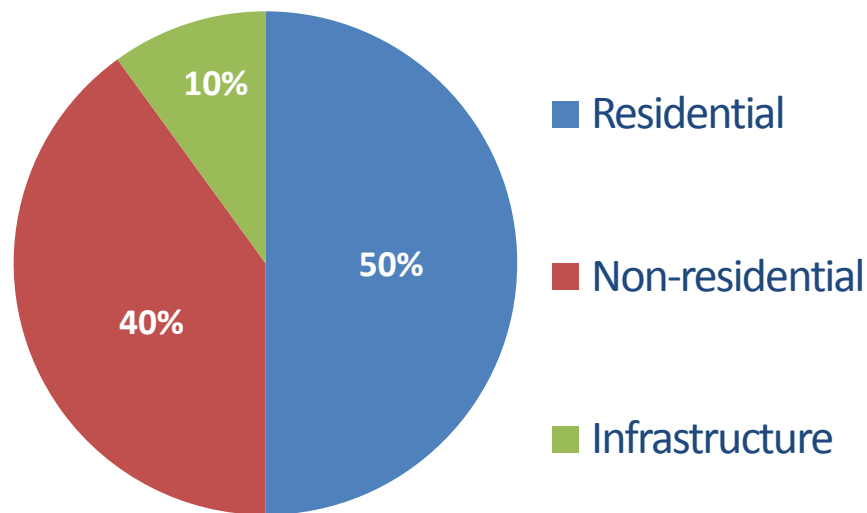
- Energy costs as % of sales up over 2 percentage points
- Strong commercial/operational action limited impact on margins
- \$0.3Bn on 19 acquisitions adds 0.5Bn+ tons of aggregates reserves

Americas Products – Benefits from Restructuring

€m	% chg	<u>2011</u>	<u>2010</u>
Sales	(4%)	2,378	2,469
EBITDA	+6%	164	154
Op. profit	n/m	42	(24)
EBITDA margin	↑	6.9%	6.2%
Op. margin	↑	1.8%	(1.0%)

*Includes Restructuring € 4m (2010: € 29m)
and Impairment € 4m (2010: € 40m)*

EBITDA Split



Americas Products – Operational Delivery in 2011



2011 Results

- Positive disposals impact: sales -€70m, EBITDA +€8m, EBIT +€13m
- FY like-for-like sales +2%; weak H1 -1%; strong H2 +6%
- Higher input costs; lower restructuring and impairment



2011 Highlights

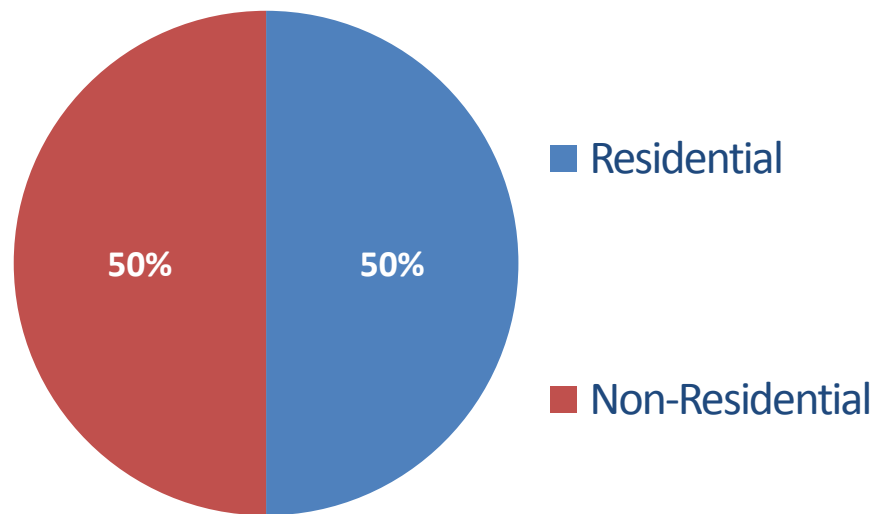
- Good benefits from organisational realignment
- Expanded Oldcastle Building Solutions to drive top-line growth
- Expansion of concrete paving operations in Canada

Americas Distribution – Good Progress

€m	% chg	<u>2011</u>	<u>2010</u>
Sales	+8%	1,335	1,239
EBITDA	+8%	65	60
Op. profit	+22%	45	37
EBITDA margin	↑	4.9%	4.8%
Op. margin	↑	3.4%	3.0%

*Includes Restructuring € 1m (2010: € 1m)
and Impairment € nil (2010: € nil)*

EBITDA Split



Americas Distribution – Operational Delivery in 2011



2011 Results

- FY like-for-like sales +11%; strong H1 +13%; H2 +10%
- Strong operational response to supplier price increases
- Overall margins ahead



2011 Highlights

- Further streamlining of organisational structures
- Private label brand (TriBuilt) continuing to gain strength
- 6 deals including 15-branch exterior products business in December

EBITDA Margin Resilient ... Benefits of Balance

EBITDA %	<u>2011</u>	<u>2010</u>	
Europe Products	7.3%	7.0%	↑
Europe Distribution	6.2%	6.0%	↑
Americas Products	6.9%	6.2%	↑
Americas Distribution	4.9%	4.8%	↑
Europe Materials	14.6%	15.9%	↓
Americas Materials	12.1%	12.8%	↓
Group	9.2%	9.4%	

Europe P&D

Restructuring benefits/Resilient RMI trends

Americas P&D

Products reorganisation benefits

Europe/Americas Materials

Higher input costs/Lower CO₂ proceeds

2011 Results

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Group Overall – Earnings Up; Dividend Maintained

€m	% chg	<u>2011</u>	<u>2010</u>
Profit on Disposals		55	55
Net Finance Costs		(257)	(247)
Share of Associates' PAT		42	28
Profit Before Tax	+33%	711	534
EPS (cent)	+35%	82.6	61.3
Dividend (cent)		62.5	62.5
Dividend Cover		1.3x	1.0x

Associates PAT

Similar after impairment of
€11m (2010: €22m)

EPS

After tax at 16.0%
(2010: 17.8%)

Dividend

Improved cover

2011 Operating Cash Inflow

€m		<u>2011</u>	<u>2010</u>
Inflows	Profit before tax	711	534
	Depreciation/Impairment	785	917
		1,496	1,451
Outflows	Working capital	(161)	256
	Dividends (<i>Pre scrip</i>)	(445)	(438)
	Capital expenditure	(576)	(466)
	Tax / Other	(288)	(138)
		(1,470)	(786)
Operating cash inflow		26	665

Working Capital

Outflow reflects higher sales and good finish to year

Capital Expenditure

78% of depreciation
(2010: 59%)

Tax / Other

Lower associates dividends
Higher pension contributions

Net Debt in-line with 2011

€m	<u>2011</u>	<u>2010</u>
Operating cash inflow	26	665
Acquisitions and investments	(610)	(567)
Disposals	492	188
Share issues (net)	141	185
Translation	(59)	(221)
Debt (increase) / decrease	(10)	250
Opening Net Debt	(3,473)	(3,723)
Year end Net Debt	(3,483)	(3,473)

Acquisitions

H1 €163m; H2 €447m

Disposals

Businesses €390m
Surplus land/PPE €102m

Net Debt / Equity

Unchanged at 33%

Strong Financial Profile

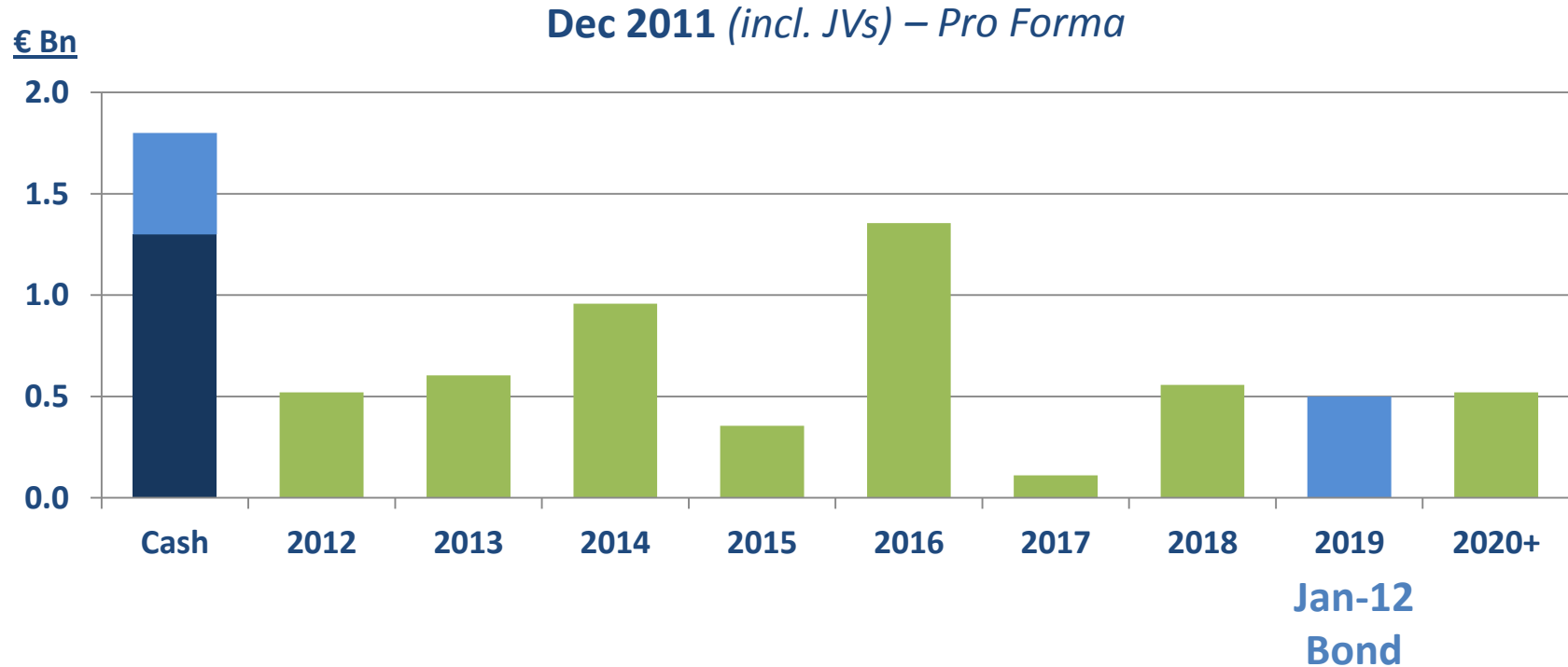
Gross Debt	€4.8 Bn
Gross Cash	(€1.3 Bn)
Net Debt	€3.5 Bn

Net Debt/EBITDA	2.1x
EBITDA/Net Interest	6.4x

Cash/Undrawn facilities	€3.2 Bn
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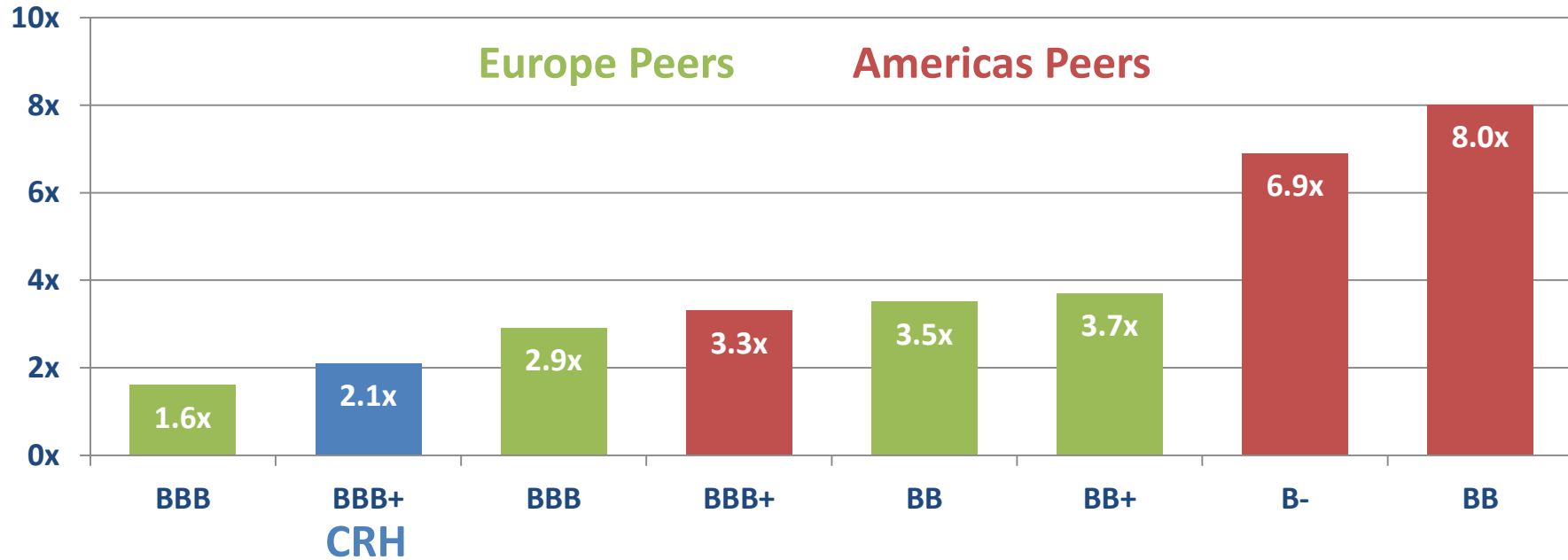
- Aug '11 €1.5Bn 5-yr bank facility
- 13 major international banks
- Replaced €0.6Bn short-term facilities
- Jan '12 €0.5Bn 7-yr bond issue
- 5% coupon; over 230 investors
- Brings cash/undrawn to €3.7Bn

Balanced Debt Maturity Profile



CRH Debt Metrics Amongst Best in Sector

End December Net Debt / LTM EBITDA



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2012 Outlook

- Assuming no major economic or energy market dislocations
- Further like-for-like revenue growth expected
- Achievement of targeted price increases a key priority
- We expect a further year of progress in 2012

CRH Strengths

Proven Business Model

Disciplined approach
to long-term value creation

Balance Sheet

One of the
strongest in the sector

Dividend Delivery

Unique
sector record

Acquisition Capability

Substantial capacity
for appropriate opportunities

SUPPLEMENTARY INFORMATION

CRH Group – Components of Performance

€ million	Sales	EBITDA	Operating Profit	Profit on Disposals	Finance Costs	Associates PAT	PBT
2010	17,173	1,615	698	55	(247)	28	534
Exchange	(243)	(24)	(4)	(1)	5		
2010/2011 Acquisitions	805	78	49		(8)		41
2010/2011 Divestments	(469)	(1)	16	17	5	(3)	35
Restructuring Costs		39	39				39
Impairment Costs			81			11	92
Ongoing Operations	815	(51)	(8)	(16)	(12)	6	(30)
2011	18,081	1,656	871	55	(257)	42	711
% change	+5%	+3%	+25%				+33%

Includes Restructuring € 61m (2010: € 100m) and Impairment € 32m (2010: € 124m)

Europe Materials – Components of Performance

					Analysis of Change				
€ m	% Chg	2011	2010	Change	Organic	Acquisitions	Divestments	Restructuring	Exchange
Sales	+12%	2,985	2,665	+320	+243	+110	(35)	-	+2
EBITDA	+3%	436	423	+13	(18)	+17	(1)	+14	+1
Op. Profit	+5%	264	251	+13	(13)	+10	-	+14	+2
EBITDA Margin		14.6%	15.9%						
Op. Profit Margin		8.8%	9.4%						

*Includes Restructuring € 19m (2010: € 33m)
and Impairment € nil (2010: € nil)*

Europe Products – Components of Performance

					Analysis of Change				
€ m	% Chg	2011	2010	Change	Organic	Acquisitions	Divestments	Restructuring/ Impairment	Exchange
Sales	(6%)	2,648	2,817	(169)	+175	+20	(364)	-	-
EBITDA	(2%)	194	198	(4)	+9	+3	(8)	(8)	-
Op. Profit	n/m	66	11	+55	+19	+1	+3	+31	+1
EBITDA Margin		7.3%	7.0%						
Op. Profit Margin		2.5%	0.4%						

*Includes Restructuring € 24m (2010: € 16m)
and Impairment € 15m (2010: € 54m)*

Europe Distribution – Components of Performance

					Analysis of Change				
€ m	% Chg	2011	2010	Change	Organic	Acquisitions	Divestments	Restructuring/ Impairment	Exchange
Sales	+22%	4,340	3,566	+774	+154	+486	-	-	+134
EBITDA	+25%	267	214	+53	+12	+32	-	-	+9
Op. Profit	+41%	190	135	+55	+19	+23	-	+6	+7
EBITDA Margin		6.2%	6.0%						
Op. Profit Margin		4.4%	3.8%						

*Includes Restructuring € 4m (2010: € 4m)
and Impairment € 2m (2010: € 8m)*

Americas Materials – Components of Performance

					Analysis of Change				
€ m	% Chg	2011	2010	Change	Organic	Acquisitions	Divestments	Restructuring	Exchange
Sales	-	4,395	4,417	(22)	+59	+130	-	-	(211)
EBITDA	(6%)	530	566	(36)	(37)	+20	-	+8	(27)
Op. Profit	(8%)	264	288	(24)	(28)	+10	-	+8	(14)
EBITDA Margin		12.1%	12.8%						
Op. Profit Margin		6.0%	6.5%						

*Includes Restructuring € 9m (2010: € 17m)
and Impairment € nil (2010: € nil)*

Americas Products – Components of Performance

					Analysis of Change				
€ m	% Chg	2011	2010	Change	Organic	Acquisitions	Divestments	Restructuring/ Impairment	Exchange
Sales	(4%)	2,378	2,469	(91)	+51	+37	(70)	-	(109)
EBITDA	+6%	164	154	+10	(26)	+7	+8	+25	(4)
Op. Profit	n/m	42	(24)	+66	(16)	+6	+13	+61	+2
EBITDA Margin		6.9%	6.2%						
Op. Profit Margin		1.8%	(1.0%)						

*Includes Restructuring € 4m (2010: € 29m)
and Impairment € 4m (2010: € 40m)*

Americas Distribution – Components of Performance

					Analysis of Change				
€ m	% Chg	2011	2010	Change	Organic	Acquisitions	Divestments	Restructuring	Exchange
Sales	+8%	1,335	1,239	+96	+133	+22	-	-	(59)
EBITDA	+8%	65	60	+5	+9	(1)	-	-	(3)
Op. Profit	+22%	45	37	+8	+11	(1)	-	-	(2)
EBITDA Margin		4.9%	4.8%						
Op. Profit Margin		3.4%	3.0%						

*Includes Restructuring € 1m (2010: € 1m)
and Impairment € nil (2010: € nil)*

2011: Acquisition Spend c€0.61 Bn

<u>€Bn</u>	<u>H1 2011</u>	<u>H2 2011</u>	<u>Full Year</u>
Europe / Asia	0.03	0.26	0.29
Americas	0.13	0.19	0.32
Total	0.16	0.45	0.61

2011 acquisition spend in line with 2010

- Acquisitions well spread across regions
- Active pipeline across all business segments

Analysis by Segment

Sales Revenue (€ m)	2011	2010	% chg
Europe Materials	2,985	2,665	+12%
Europe Products	2,648	2,817	(6%)
Europe Distribution	4,340	3,566	+22%
Americas Materials	4,395	4,417	-
Americas Products	2,378	2,469	(4%)
Americas Distribution	1,335	1,239	+8%
CRH Group	18,081	17,173	+5%

EBITDA Profit (€m)	2011	2010	% chg
Europe Materials	436	423	+3%
Europe Products	194	198	(2%)
Europe Distribution	267	214	+25%
Americas Materials	530	566	(6%)
Americas Products	164	154	+6%
Americas Distribution	65	60	+8%
CRH Group	1,656	1,615	+3%

Analysis by Segment

Operating Profit (€m)	2011	2010	% chg
Europe Materials	264	251	+5%
Europe Products	66	11	n/m
Europe Distribution	190	135	+41%
Americas Materials	264	288	(8%)
Americas Products	42	(24)	n/m
Americas Distribution	45	37	+22%
CRH Group	871	698	+25%

Profit on Disposal (€m)	2011	2010
Europe Materials	14	4
Europe Products	20	13
Europe Distribution	7	21
Americas Materials	14	17
Americas Products	-	-
Americas Distribution	-	-
CRH Group	55	55






Euroconstruct Estimates for 2011









Construction Output 2011		% change
Belgium	↑	+3.9%
Denmark	↑	+3.3%
Finland	↑	+2.6%
France	↑	+3.8%
Germany	↑	+3.7%
Ireland	↓	(17.5%)
Netherlands	↑	+3.7%

Construction Output 2011		% change
Poland	↑	+12.9%
Portugal	↓	(10.0%)
Spain	↓	(19.4%)
Switzerland	↑	+2.6%
United Kingdom	↓	(2.0%)
Western Europe (EC-15)	↓	(0.9%)
Eastern Europe (EC-4)	↑	+3.9%

PCA Estimates for 2011 (United States)

2011 Real GDP		+1.7%
2011 Construction Put-in-Place		(3.7%)
2011 Cement Consumption		+1.2%

Construction Put-in-Place 2011		% change
New Housing		+2.1%
Single Family		(3.2%)
Multi Family		+44.7%
Improvements		(2.5%)
Total Residential		(0.1%)

Construction Put-in-Place 2011		% change
Industrial		(17.6%)
Office		(8.0%)
Hotels, Motels		(27.4%)
Total Non-residential		(9.4%)
Highways & Streets		(3.1%)
Total Public		(6.5%)
Public Utility & Other		+3.4%
Farm Non-residential		+7.7%

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