

CRH plc
Investor/Analyst
Visit Switzerland
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Europe Materials

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Europe Materials *Agenda*

Operations & Strategy Declan Doyle

Developing Regions Albert Manifold

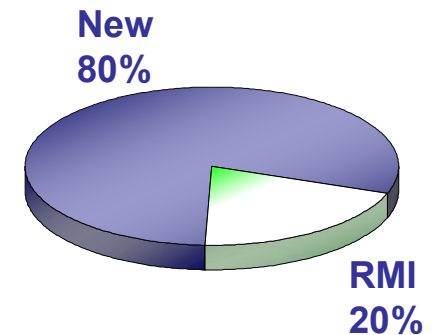
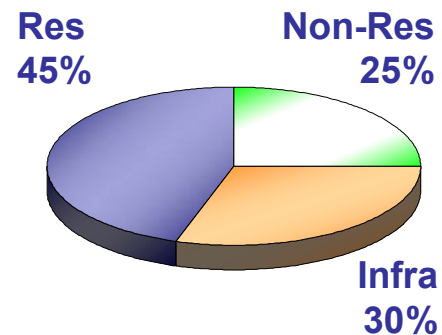
Focus on Switzerland Henry Morris

Europe Materials Overview

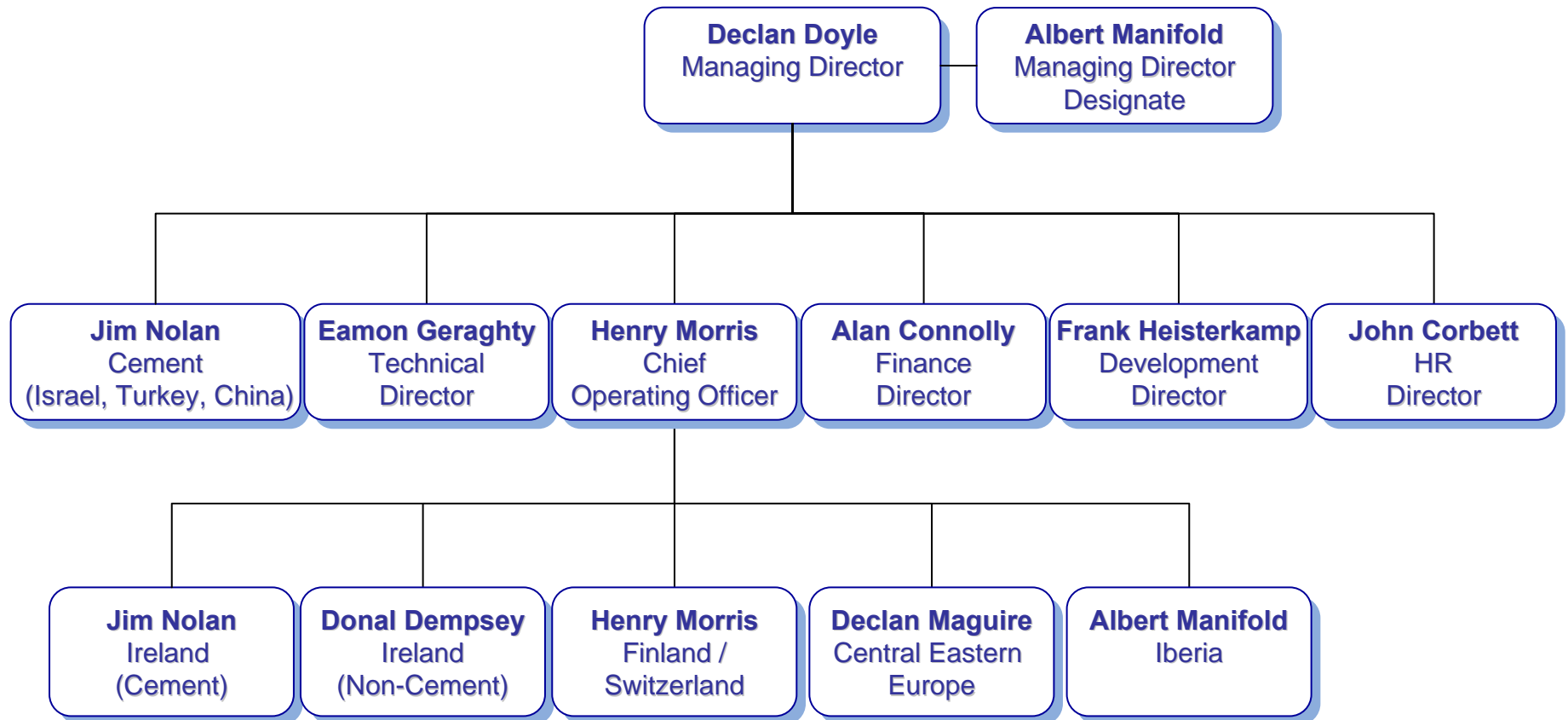


Sales (2006)	€3.0 Bn
5-yr Sales CAGR	c. 10%
Op. Margin	14.2%

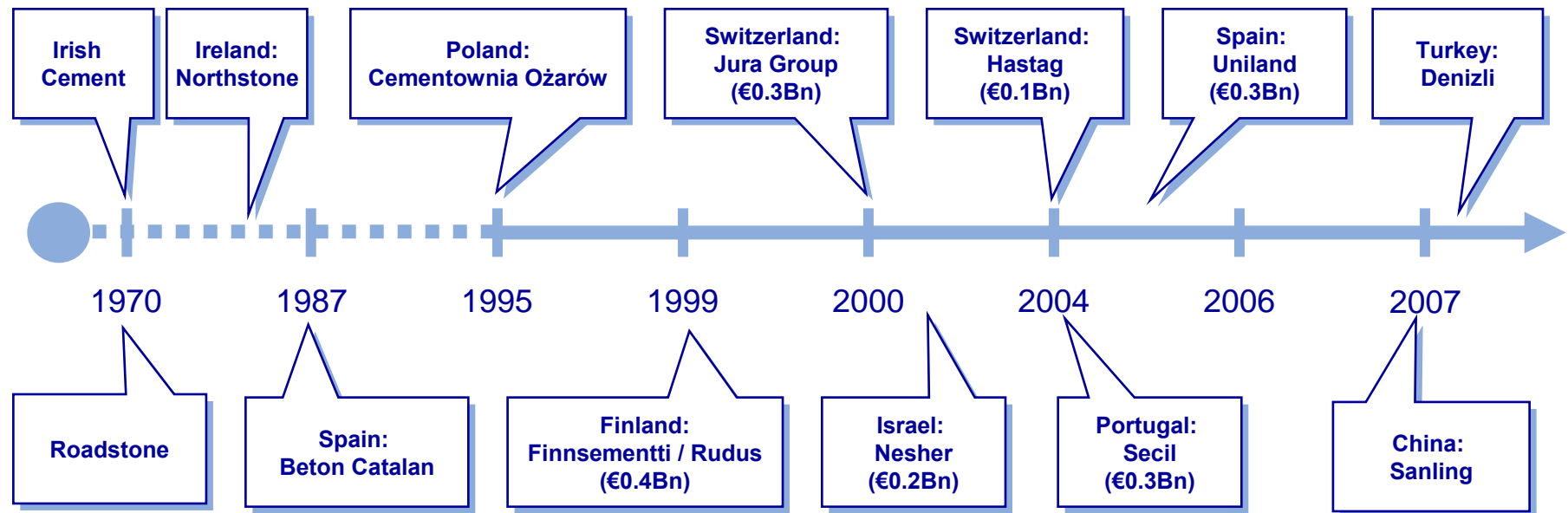
Countries	16
Locations	470+
Employees	12,000+



Europe Materials *Organisation*



Development History



Strategic Considerations

Key priorities across all regions...

- Maintain position as “low-cost” producer
- Focus on energy efficiency
- Invest for future growth
- Secure long-term reserves

Ireland

Overview



Sales (2006)	€1.2Bn
5-yr Sales CAGR	c. 6%
Op. Margin	c. 13%

Cement	3.6 m tonnes
Aggregates	34.7 m tonnes
Asphalt	3.1 m tonnes
R'mixed Concrete	3.3 m c.metres
Concrete Products	2.8 m tonnes

Res:Non-Res:Infra	45:25:30
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No.1	Cement, Aggregates, Lime, Asphalt, R'mixed Concrete, Concrete Blocks & Rooftiles
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Ireland

Economic Backdrop



Platin Works, Ireland

- Strong GDP growth (c.5% in 2007)
- Continued high construction output levels
- Slowing residential construction offset by strong non-residential & accelerating infra investment
- Medium term economic outlook positive

Ireland *Strategy*



Ballyegan Quarry, Ireland

- Maintain leading position as lowest cost/best value producer
- Recover input cost increases
- Operate to highest environmental standards
- New 1.3 m tpa kiln at Platin Works to come on stream in late 2008
- Continue to replenish reserves

Finland / Baltics Overview



Sales (2006)	€0.5Bn
5-yr Sales CAGR	c. 9%
Op. Margin	c. 15%

Cement	1.6 m tonnes
Aggregates	26 m tonnes
Asphalt	0.1 m tonnes
R'mixed Concrete	2 m c.metres
Concrete Products	0.5 m tonnes

Res:Non-Res:Infra	30:30:40
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No.1	Cement, Aggregates, Readymixed Concrete in Finland
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Finland / Baltics

Economic Backdrop



Finnsementti Parainen Cement Plant, Finland

○ Finland

- Robust GDP growth (+3% '07)
- Construction keeping pace

○ Baltic States

- Increased construction activity underpinned by strong local economies

○ Russia

- Energy exports
- Booming construction industry

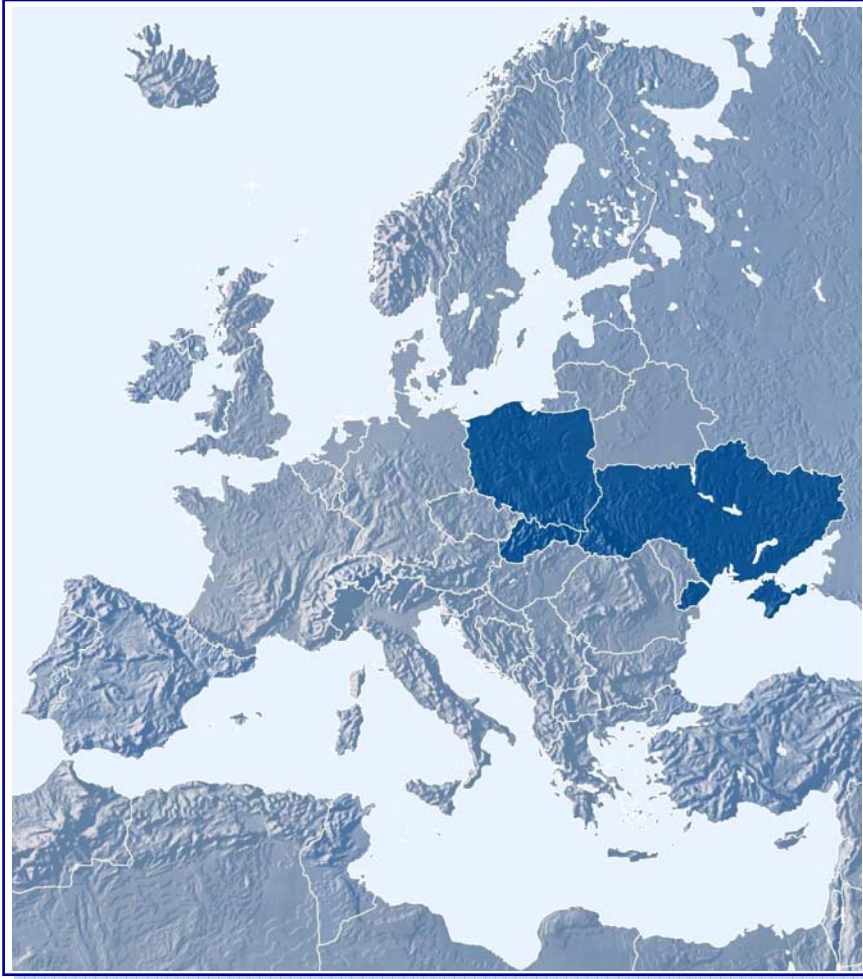
Finland / Baltics *Strategy*



New Kiln at Lappeenranta, Finland

- Maintain strong market positions
- Bolt-on acquisitions to expand product portfolio and improve sectoral balance
- Invest for operational efficiencies and margin improvement (new Kiln operational 2007)

Central Eastern Europe Overview



Sales (2006)	€0.5Bn
5-yr Sales CAGR	c. 16%
Op. Margin	c. 17%

Cement	5.0m tonnes
Aggregates	9.4m tonnes
Asphalt	0.8m tonnes
R'mixed Concrete	1.7 m c.metres
Concrete Products	4.4m tonnes

Res:Non-Res:Infra	40:25:35
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No.1	Heavy Building Materials in Poland
No.1	Cement in Ukraine

Central Eastern Europe

Economic Backdrop



Grupa Ożarów Cement Plant, Poland

○ **Poland**

- GDP growth remains strong (c.6% in 2007)
- Construction output supported by EU funding
- Exceptionally robust demand across all activities
- Additional cement milling capacity and new lime kiln to meet growing demand

○ **Ukraine**

- GDP growth continues (c.6-7%)
- FDI to increase; 2012 Football Championship (Pol / Ukr)
- Strong demand for Cement & Aggregates

Central Eastern Europe *Strategy*



Hubina Quarry, Kamenolomy, Slovakia

- Invest to capitalise on growing economies
- Continue to develop strong vertically integrated businesses
- Extend product coverage and improve product pricing
- Higher environmental standards
- Continue geographic expansion

Ukraine

Dry production at Podilsky Cement



Podilsky Cement, Ukraine

JI Project ...

- UN-backed project to convert to dry production at Kamenets-Podilsky
- €210 million total investment
- CO₂ emissions reduction of up to 3 million tonnes by 2012
- Part of CRH's overall corporate CO₂ reduction plan

Switzerland

Overview



Sales (2006)	€0.25Bn
5-yr Sales CAGR	c. 10%
Op. Margin	c. 17%

Cement	1.0 m tonnes
Aggregates	5.7 m tonnes
Asphalt	0.1 m tonnes
R'mixed Concrete	0.9 m c.metres

Res:Non-Res:Infra	40:30:30
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No.2	Cement, Readymixed Concrete
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Switzerland

Economic Backdrop



Jura Dredger, Lake Lucerne, Switzerland

- Stable GDP growth (c.2% in 2007)
- Low inflation and favourable exchange rates
- Construction outlook stable after good growth in recent years
- Modest residential and infrastructure decline compensated by non-residential recovery

Switzerland *Strategy*



Wildegg Cement Plant, Switzerland

- Enhance existing market positions
- Margin improvement
- Optimise alternative fuel usage
- Acquire strategically located businesses
- Explore perimeter areas

Iberia / Mediterranean Overview



Sales (2006)	€0.5Bn
5-yr Sales CAGR	c. 25%
Op. Margin	c. 13%

Cement*	3.7 m tonnes
Aggregates	5.8 m tonnes
R'mixed Concrete	6.3 m c.metres
Concrete Products	0.6 m tonnes

Res:Non-Res:Infra	Spain 40:20:40
	Portugal 55:15:30

No.2	Cement, R'mixed Concrete
	in Portugal
No.1	RMC in Catalonia/Madrid

**Volumes exclude CRH's cement stakes in Spain & Israel*

Iberia / Mediterranean

Economic Backdrop



Outão Cement Plant, Portugal

○ Spain

- 2007 GDP growth c. 4%
- Strong construction growth
- Increasingly competitive market

○ Portugal

- Subdued economic backdrop
- Public expenditure cutbacks
- Strong export markets

○ Turkey

- Strong economic growth
- Tourism a key driver

Iberia / Mediterranean Strategy



Barcelona Quarry, Spain

○ Spain

- Optimise existing market positions
- Develop new product and regional markets
- Advance Uniland position

○ Portugal

- Maintain No. 2 cement position
- Increase alternative fuel usage
- Expand into related products

○ Mediterranean

- Turkish platform
- Expand geographic presence

Europe Materials

Superior Performance ...

- Maintain and build existing operations in mature European markets:
 - Strong leading market positions in stable economies
 - Selectively expand in related products
 - Geographic infill
- Rigorous focus on operating excellence: “Lowest cost producer”
 - Energy costs – Alternative Fuels
 - CO₂ impact considerations
- Continuous investment in capacity to meet growing demand

Europe Materials

... and Growth

○ Developed Europe

- Bolt-ons to existing platforms, expand to adjacent geographies
- Acquisition of new strategic “clusters” (Aggregates, Lime, Readymixed Concrete)
- Leverage Med. Basin presence with cautious step-out to North Africa & Middle East

○ Eastern Europe & Russia

- Extensive CRH experience & mgmt resources in Poland, Ukraine, Finland & Russia
- Continue to build on existing businesses (Ukraine Aggregates)
- Strong platform for further Heavy Building Materials expansion in Russia

○ New Regions

- Markets to the east with long-term growth opportunities
- Preferred entry is via Heavy Building Materials
- Europe Materials supporting the development thrust into these regions

Conclusion

Core Product Group

- Primary materials are a core product group in CRH and a major contributor to Group EBIT (51% in 2006 – Europe 24%, Americas 27%)
 - Cash flows *Strong & stable*
 - Returns *Excellent long-term returns*
 - Strategic benefits *Platform facilitates downstream growth*
 - Emerging regions *Proven entry point*
- Europe Materials well balanced between mature and developing markets
- Strategically positioned to build on existing platforms, and ...
- ... benefit from further potential EU enlargement