

A map of the United States with 15 states highlighted in dark blue. The highlighted states are: Nevada, Utah, Arizona, New Mexico, Colorado, Kansas, Oklahoma, Texas, Nebraska, South Dakota, North Dakota, Minnesota, Iowa, Missouri, and Wisconsin. The rest of the United States is shown in light blue.

Americas Materials

Divisional Profile

Tom Hill

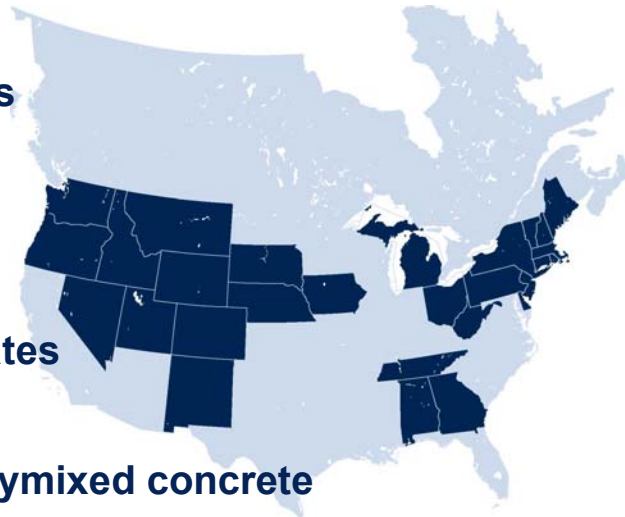
Americas Materials

28 US States

1 Asphalt

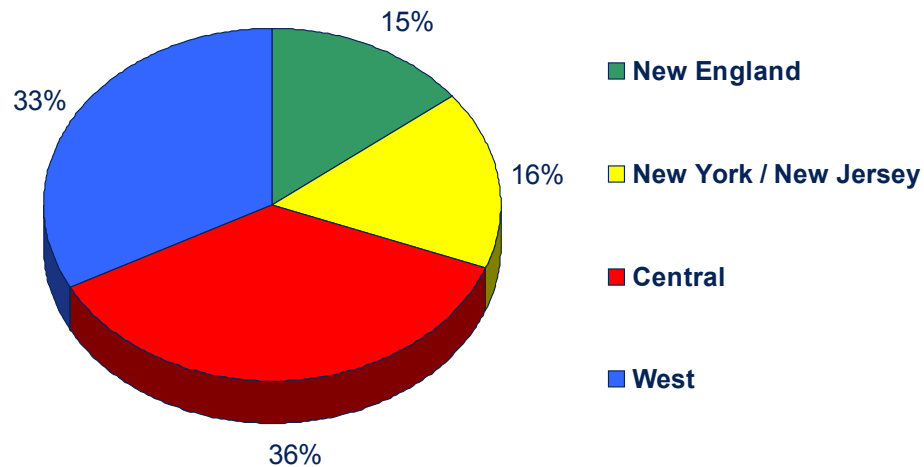
4 Aggregates

Top 10 readymixed concrete

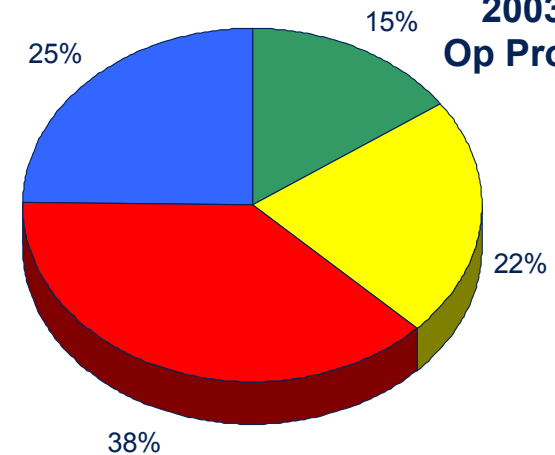


| <u>Financials \$m</u> | <u>2003</u> | <u>2002</u> | <u>2001</u> |
|-----------------------|-------------|-------------|-------------|
| Sales | 3,202 | 2,905 | 2,837 |
| Operating Profit | 329 | 318 | 310 |
| Avg Net Assets | 3,036 | 2,685 | 2,338 |
| Operating Margin | 10.3% | 10.9% | 10.9% |

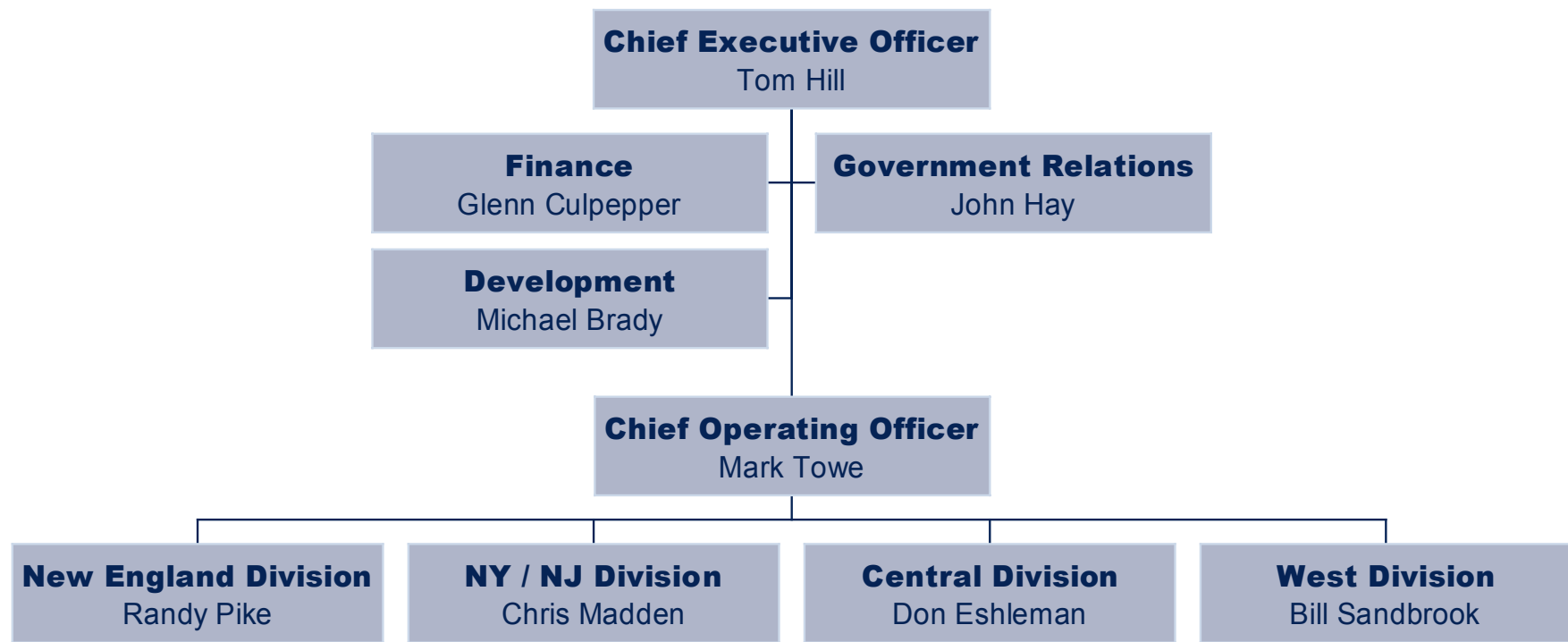
2003
Sales



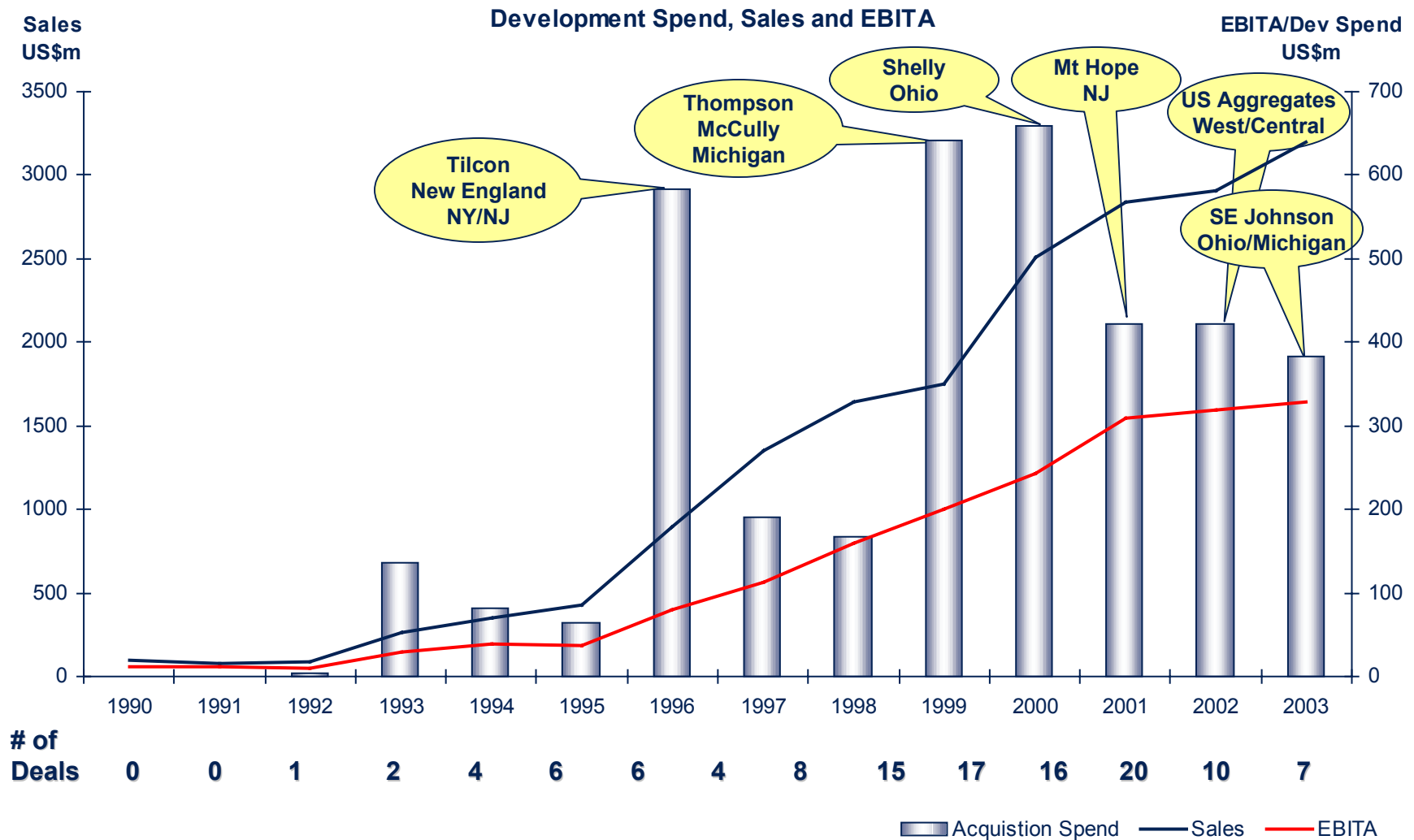
2003
Op Profit



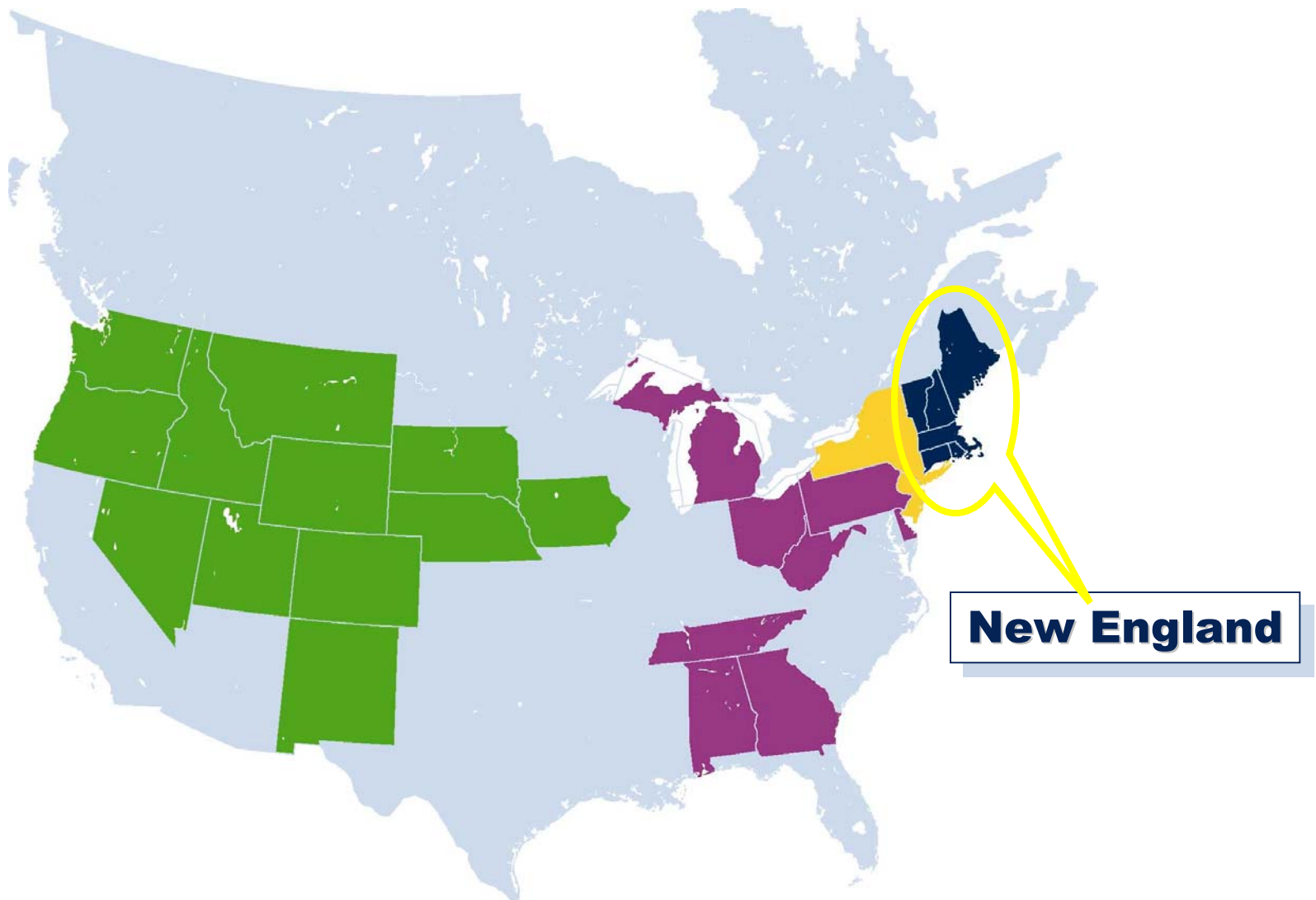
Americas Materials - Organisation



Americas Materials - Development

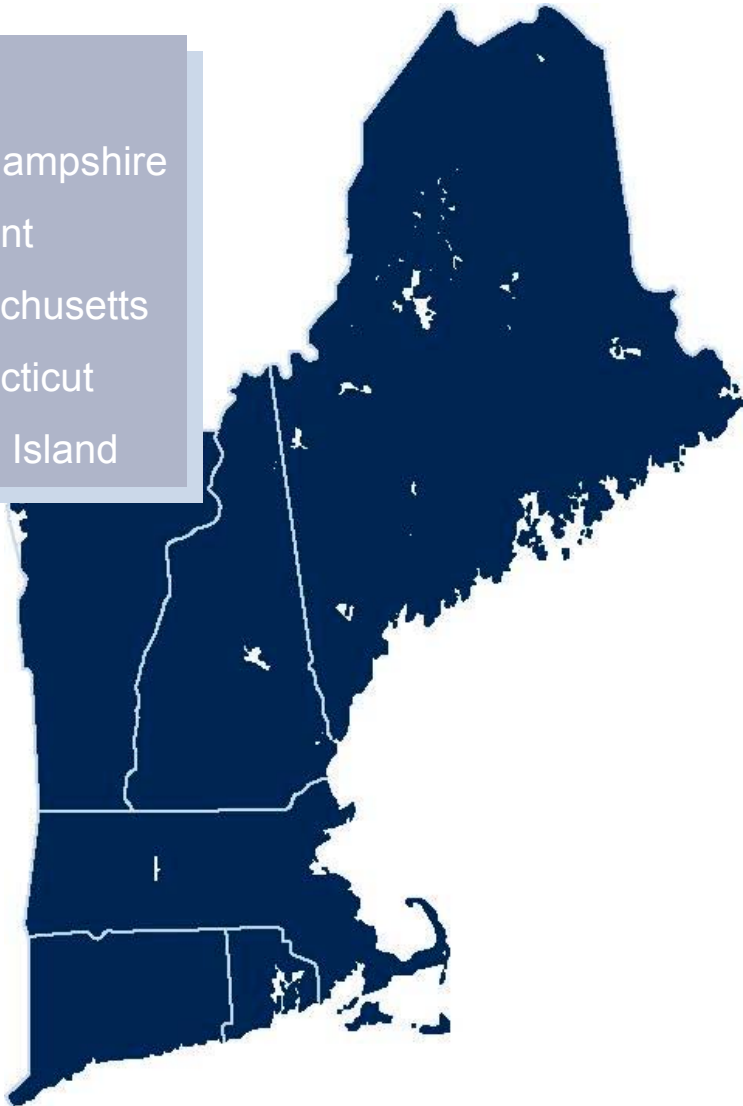


Regional Review



New England

Maine
New Hampshire
Vermont
Massachusetts
Connecticut
Rhode Island

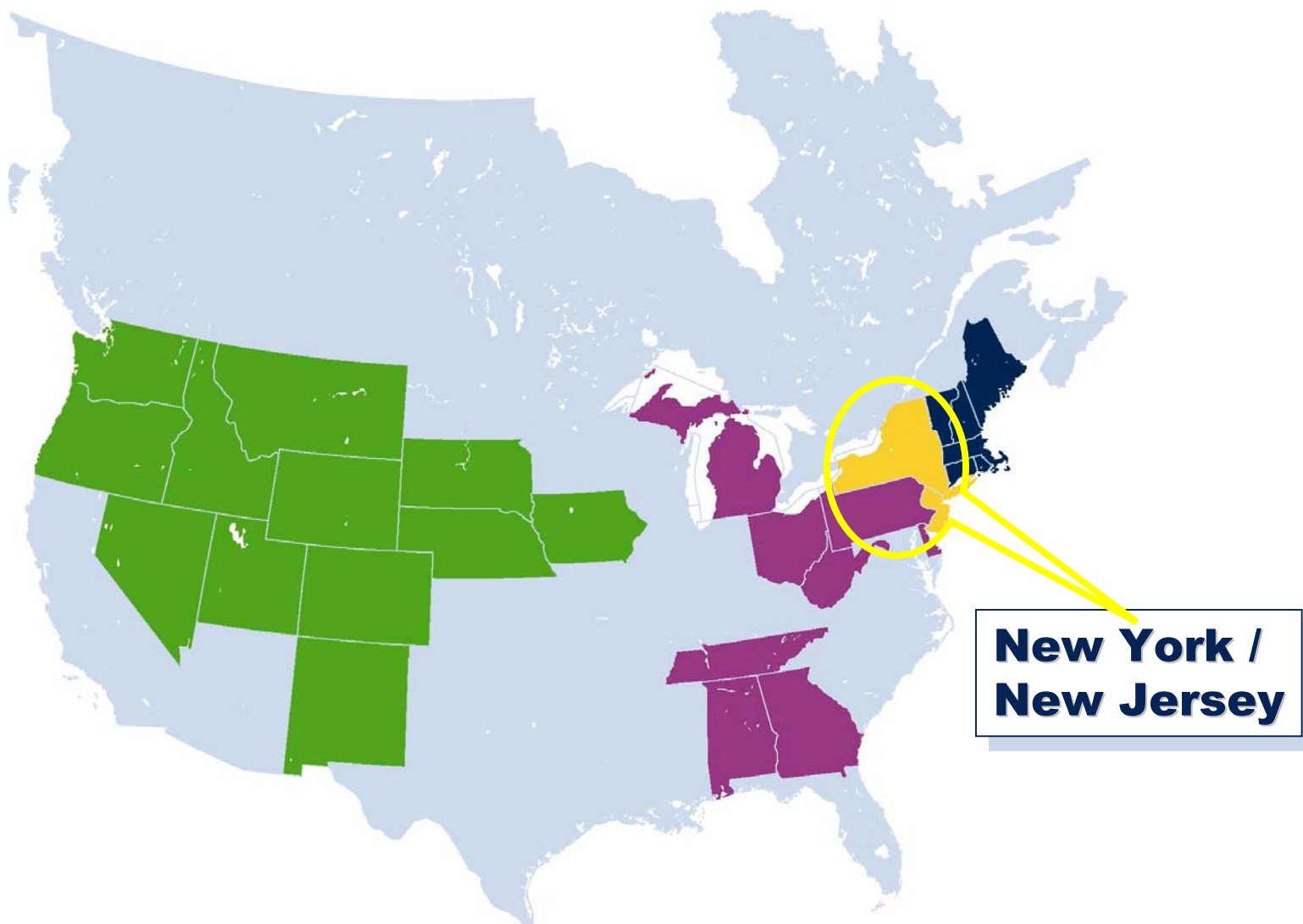


- **2003 Sales** **\$453m**
- **Operating Margin** **c 11%**
- **Aggregates (*m tons*)** **19.8**
- **Asphalt (*m tons*)** **7.6**
- **Readymixed concrete (*mcyds*)** **0.4**

Strategy

- Mature market
- Bolt-on acquisitions still available
- Campaign for improved paving programs

Regional Review



New York / New Jersey

New York
New Jersey

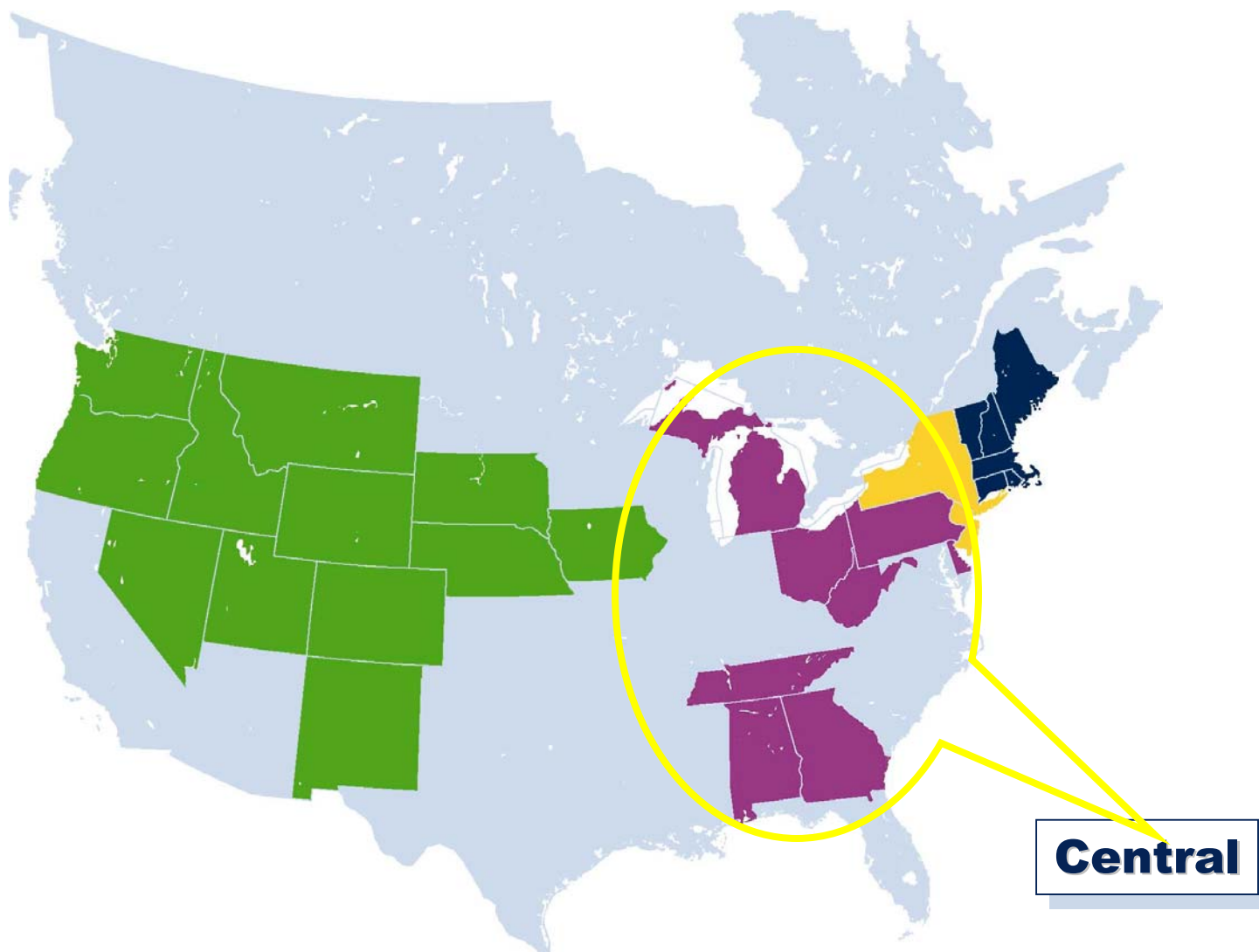


- **2003 Sales** **\$604m**
- **Operating Margin** **c 12%**
- **Aggregates (*m tons*)** **29.3**
- **Asphalt (*m tons*)** **7.0**
- **Readymixed concrete (*mcyds*)** **0.6**

Strategy

- Enhance strong NY Metro / New Jersey market positions through further bolt-ons
- Expand Upstate New York businesses

Regional Review



Central

Michigan

Ohio

Pennsylvania

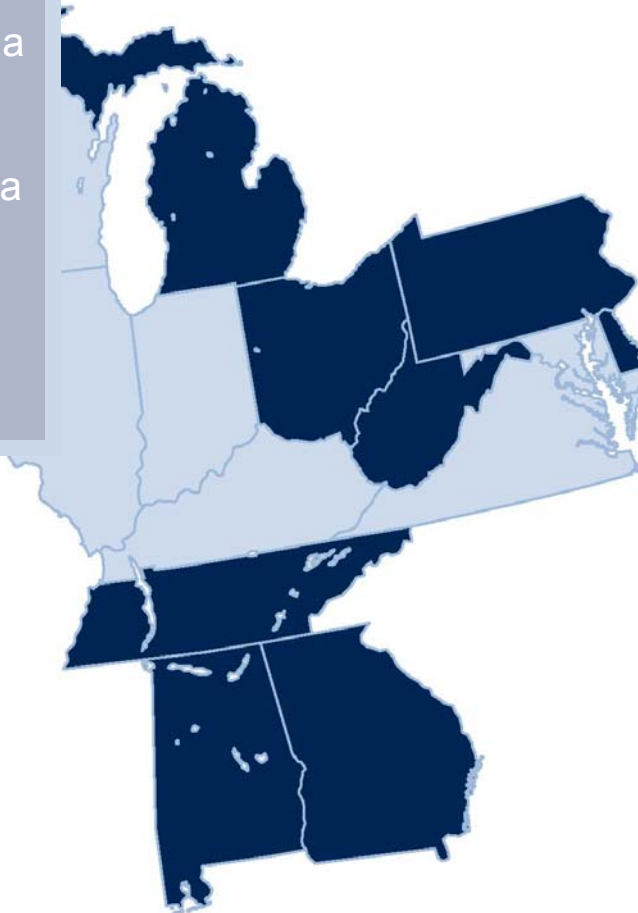
Delaware

West Virginia

Tennessee

Alabama

Georgia

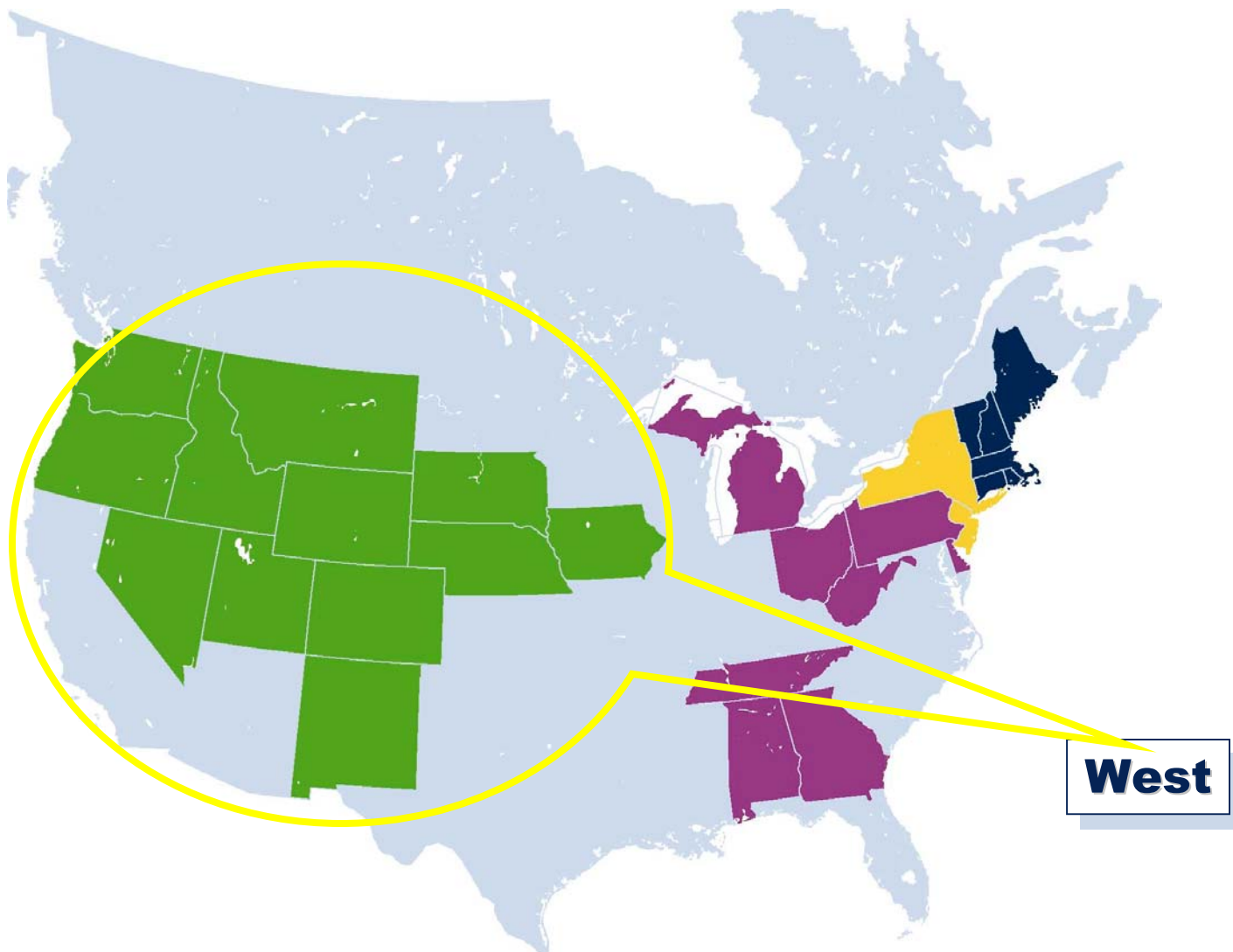


- **2003 Sales** **\$1,132m**
- **Operating Margin** **c 11%**
- **Aggregates (*m tons*)** **54.3**
- **Asphalt (*m tons*)** **15.1**
- **Readymixed concrete (*mcyds*)** **0.6**

Strategy

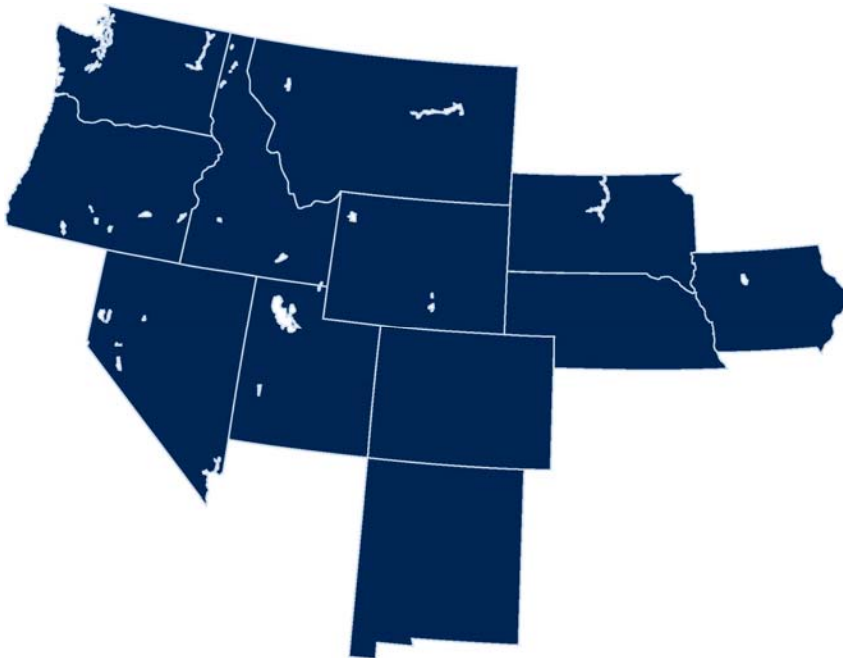
- Manage impact of higher energy costs
- Continued vertical integration of operations in MI, OH, WV
- Many further bolt-on opportunities

Regional Review



West

| | | |
|------------|----------|--------------|
| Washington | Utah | New Mexico |
| Oregon | Montana | South Dakota |
| Nevada | Wyoming | Nebraska |
| Idaho | Colorado | Iowa |



- **2003 Sales** **\$1,013m**
- **Operating Margin** **c 8%**
- **Aggregates (*m tons*)** **35.4**
- **Asphalt (*m tons*)** **6.1**
- **Readymixed concrete (*mcyds*)** **5.4**

Strategy

- Expand successful readymix business in the Mountain Region
- Develop new opportunities in Northwest, Iowa and upper Midwest

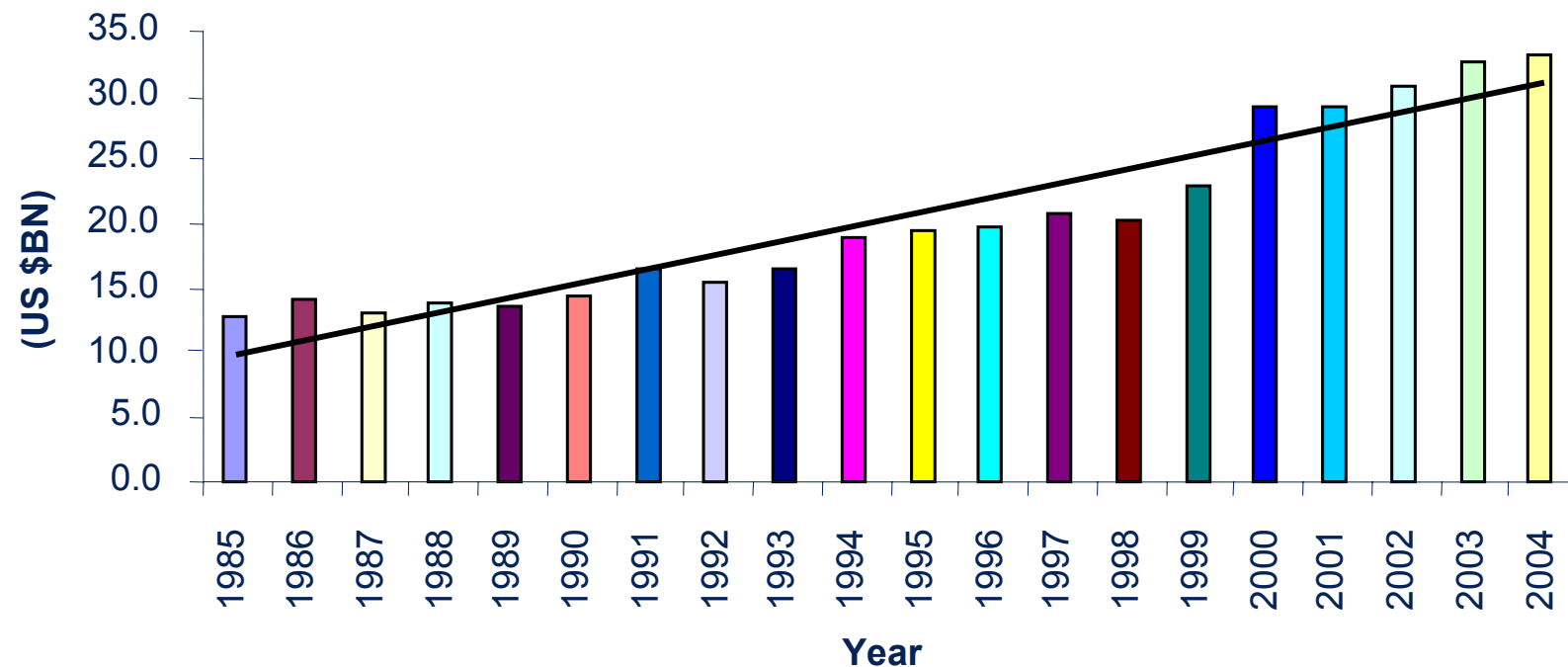
Highway Funding Backdrop

- Infrastructure including highway construction accounts for c 65% of Divisional sales
- Federal Govt accounts for c50% of highway investment: States & Local c50%
- Highway funding popular issue with politicians and public; “Car is King” culture
- Americans are growing more dependent on roads
- Many roads are in poor or mediocre condition
- As congestion and conditions worsen, political support increases

Highway Funding Backdrop

- Federal funding has increased historically

Highway Program Expenditures



Highway Funding Backdrop

- State Highway Funding

- Federal projects require state to fund a portion of the project
- Many states have faced recent deficits; improving economy easing the pressures

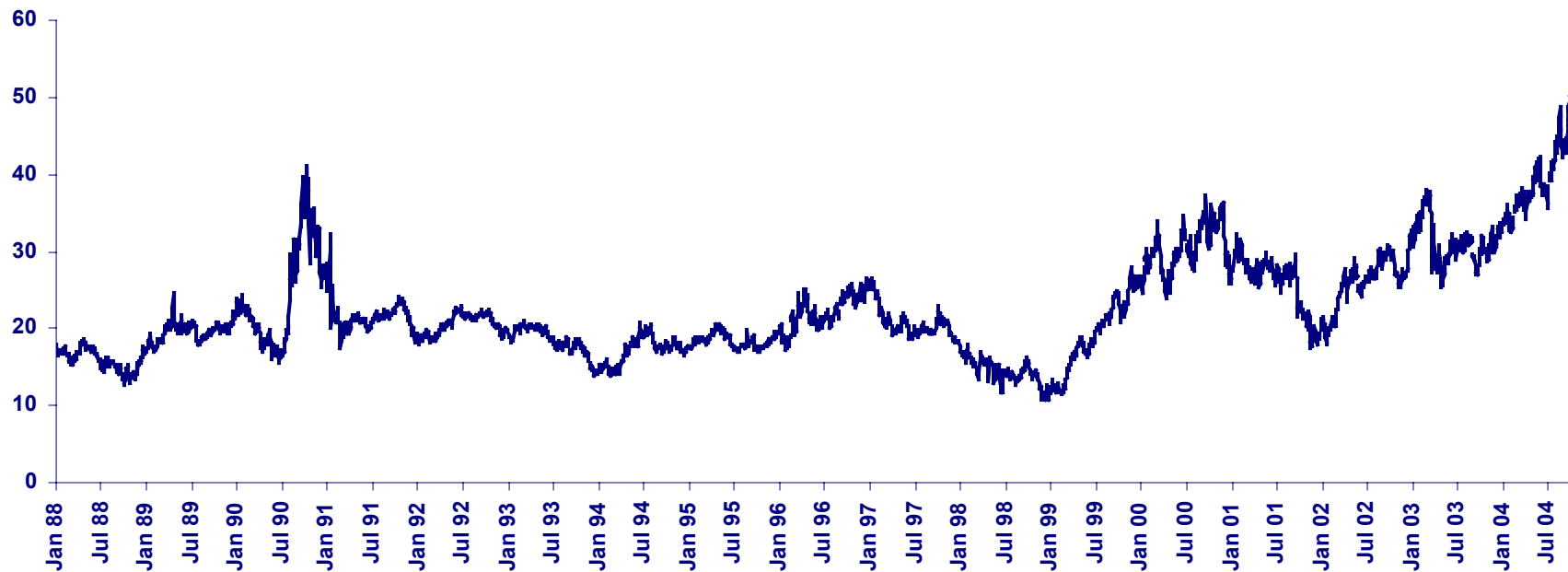
- Federal Highway Funding

- TEA-21 expired September 30th 2003
- 2004 funding \$33.6 bn (+7% on 2003 level); 2005 funding \$34.5 bn (+3% on 2004 level)
- Expect final passage of TEA-21 renewal in Spring 2005
- c\$290bn total 6 year Transportation bill seems likely
- Would lead to average \$37 - \$40bn per year for highways

Business Issues - Energy

\$ BBL

US Crude Oil Prices



- Energy used in three primary areas
 - Burner fuel for asphalt plants
 - Bitumen in asphalt
 - Mobiles
- Higher and more volatile energy prices since 2000
- Energy prices likely to remain high

Business Issues - Energy

- Focus on managing energy cost increases through
 - Substitution: RAP, Used Oil
 - Hedging: Bitumen storage

| | 1998 | 2004 |
|---------------------------------------|-----------|------------|
| RAP % of Asphalt Tons | 5% | 10% |
| Used Oil % of burner fuel used | 5% | 65% |
| Bitumen Storage '000 tons | 50 | 700 |

- Price recovery

Summary

- State budgets deficits improving
- Successful completion to TEA-21 renewal in Spring 2005
- Energy prices stabilising?
- Focus on cost recovery
- Continuing growth opportunities
 - Good population of small to medium sized add-ons
 - Some larger family-owned targets