

***Davy Irish Equities
Conference
New York
7 January 2005***



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Chief Executive***

Contents

CRH Overview	4
Three Core Businesses	5
Clear Development Strategy	6
Federal Group Organised for Growth	7
Europe Materials	8
Europe Products & Distribution	9
Americas Materials	10
Americas Products & Distribution	11
Acquisition Approach	13
CRH Development Spend 1994 - 2004	14
Europe Materials 2004 Development Spend €0.5bn	15
Europe P&D 2004 Development Spend €0.2bn	16
Americas Materials 2004 Development Spend €0.15bn	17
Americas P&D 2004 Development Spend €0.15bn	18
Development Spend 1999 - 2004	19
US Housing Trends	21
US Non-Residential Buildings Construction	22
US Highway Funding Backdrop	23
2004 Trading Update Statement	25
CRH Summary	31
Strategic Vision	32
Contact Us	33

OVERVIEW

CRH - Overview

- 1970: Irish Cement & Roadstone: Sales €26m, Ireland 95%
- Embarked on a clear, consistent development strategy
- Now 24 countries; 3 continents; 2,000+ locations; 60,000+ people
- Annualised Sales circa €12.5bn across three core businesses
- Listed Dublin (CRH.I), London (CRH.L), NASDAQ (CRHCY); Eurotop 300 stock
- Market capitalisation circa €10bn: Top 5 in sector worldwide
- 19% CAGR in Total Shareholder Return since 1970

Three Core Businesses



Primary Materials



Cement, aggregates, asphalt and surfacing, readymixed concrete



Building Products

Precast concrete products; concrete blocks, pavers and roof tiles; clay bricks, pavers and tiles; insulation products; fencing & security; glass fabrication, rooflights & ventilation



Distribution

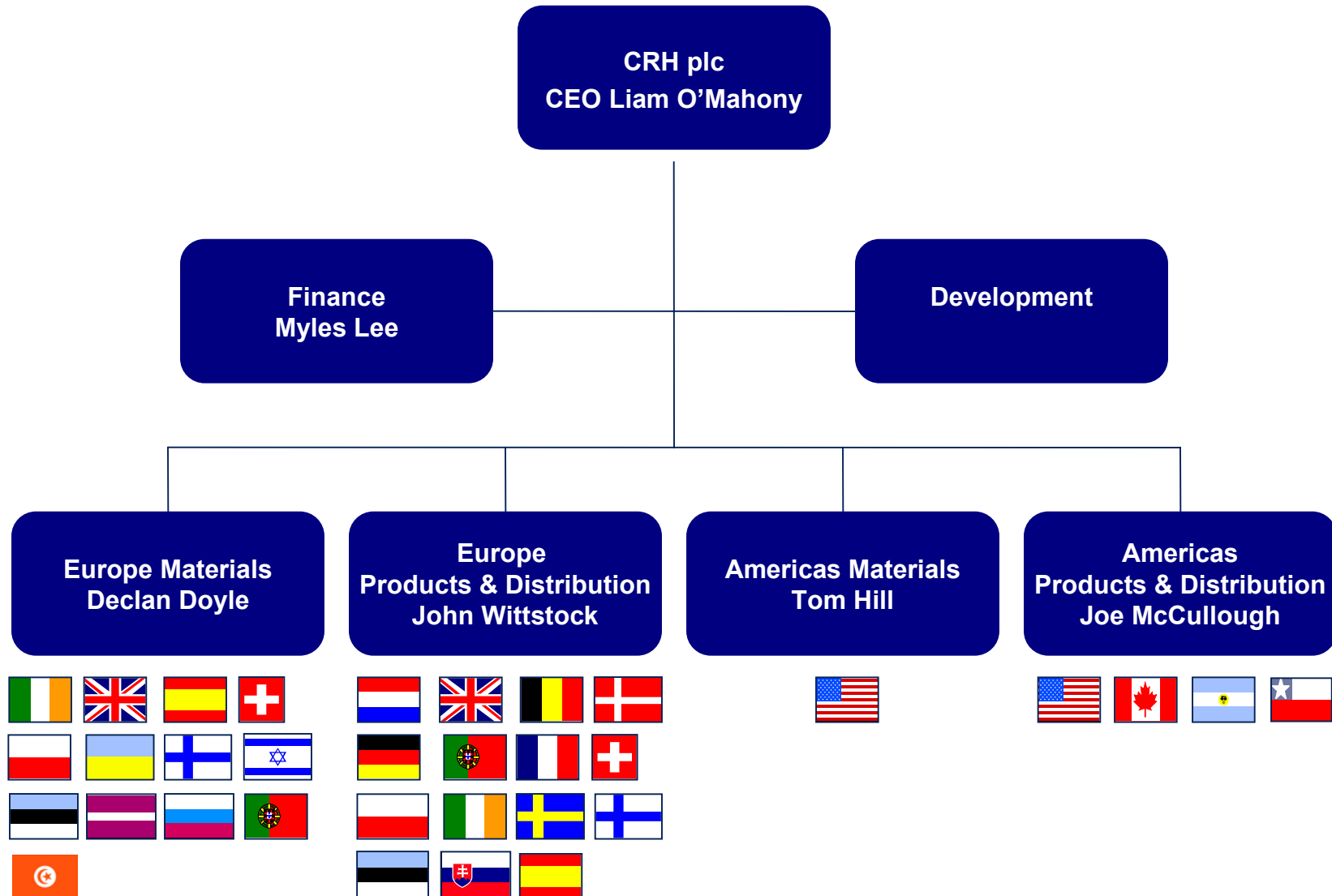


DIY stores, builders merchanting, specialist distribution

Clear Development Strategy

- Stick to core businesses in building materials
- Invest at “home”; be the low cost market leader
- Develop “overseas”; create platforms for future growth
- Pay fair prices that meet the sellers (and our) needs
- 14 devolved regional development teams
- Rigorous approach to evaluation, approval and review
- Generally mid-sized deals with some larger transactions
- Objective is to maintain and develop a balanced portfolio
- Focus on **performance and growth**

Federal Group Organised For Growth



Europe Materials

- Sales c €2.5bn
- 360+ locations, 13 countries
- 10,000+ employees
- New build / RMI 80/20
 - Residential 35%
 - Non-Res 30%
 - Infrastructure 35%



	Irl	UK	Spain	Swiss	Port	Pol	Fin	Est	Lat	Rus	Ukr	Tun	Isr
Cement	✓			✓	✓	✓	✓				✓	✓	✓
Aggregates	✓	✓	✓	✓	✓	✓	✓	✓	✓		✓		✓
Asphalt	✓					✓	✓						
Readymix Concrete	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓			
Concrete Products	✓		✓		✓	✓		✓					

Europe Products & Distribution

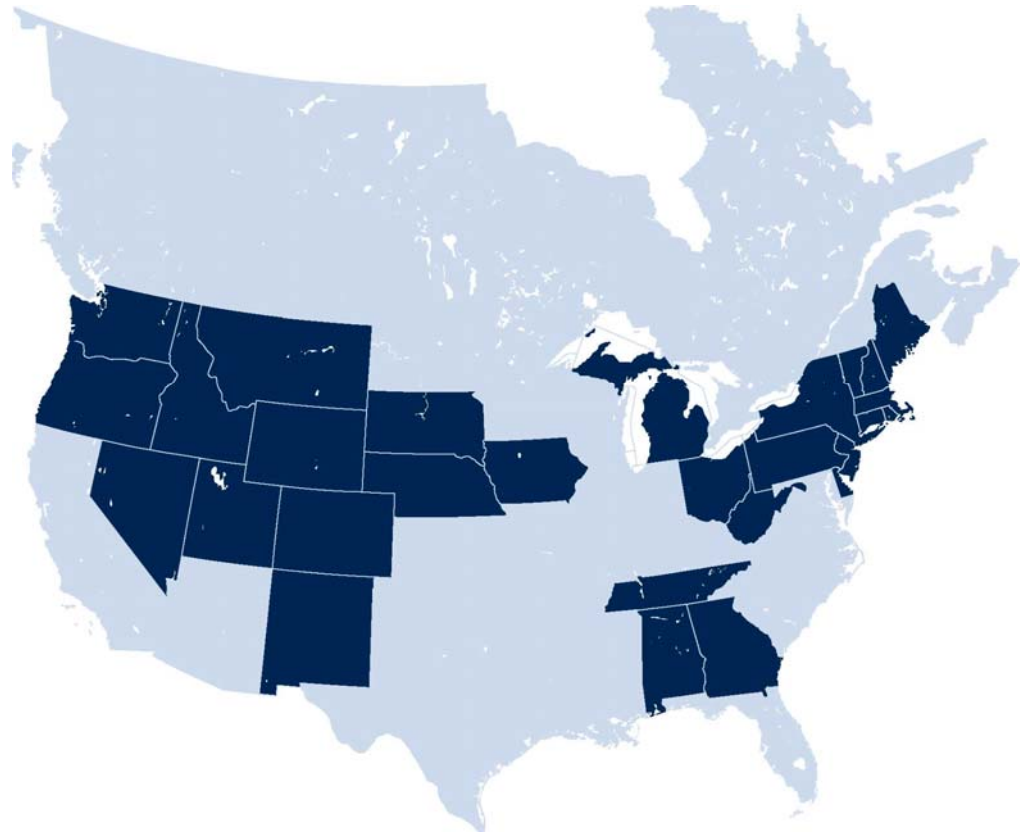
- Sales c €4bn
- 620+ locations, 15 countries
- 18,500+ employees
- New build / RMI 55/45
 - Residential 65%
 - Non-Res 25%
 - Infrastructure 10%




	Irl	UK	Por	Sp	Fr	B	NL	Ger	Swiss	Den	Sw	Pol	Fin	Est	Slov
Concrete		✓			✓	✓	✓	✓		✓					✓
Clay		✓					✓	✓				✓			
Insulation	✓	✓				✓	✓	✓		✓	✓	✓	✓	✓	
Building Products	✓	✓		✓	✓	✓	✓	✓				✓			
Distribution			✓		✓	✓	✓		✓			✓			

Americas Materials

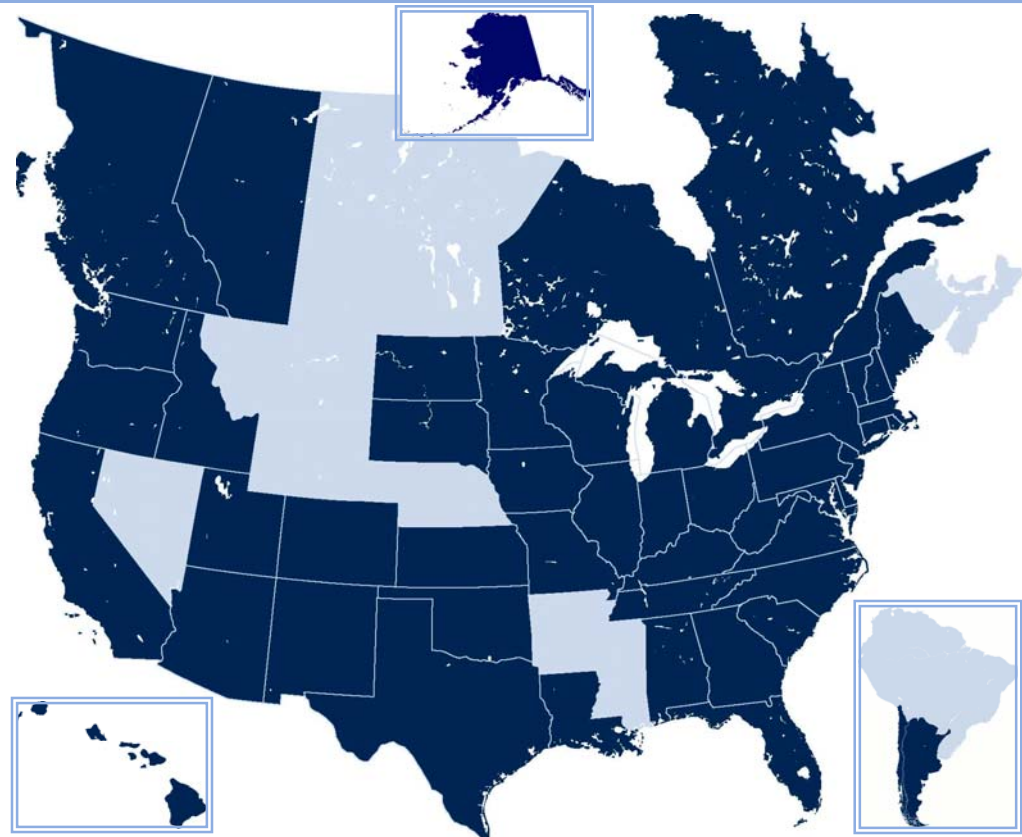
- Sales c \$3.5bn
- 600+ locations, 28 states
- 13,500+ employees
- New build / RMI
 - Residential 15%
 - Non-Res 20%
 - Infrastructure 65%



	New England	New York / New Jersey	Central	West
Aggregates	✓	✓	✓	✓
Asphalt	✓	✓	✓	✓
Readymix Concrete	✓	✓	✓	✓

Americas Products & Distribution

- Sales \$4bn
- 400+ locations
 - 44 US States
 - 4 Canadian Provinces
 - 2 South American Countries
- 18,000+ employees
- New build / RMI 55/45
 - Residential 50%
 - Non-Res 40%
 - Infrastructure 10%



Precast concrete products
Concrete blocks, pavers, rooftiles
Clay bricks
Glass
Distribution

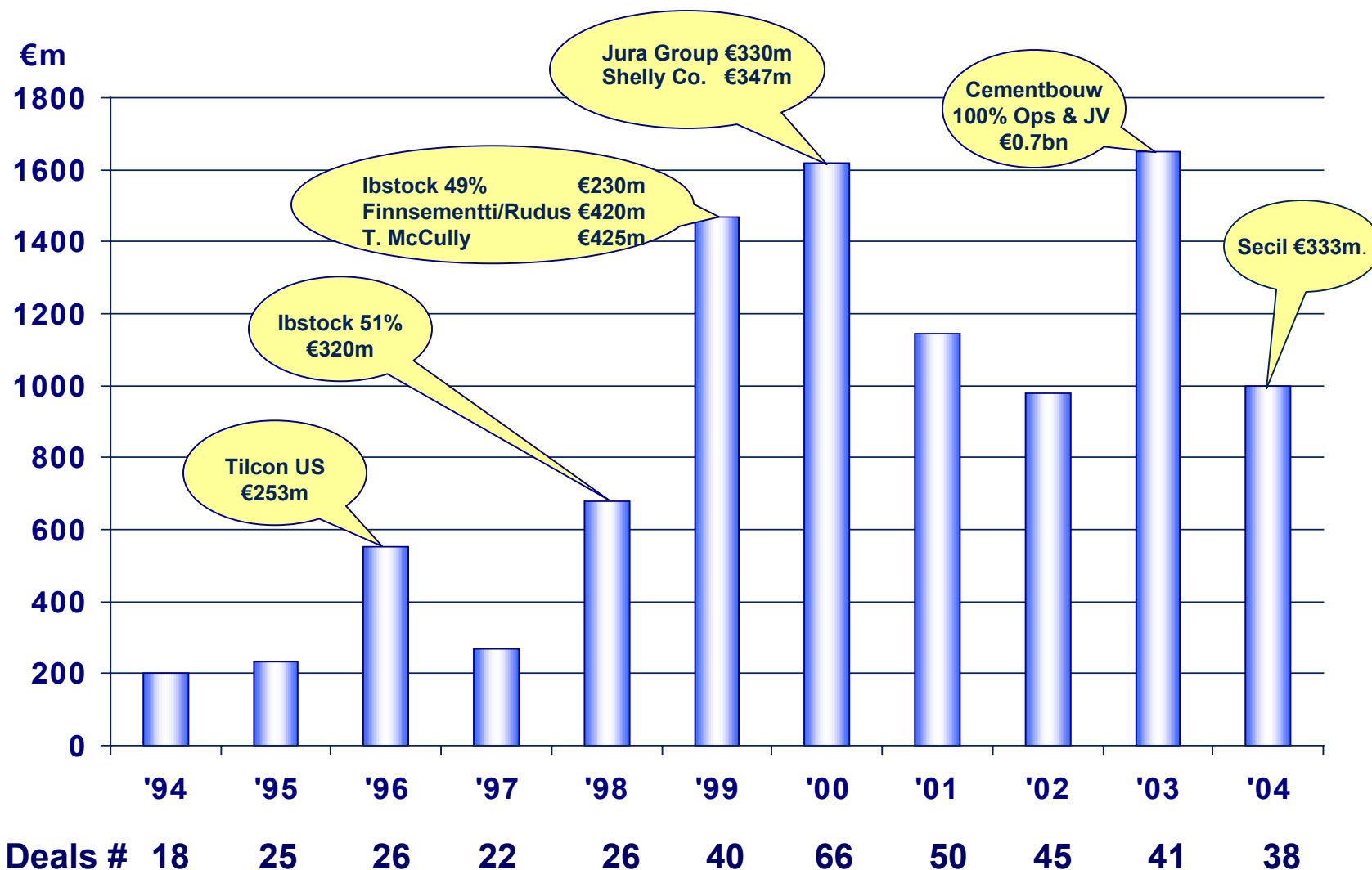
USA	Canada	Argentina	Chile
✓	✓		
✓	✓	✓	
✓			
✓	✓	✓	✓
✓			

2004 DEVELOPMENT IN CONTEXT

Acquisition Approach

- Identifying deals
 - Ongoing contact with extensive 25 year+ target database
 - Each deal done opens doors to further opportunities
 - CRH scale ensures access to all larger industry transactions
- Courtship/negotiation
 - Patient approach recognising evolving owner circumstances
 - Deals tailored to meet varying owner needs
 - Upfront clarity with regard to post-acquisition priorities
- Evaluation
 - Rigorous qualitative operational review process and due diligence
 - Financial evaluation based on prudent margin, cash flow, terminal value assumptions
 - Strict Board approval process, with subsequent 3 year look back
- Integration
 - Implement CRH MIS, reporting, budgeting, cash and capex controls
 - Transition to CRH operational *Best Practice*
 - And then pursue growth plans
- Devolved process - but rigorous and controlled

CRH Development Spend 1994 - 2004



Europe Materials 2004 Development Spend €0.5bn

- Portugal; *a new geographic platform* ('03 sales €418m: CRH share €205m)
 - 49% stake in Secil, shareholders agreement gives joint management control
 - Major positions in Portuguese cement, aggregates and readymixed concrete markets
 - Brings development opportunities in Tunisia and Lebanon
- Switzerland; *significant improvement in end-use balance* (sales €95m)
 - Zurich/St.Gallen aggregates and readymixed concrete producer; 75m tonnes reserves
 - Residential bias complements infrastructure focus of existing CRH operations
 - Project to expand clinker production capacity at Wildegg cement plant
- Finland; *expansion of existing product portfolio* (sales €30m)
 - Producer of concrete pipes, piling & paving products plus quarry add-on

Europe P&D 2004 Development Spend €0.2bn

- Concrete Products; *significant additions to existing operations* (sales €118m)
 - Precast structural concrete manufacturer with operations in Belgium and France
 - Paving, sewerage and water treatment producer with markets in Belgium and Holland
 - Buy-out of outstanding 50% stake in high-end Dutch paving producer
- Clay Products; *bolt-on to Belgian commercial activities* (sales €4m)
 - Specialist brick merchant with strong sales network
- Insulation; *expansion of UK manufacturing presence* (sales €16m)
 - Leading provider of PUR insulation products
- Building Products; *deals in D&V and Concrete Accessories* (sales €14m)
 - UK manufacturer of smoke and heat exhaust ventilation systems
 - Dutch supplier of metal-based construction accessories
- Distribution; *expansion of Dutch BM and Belgian DIY activities* (sales €229)
 - 17 store Dutch BM deal plus 3 store expansion of Belgian GAMMA chain
 - Increased JV stake in Burgundy/Franche Comté Builders Merchant

Americas Materials 2004 Development Spend €0.15bn

- New England; bolt-ons in Northern and Central Maine
 - 2 deals enhancing reserves and market position
- New York/New Jersey; *major addition to aggregate reserves*
 - Aggregate/asphalt business in north-east NJ with 300m tons of permitted reserves
 - 2 bolt-ons in New York state expanding market reach
- Central; *continued strengthening of market positions*
 - 200m ton quarry and associated asphalt activities in Ohio plus Toledo JV buy-out
 - Asset swap to enhance vertical integration in Delaware/Maryland peninsula
 - Greenfield quarry with 200m+ tons of permitted reserves in Pennsylvania
- West; *strong base for expansion in Southern Oregon/Northern California*
 - Aggregates, asphalt and readymixed concrete with strong reserves in Southern Oregon
 - Bolt-ons in New Mexico, Utah and Northwest Iowa
- Combined annualised sales of US\$110 million

Americas P&D 2004 Development Spend €0.15bn

- *APG; 5 deals with annualised sales of US\$125m plus 4 development CX projects*
 - 50% stake (plus put/call option) in leading Florida paving producer
 - Manufacturer of retaining walls/masonry in fast growing Florida market
 - Supplier of bagged lawn/garden products to homecentres in FL, GA, and MS
 - 80% stake in market-leading countertop fabricator in GA and SC, plus add-on in AL
 - 3 large pallet paver plants in AZ, PA, MD and relocation of IL block facility
- *Precast; resumed development activity, 2 deals annualised sales of US\$20m*
 - Manufacturer of utility/drainage products in Texas
 - Savannah, GA, drainage products manufacturer
- *Glass; strengthened presence in the important New York market; (sales US\$30m)*
 - New York based fabricator with 3 plants in NY, NJ, CT
- *Distribution, Honolulu & Boston deals reflect continued MSA focus; (sales US\$41m)*
 - Largest distributor of interior products in the Hawaiian Islands
 - First move into busy Boston RMI market

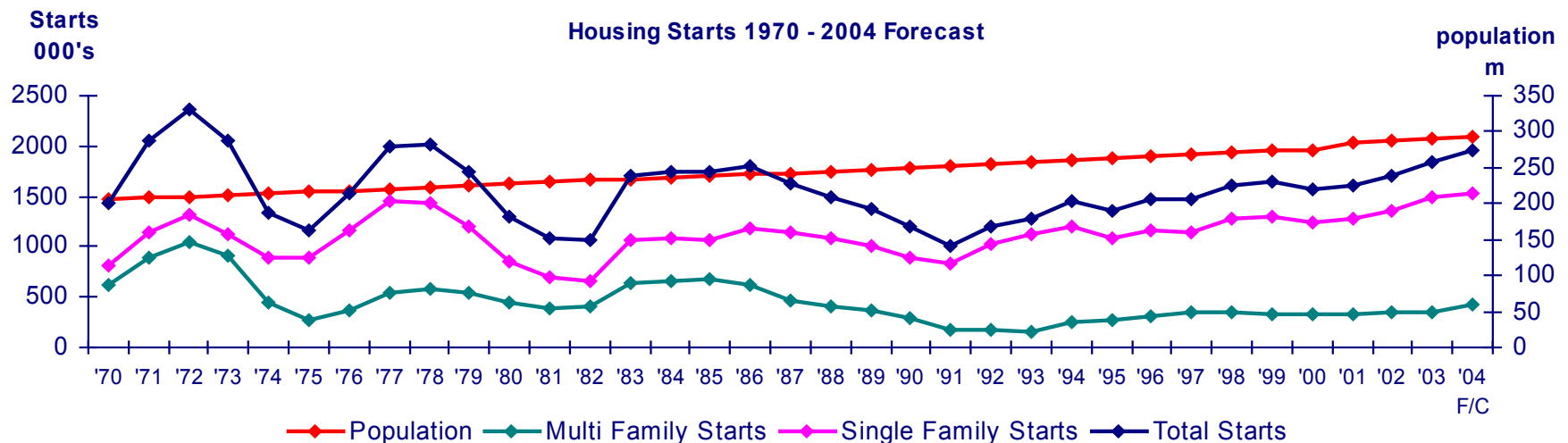
Development Spend 1999 - 2004

<u>€bn</u>	<u>Europe</u>	<u>Americas</u>	<u>Total</u>	
Materials	1.7	2.6	4.3	54%
Products	1.3	1.3	2.6	33%
Distribution	0.8	0.2	1.0	13%
Total	3.8	4.1	7.9	100%
	49%	51%	100%	

US CONSTRUCTION

US Housing Trends

- Harvard housing group estimates need for 18.5-19.5m new homes in next decade
- Driven by demographics
 - Immigrants have accounted for more than a third of household growth since the '90s
 - Women are increasingly heading up their own households
- Soft landing in the housing market is underpinned by:
 - Continued moderate interest rates and relatively solid employment levels
 - Although regional differences, no major oversupply
 - Housing construction in line with long-run demand
 - Strengthening economy, should support house prices

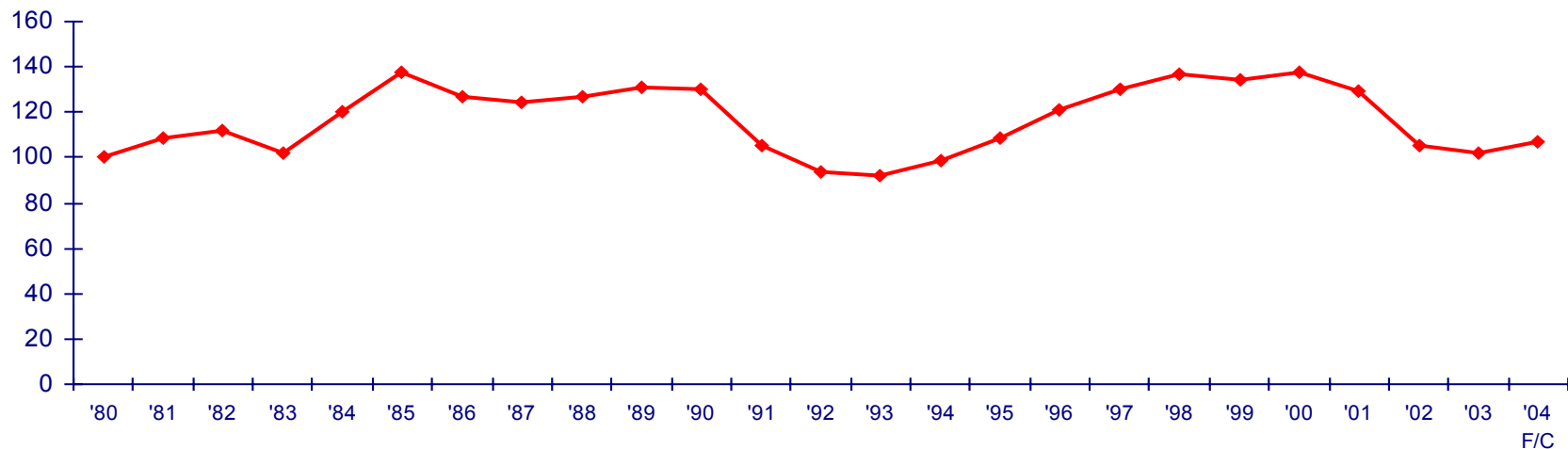


US Non-Residential Building Construction

- Spending on non-residential building peaked in 1999/2000
 - ➔ Significant declines from peak through 2003
 - ➔ Modest recovery in 2004

US Non-Residential Building Construction 1980 - 2004 Forecast (constant \$)

1980 = 100



US Highway Funding Backdrop

- Background

- Federal Govt accounts for c 50% of highway investment: States and Local c 50%
- High road dependency, many in poor or mediocre condition
- General broad political support, highway funding has increased historically

- State Highway Funding

- Federal projects require states to fund a portion of the project
- Many states have faced recent deficits; improving economy helping somewhat
- Potential for further State gas tax increases

- Federal Highway Funding

- TEA-21 expired 30th Sept 2003; expect renewal in Spring 2005
- Meanwhile 2004 funding \$33.6 bn (+7%); 2005 funding \$34.4 bn (+2.5%)
- 2003-2009 Transportation Bill of c\$290bn seems likely; avg \$37 - \$40 bn for highways

2004 TRADING UPDATE STATEMENT

2004 Trading Update Statement

Group Overview

- Strong H1, as anticipated H2 more challenging
- Substantial 71% increase in H1 PBT to €275m (2003: €161m) reflected:
 - Strong organic growth due to more normal seasonal weather patterns
 - Significant incremental contributions from acquisitions
 - Minor adverse translation impact due to seasonally low H1 US\$ profits
- Expect mid single digit percentage increase in H2 PBT (2003: €703m)
 - Comparisons difficult due to strong catch-up in H2 2003
 - Negative H2 2004 impact from higher energy prices/rising input costs
 - Adverse translation impact from weaker US\$
- Expect PBT to break the €1bn level; (2003: €864m)

2004 Trading Update Statement

Europe Materials

- *Ireland*: Good volume growth, prices did not compensate for cost increases
- *Finland*: Housing and infrastructure contributed to strong demand
- *Poland*: Improved economy, reorganisation benefits, more normal weather patterns
- *Switzerland*: Ongoing strong infrastructural demand plus acquisition benefits
- *Spain*: Volumes down, overall prices ahead, similar outcome
- *Portugal*: Secil June-Dec results met our expectations, with volumes ahead of 2003
- *Overall*: A strong advance due to acquisition benefits and organic improvement

2004 Trading Update Statement

Europe Products & Distribution

- Overall markets subdued, H2 failed to sustain the somewhat firmer H1 tone
- *Concrete*: Good growth despite some weak markets and rising costs
- *Sand Lime Brick*: Excellent performance in first full year with CRH
- *Clay*: Improved results through better pricing and productivity
- *Insulation*: Negative impact from rapid H2 escalation in raw material input costs
- *Building Products*: Benefits from 2003 Fencing and Concrete Accessories acqs
- *Cementbouw JV*: Tough trading conditions in weaker infrastructure markets
- *Distribution*: Record outcome reflecting acquisitions and organic improvement
- *Overall*: A significant advance, with substantial contributions from acquisitions

2004 Trading Update Statement

Americas Materials

- Modest volume declines in asphalt offset by improvements in aggregates/rmc
- Higher energy costs eroded the benefits of price improvements
- Strong focus on cost reduction maintained US\$ profits despite lower margins
- *New England*: Similar profits, but lower margins due to higher energy costs
- *NY/NJ*: Generally good demand but profits broadly unchanged
- *Central*: Lower profits; good demand in OH/WV but severe cutbacks in MI
- *West*: Good growth with overall market strength and acquisition benefits
- *Overall*: Similar US\$ profits, but lower in euro terms due to translation

2004 Trading Update Statement

Americas Products & Distribution

- A strong year; continuing good residential and improving non-residential demand
- *Precast*: Improved profits despite higher input costs
- *APG*: Significant profit advance with good organic performance and acquisitions
- *Glass*: Benefits from modest improvements in commercial construction
- *Distribution*: Further margin advance due to RMI activity and commodity gains
- *South America*: Improved results from operations in Argentina and Chile
- *Overall*: Expect good profit increase in euro terms despite adverse translation

CONCLUSION

CRH - Summary

- Strong 2004; good organic growth plus significant acquisition contributions
- For 2005, recovery of higher input costs remains a priority
- Uncertainties in economies and currency markets continue
- However with our relentless focus on operations, strong cash flow....
-comfortable interest cover plus a sustained development emphasis....
- we face 2005 with confidence

STRATEGIC VISION

Our strategic vision is consistent and clear

*“to be a leading international
building materials group
delivering superior
performance and growth”*

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Davy Irish Equities Conference, New York, 7 January 2005