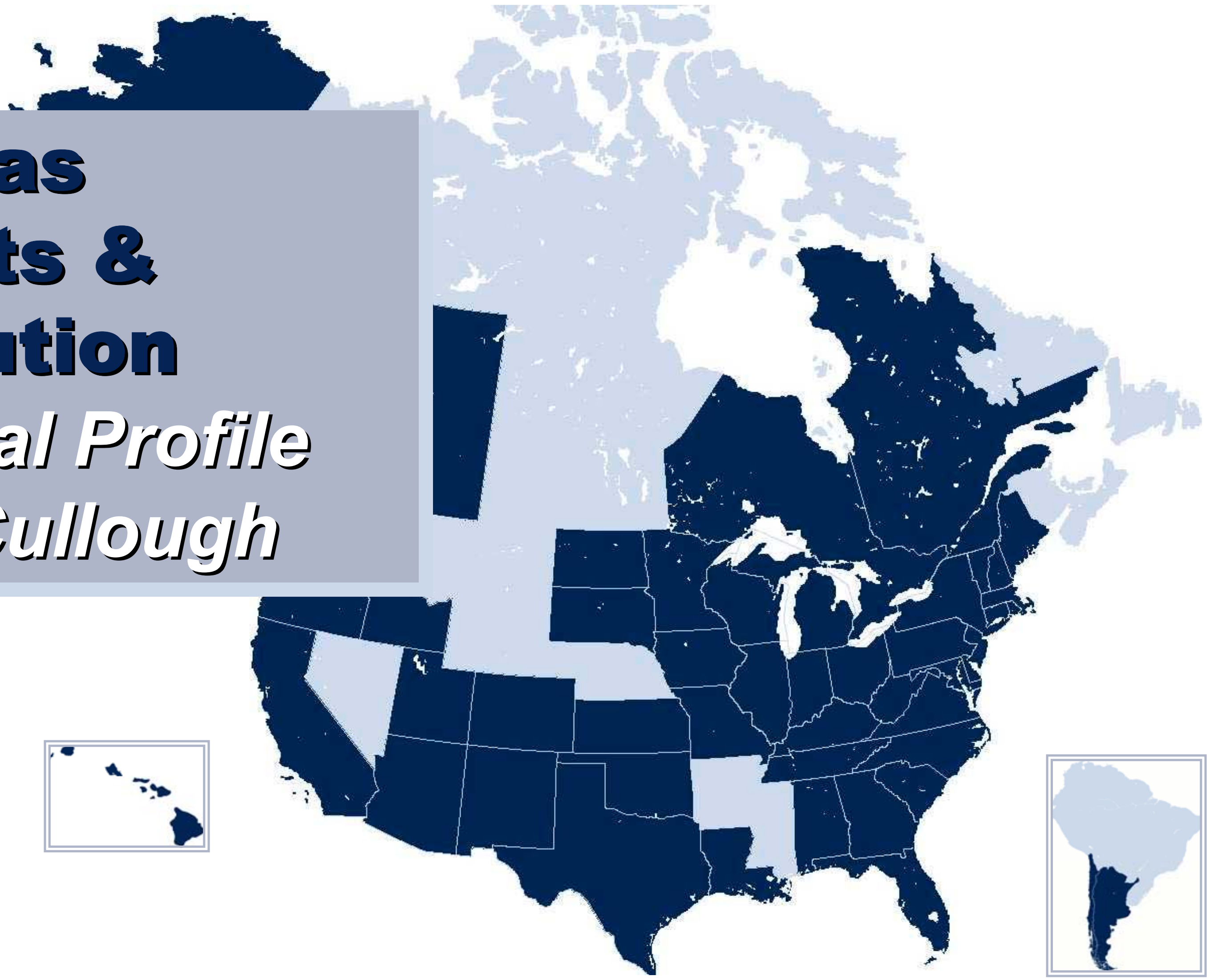
Americas Products & Distribution

Divisional Profile

Joe McCullough

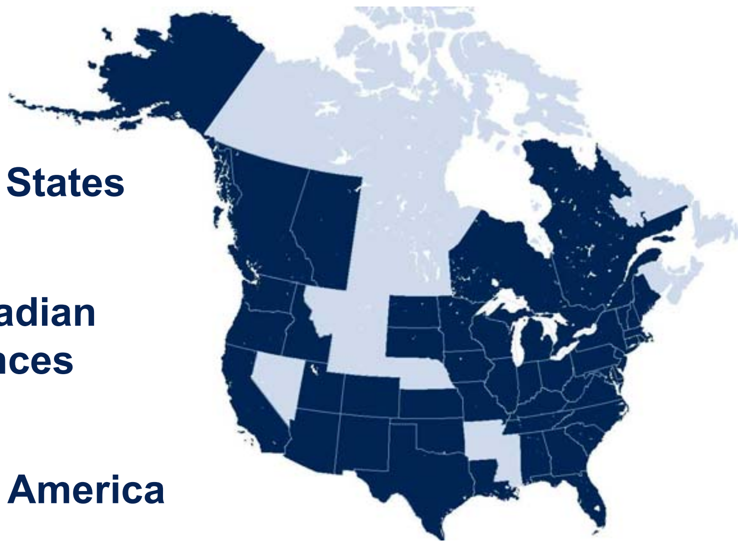


Americas Products & Distribution

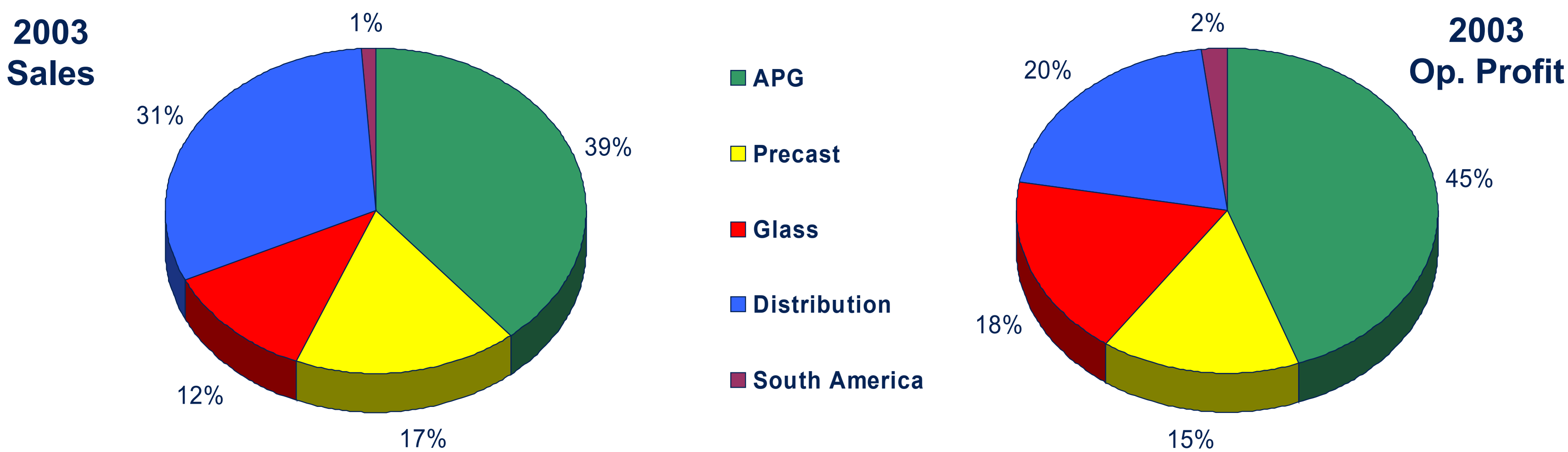
44 US States

4 Canadian Provinces

South America



Financials $m	2003	2002	2001
Sales	3,600	3,110	2,902
Operating Profit	303	276	256
Avg Net Assets	1,803	1,543	1,325
Operating Margin	8.4%	8.9%	8.8%



Americas Products & Distribution - Organisation

Chief Executive Officer
John Wittstock 31/10
Joe McCullough 01/11

Finance
Michael O'Driscoll

Development
David Clark

Architectural Products
Doug Black

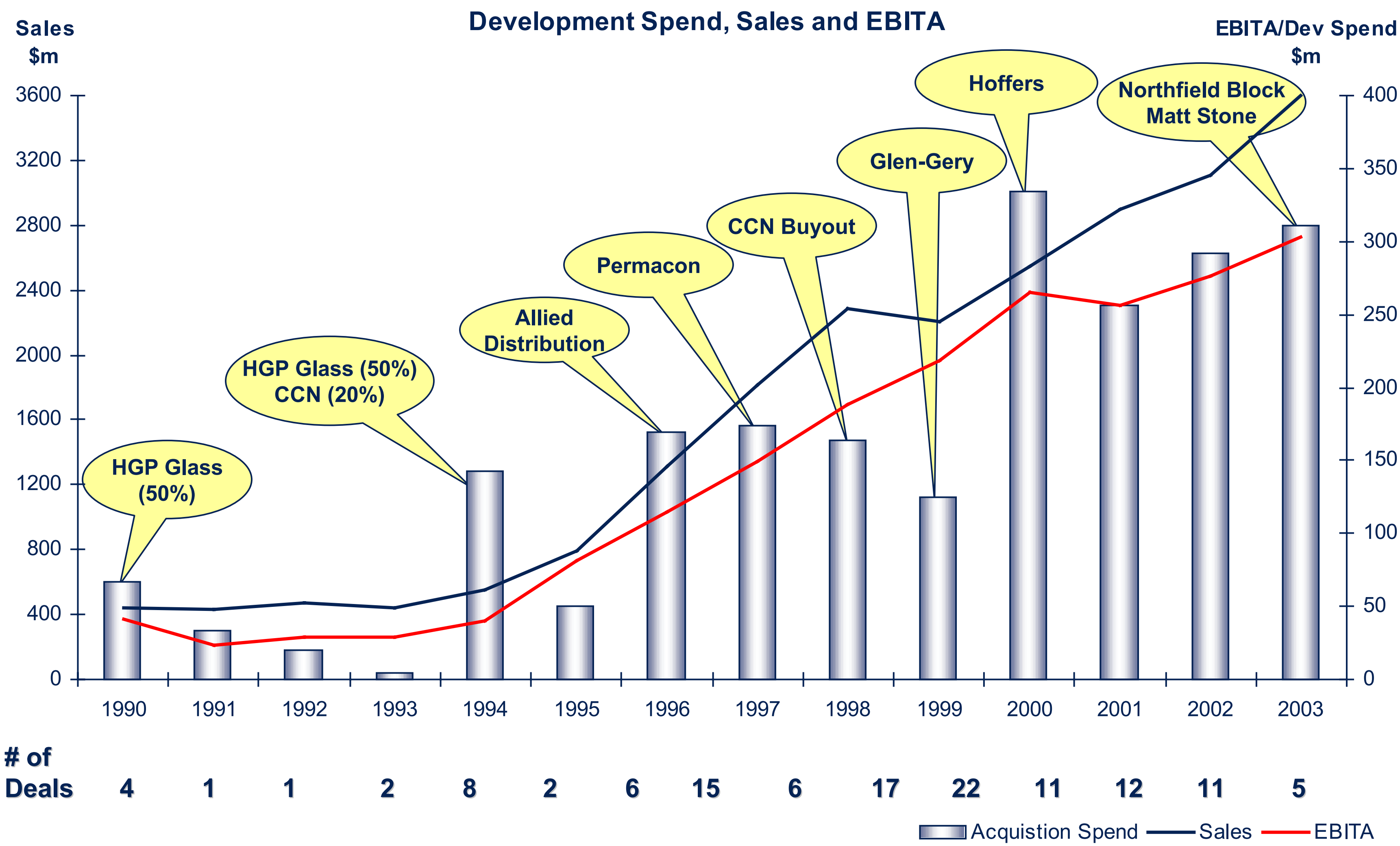
Precast
Jim Schack

Glass
Ted Hathaway

Distribution
Michael Lynch

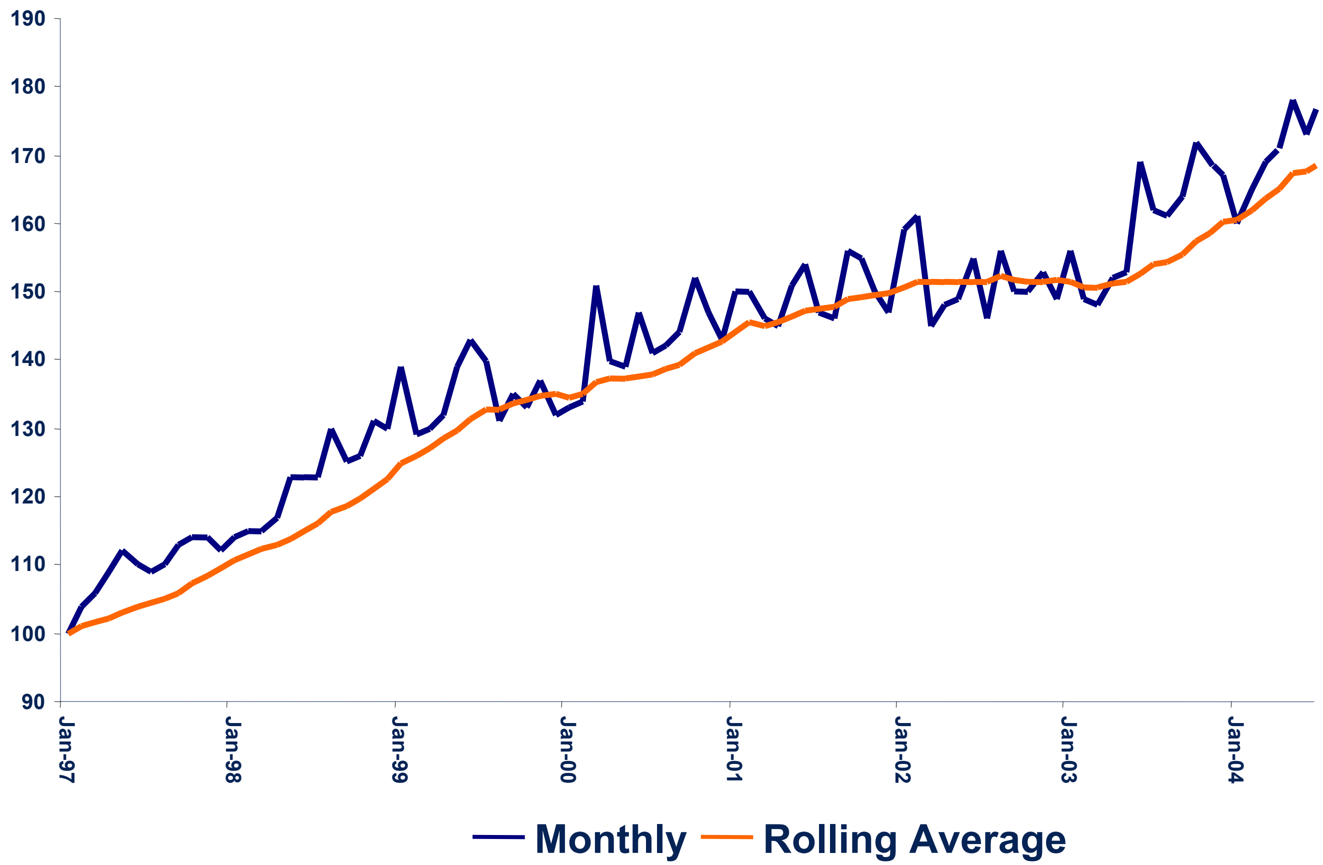
South America
Juan Carlos Girotti

Americas Products & Distribution - Development



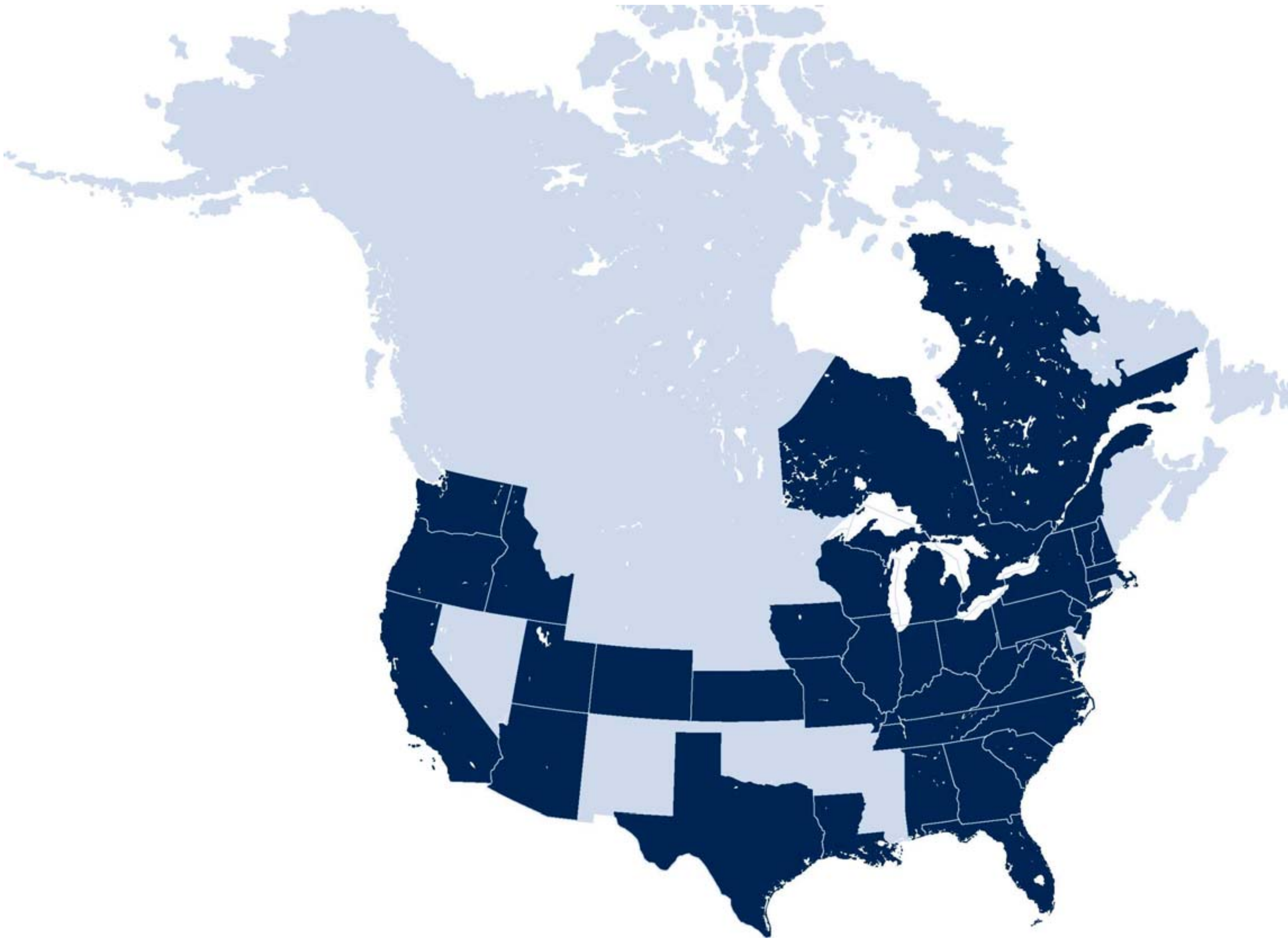
# of Deals	4	1	1	2	8	2	6	15	6	17	22	11	12	11	5

Dodge Construction Index



- Composite index from F.W. Dodge (contract data)
- Base: 1996 Monthly average =100
- Recovery evident since early-2003

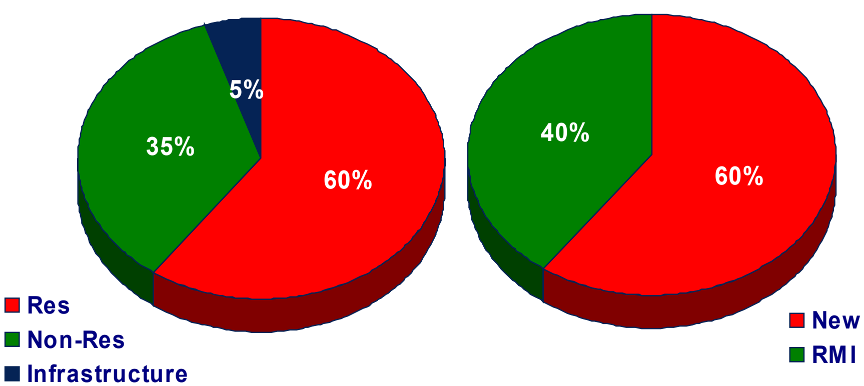
Architectural Products



Architectual Products - Review

- 2003 Sales $1,390m
- Operating Margin c 10%
- 34 US States, 2 Canadian Provinces
- Concrete products
  - → # 1 masonry, paving, patio in US
  - → # 1 paving, patio in Canada
- Prepackaged concrete mixes
  - → # 2 in US
- Clay bricks, pavers, tiles
  - → # 1 brick producer in NE US

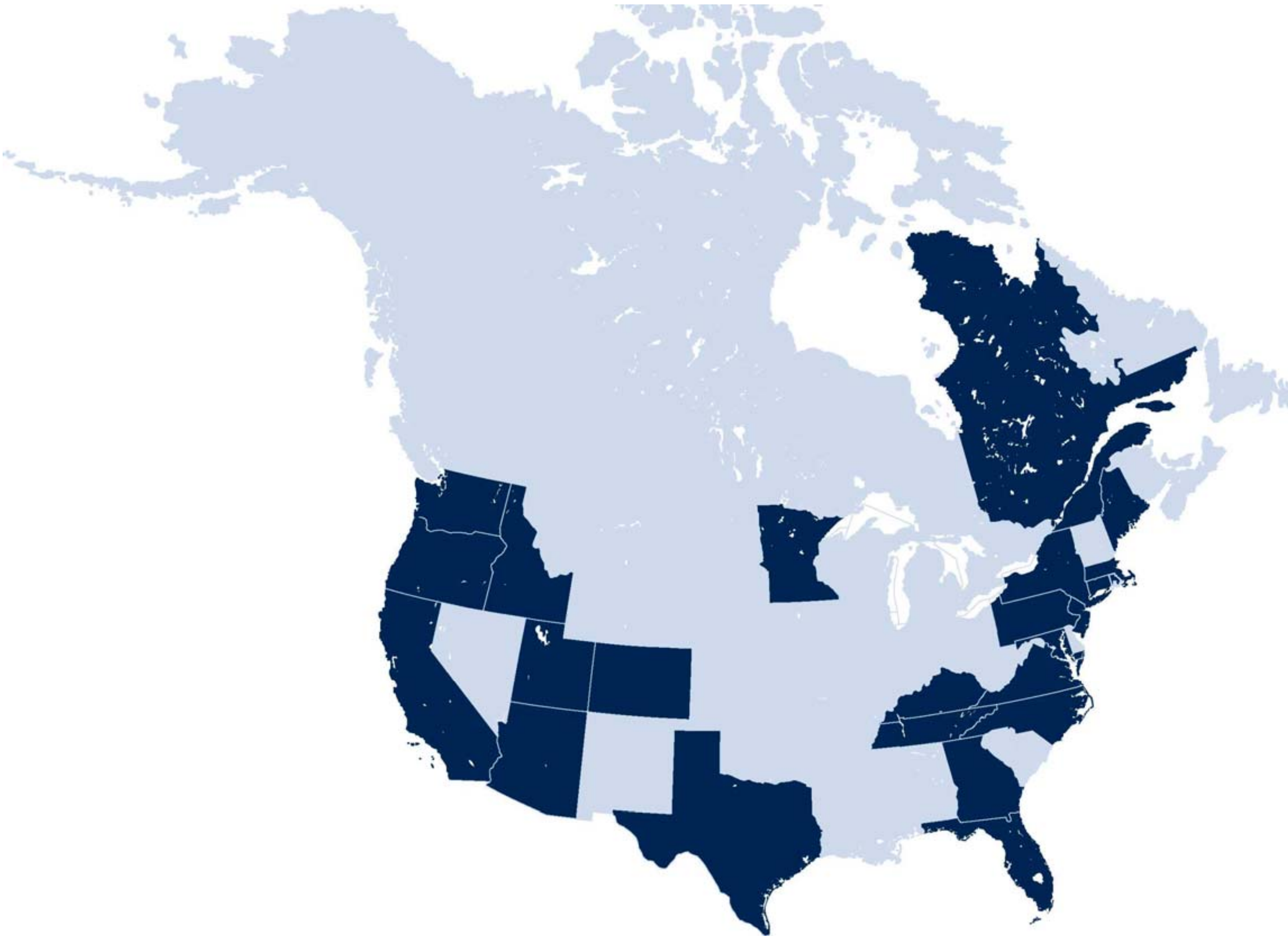
Product end-use



Strategy

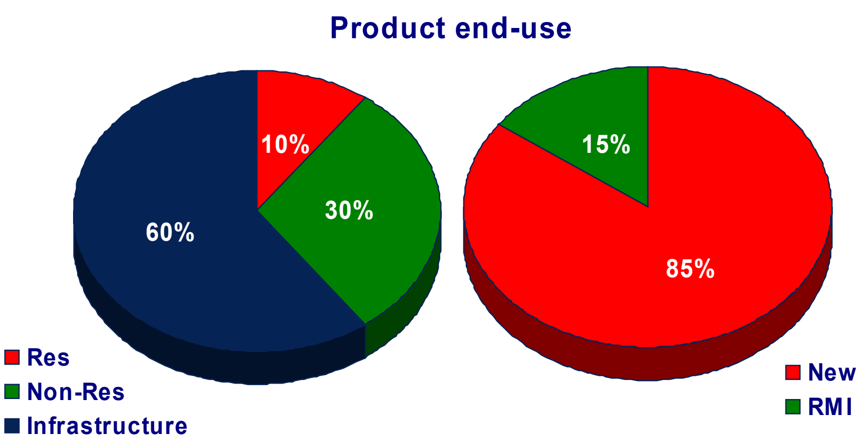
- Exploit retail platform: National programs
  - →Invest ahead of customer growth
  - →Product expansion/bundling
- Develop strong regional positions
  - →Masonry/Hardscapes/Brick
  - →Product innovation/Best practices
- Harvest speciality businesses

Precast



Precast - Review

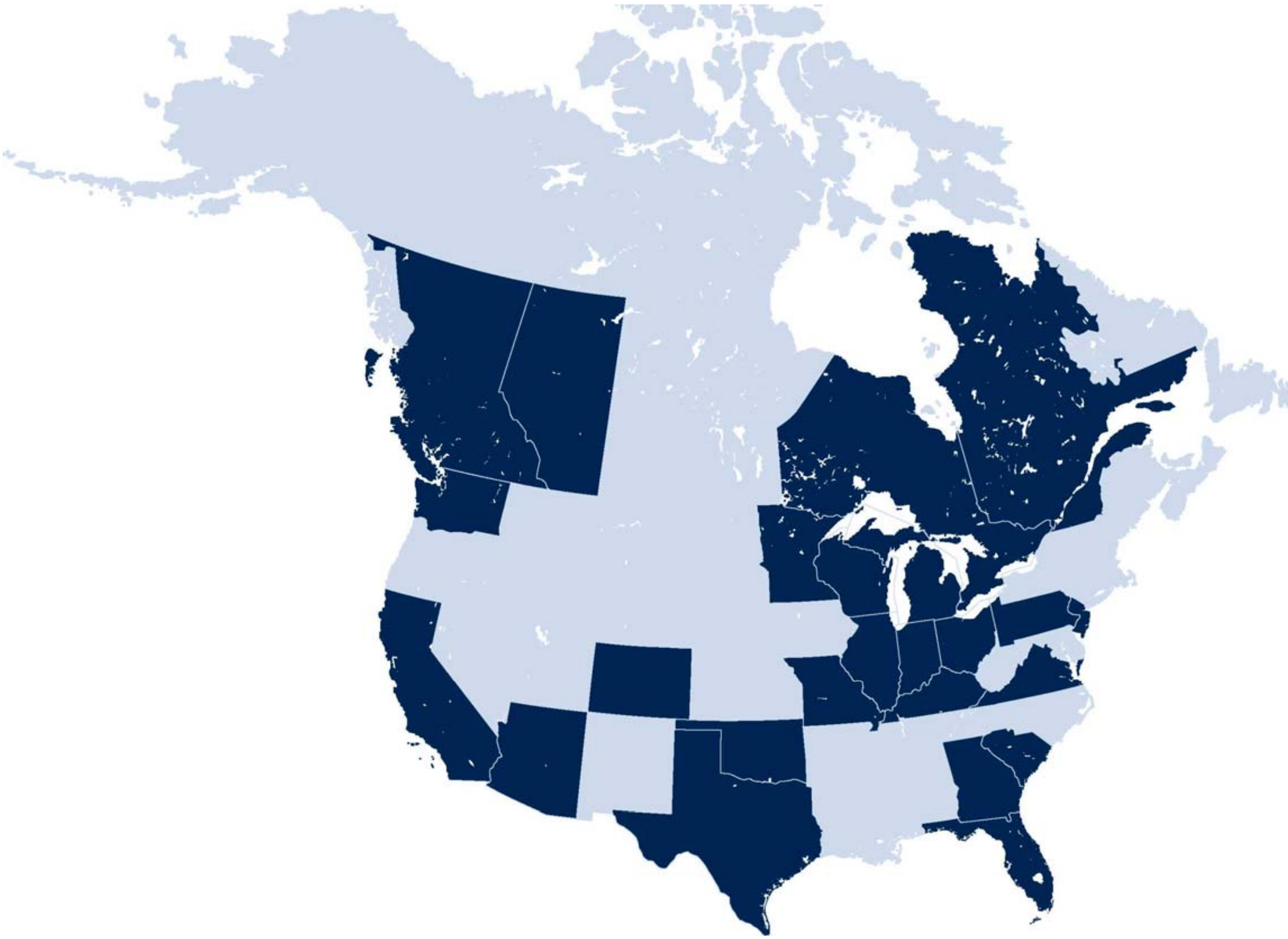
- **2003 Sales** **$600m**
- **Operating Margin** **c 8%**
- **23 US States**
- **1 Canadian Province**
- **Precast concrete products**
  - **➔ # 1 in US**



Strategy

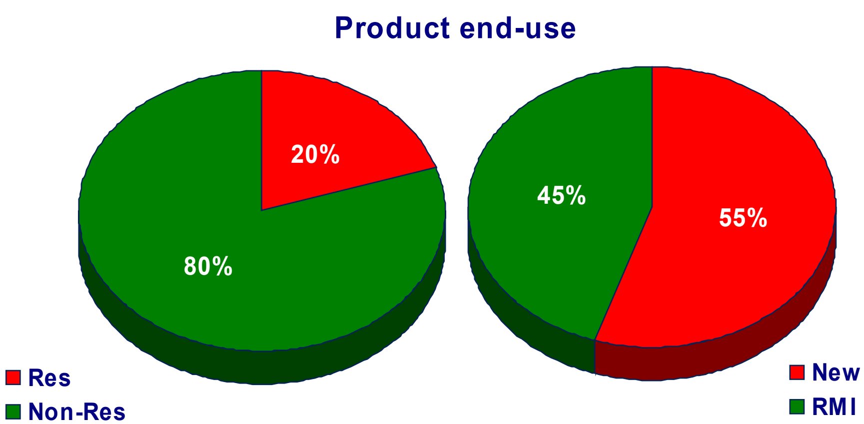
- Geographic in-fill and penetration
- Broaden product range for growth sectors
- Manage utility/telco sector recovery
- Focus on cost efficiency

Glass



Glass - Review

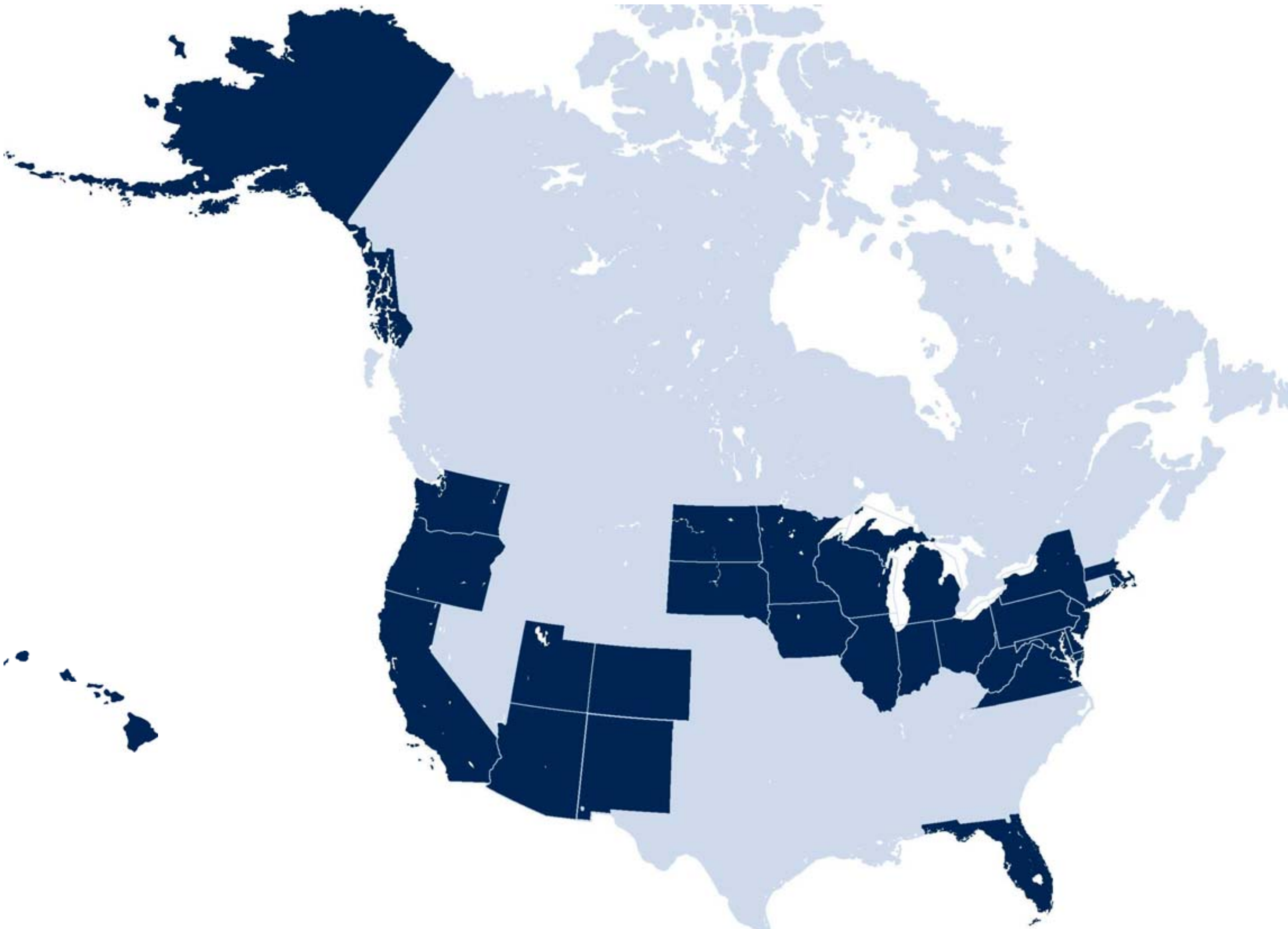
- 2003 Sales $450m
- Operating Margin c 12%
- 20 US States
- 4 Canadian Provinces
- Glass fabrication
  - ➔ # 1 US architectural glass fabricator



Strategy

- Develop proprietary products across the building envelope
- Leverage plant network to build market share
- Pursue related growth platforms
  - ➔Technology and service
- Strengthen organisation for edge-out

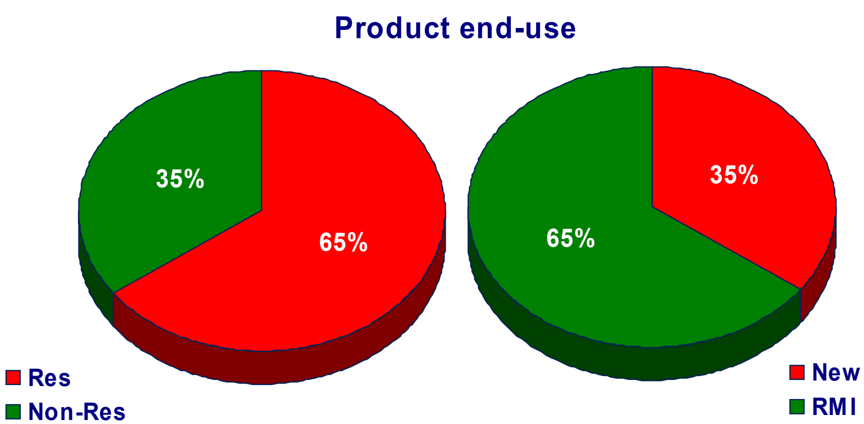
Distribution



Distribution - Review

- **2003 Sales** **$1,115m**
- **Operating Margin** **c 5%**
- **28 US States**
- **125 Branches**

→ # 2 US roofing/siding distributor



Strategy

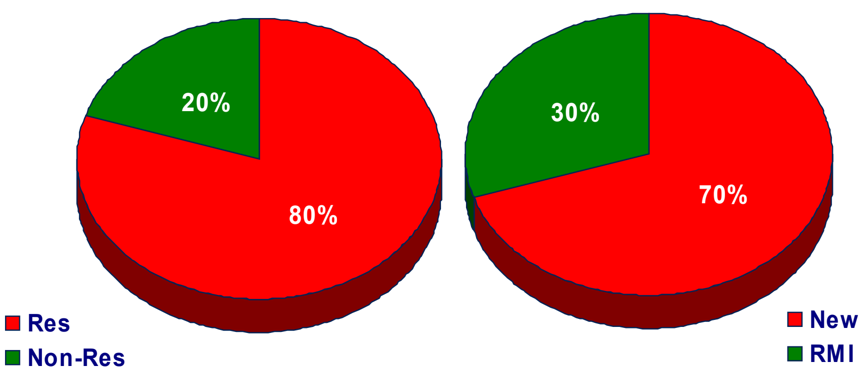
- Create leading positions in major metros
- Focus on core products
- Grow interior products opportunistically
- Continued margin improvement via organisation/IT initiatives

South America

South America - Review

- **2003 Sales** **$45m**
- **Operating Margin** **c 13%**
- **Argentina**
  - ➔ **# 1 clay rooftiles**
  - ➔ **# 3 wall and floor tiles**
- **Chile**
  - ➔ **glass fabrication**

Product end-use



Strategy

- Focused growth of existing operations
- Explore export opportunities to augment domestic market
- Continued efforts on cost control in a difficult economic cycle
- Move out cautiously with economic stability

Development In Action - APG

Goal is national development in multiple but interrelated product/market segments

CRH

APG Evolution: 1979 - Sales $10m

	New Build
Segment	Non-residential
Customers	Contractors
Market	Local
Brand	Company
Products	Masonry

APG Evolution: 1991 - Sales $108m

	New Build	RMI (Professional)	RMI (Retail)
Segment	Commercial **Residential**	**Residential**	**DIY**
Customers	Contractors	**Distributors**	**Homecenters**
Market	Local	**Local**	**National/Regional**
Brand	Company	**Company**	**Company**
Products	Masonry **Pavers**	**Pavers**	**Patio Products**

Formation of Product Group

APG Evolution: 2003 - Sales $1.4bn

	New Build	RMI (Professional)	RMI (Retail)
Segment	Commercial Residential **Infrastructure**	Residential	DIY
Customers	Contractors **Home Builders**	Distributors **Large Contractors** **Home Builders**	Homecenters **Mass Merchants**
Market	Local	Local	National/Regional
Brand	Company ***National***	Company **National**	**National** ***Customer***
Products	Masonry **V-A Masonry** **Brick/R Tiles** **Hardscapes** ***Wall Systems***	Masonry **Hardscapes** ← ***Installed Sales*** →	Patio Products Masonry Packaged Mixes **Bagged L&G Pdts**

Summary

- Leading positions in each product group
  - ➔ Internal growth opportunities
- Increased focus on margin improvement and recovery of higher input costs
- Sufficient growth opportunities exist in each group: valuations a challenge
  - ➔ Greenfield strategy in APG, Distribution
  - ➔ Edge-out Glass, Precast
- Development of new product group always a consideration
  - ➔ Building related
  - ➔ Compatible customer/technology
  - ➔ Available platform with development potential
  - ➔ Performance to CRH standards