

# ***Davy Irish Equities Conference, New York***

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# CONTENTS

## CRH Overview

CRH Overview	3
Three Core Businesses	4
Geographic Presence	5
CRH Balance	6
CRH Development 1994 - 2006	7
Delivering Superior Performance	8

## Business Review 2006

2006 Overview	10
Europe Materials – 2006 Trading Review	11
Europe Products – 2006 Trading Review	12
Europe Distribution – 2006 Trading Review	13
Americas Materials – 2006 Trading Review	14
Americas Products – 2006 Trading Review	15
Americas Distribution – 2006 Trading Review	16

## Development Activity 2006

2006 Acquisitions	18
Halfen-Deha – Construction Accessories	19
Halfen Business Segments	20
MMI – New Americas Product Platform	21
MMI Business Segments	22
APAC – New Americas Materials Platform	23

Outlook	26
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Contact Us	27
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# Overview

# CRH Overview

- International Building Materials Group; Market Cap c.€17bn; Top 5 in sector worldwide
- Now in 26 countries; 3 continents; 3,000+ locations; 80,000+ people
- Annualised Sales over €20bn focussed on three core businesses
  - Primary materials
  - Value-added building products
  - Building materials distribution
- Evenly balanced across geographies, products and sector end-use
- Listed Dublin (CRH.I), London (CRH.L), NYSE (CRH); Eurotop 300 stock

*20% 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, rooftiles; clay bricks, pavers, tiles; insulation products; fencing & security; glass fabrication, rooflights & ventilation, construction accessories



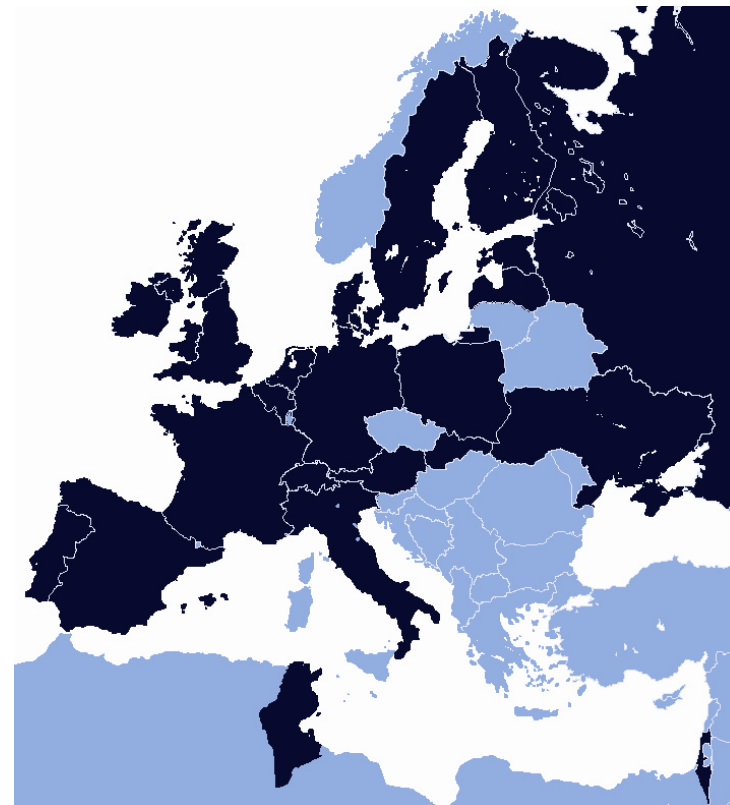
## Distribution



DIY stores, builders merchandising, specialist distribution



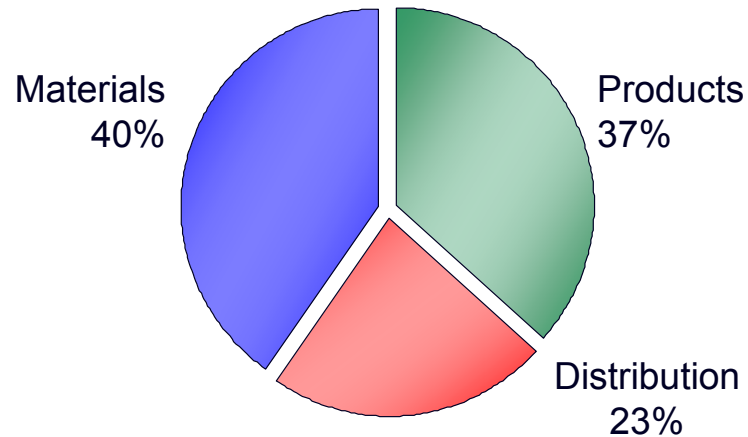
# Geographic Presence



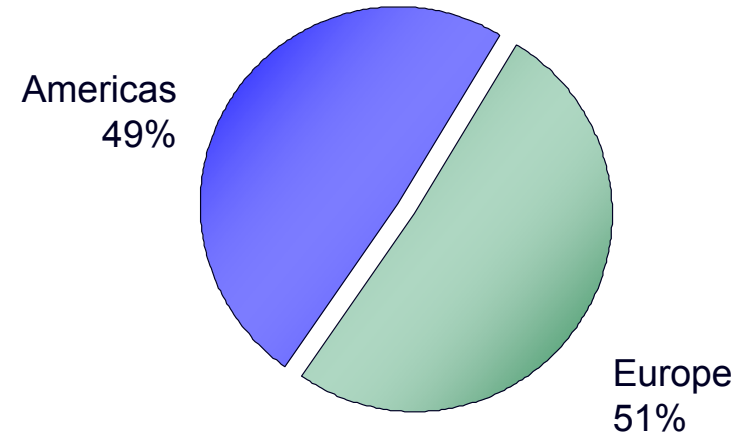
*Now in 26 Countries and all 50 US States*

# CRH Balance

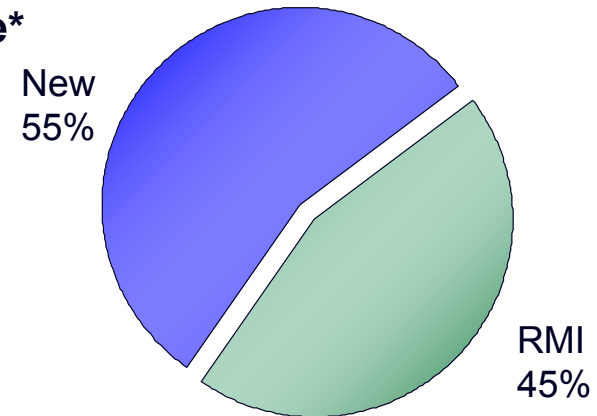
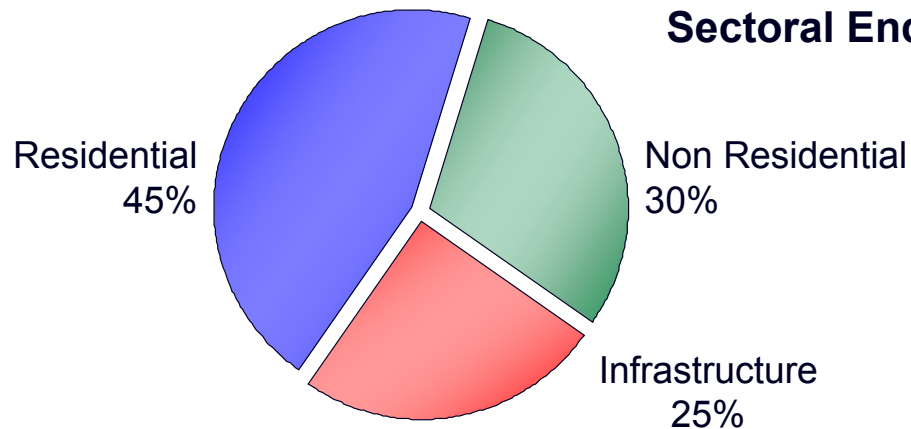
**Product End Use\***



**Geographic End-use\***

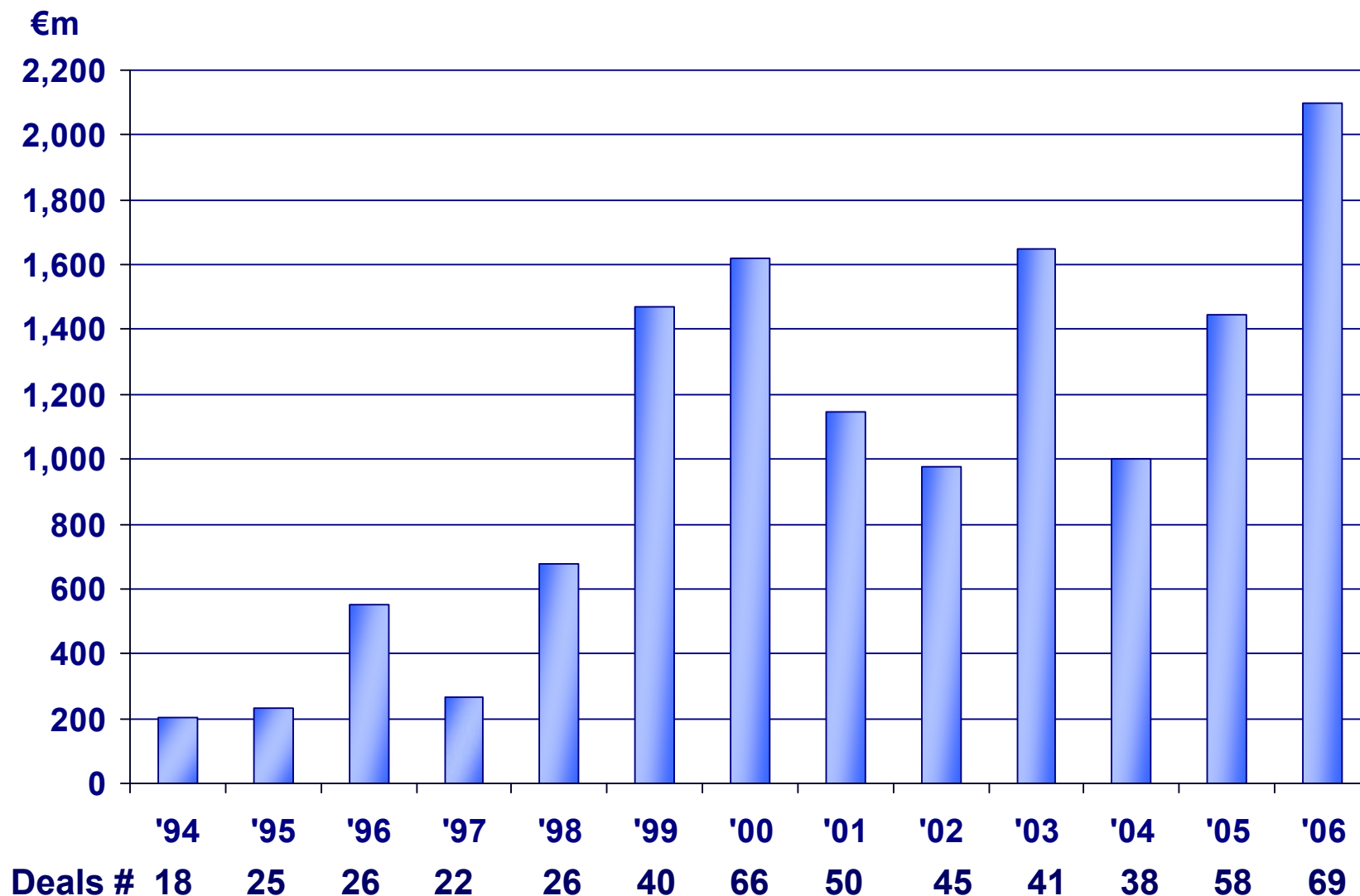


**Sectoral End Use\***



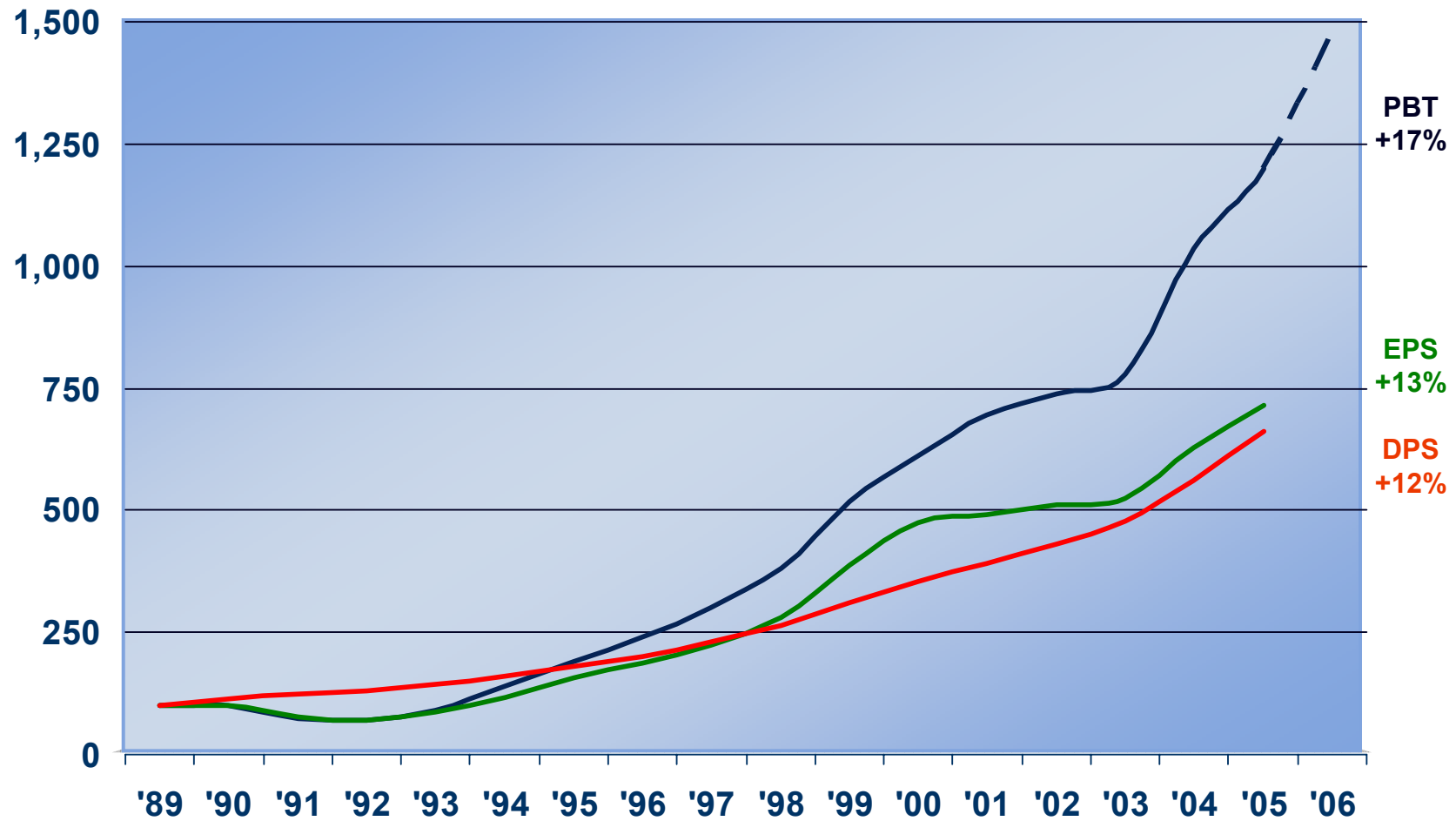
*Balanced exposure to industry demand drivers*

# CRH Development 1994 - 2006





# Delivering Superior Performance ....



*Creating significant shareholder value*



# **Business Review 2006**

# 2006 Overview

- Strong performance despite higher input costs and declining US Residential
- Record full year organic growth
- Significant incremental contributions from €3.3bn acquisition activity in 2005/06
- Full Year PBT expected to be approx. €300m ahead of 2005's €1.279bn (up 23%)
- Record €2.1bn development activity

# Europe Materials – 2006 Trading Review

- *Ireland:* Residential the main driver in 2006  
Other sectors also strong
- *Finland:* Strong broad-based activity  
Good volume and price increases
- *Poland:* Strong cement volumes & op. leverage  
delivered significant profit advance
- *Switzerland:* As expected, cement volumes lower  
Offset by good profit advance downstream
- *Spain:* Healthy volumes but input costs higher  
Similar profit outcome
- *Portugal:* Satisfactory outcome; weaker Portugal  
largely offset by exports & tight cost control



2005 Sales €2.6bn

*Overall ... Expect very satisfactory profit advance for 2006*

# Europe Products – 2006 Trading Review

- Improving markets particularly in H2
- *Concrete:*
  - Excellent organic growth + good acqs contributions
  - Arch: Broad-based pick-up after slow start
  - Structural: Better demand backdrop through year
- *Clay:*
  - UK decline offset by better Mainland Europe outcome
  - UK: Lower volumes, good cost & price mgmt
  - NL/PL: Improved outcome
- *B.Products:*
  - Insulation: Improved performance post restructuring
  - CA: Organic & acquisition benefits
  - F&S: Profit advance despite higher input costs
  - D&V: Maintained profits in competitive market



2005 Sales €2.5bn

*Overall ... Much improved profit outturn and step-up in margin*

# Europe Distribution – 2006 Trading Review

- *DIY:*

Benelux: Satisfactory year; improved profitability despite moderate DIY market growth

- *Merchanting:*

Benelux: Increased profitability due to strong recovery in NL new housing

France: Good market demand with benefits from profit improvement initiatives

Switzerland: Significant progress; good organic growth and acquisition benefits

Austria: Much improved H2 performance after disappointing start to the year

Germany: Better demand backdrop and benefits from good cost control



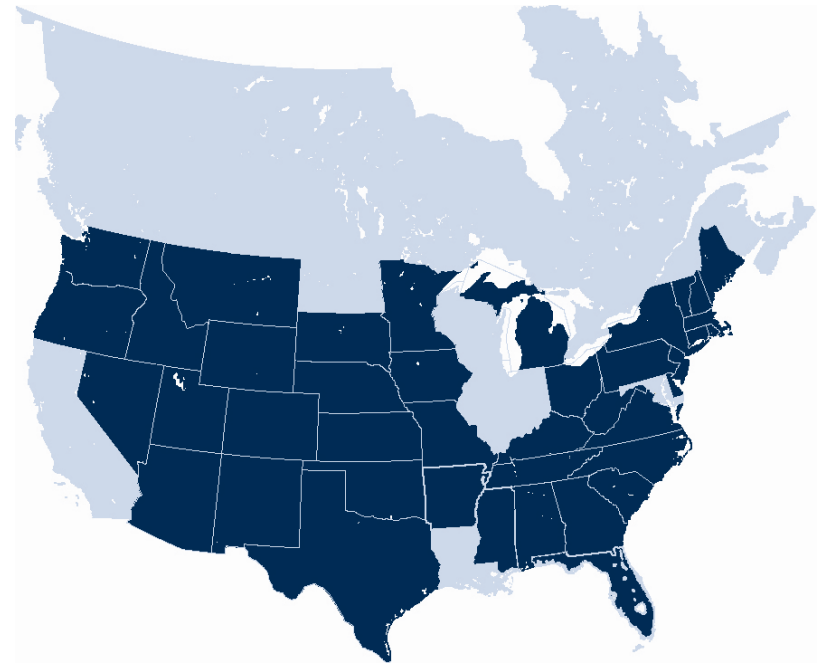
2005 Sales €2.2bn

*Overall ... expect operating profit to be substantially ahead of 2005*



# Americas Materials – 2006 Trading Review

- Excellent outcome: significant success in recovering higher energy and other input costs
- Satisfactory improvement in highway funding but with fixed budgets, volumes were impacted by price increases
- *New England*: Strong year in MA/NH/VT more than offset declines in ME/CT
- *NY/NJ*: Record results reflecting stable demand & good cost/price mgmt
- *Central*: Strong pricing and bitumen cost management, plus acq benefits
- *West*: Another excellent outcome with generally buoyant demand
- *APAC*: Integration well underway  
Trading in line with expectations  
4 months contribution in 2006

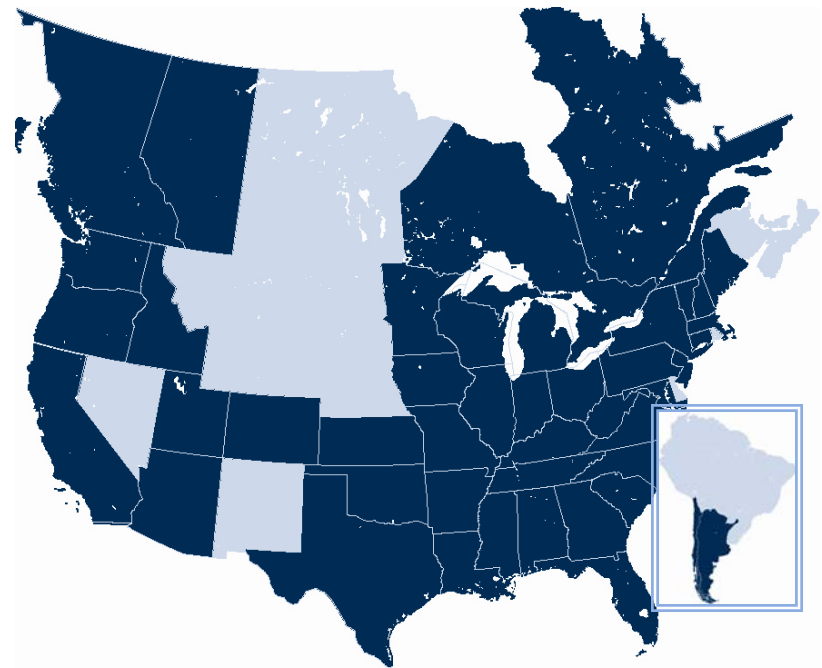


2005 Sales \$3.9bn

*Overall ... substantial organic advance; further heritage margin recovery*

# Americas Products – 2006 Trading Review

- Following strong H1, growth rates moderated through H2 as Res construction declined
- Nevertheless, overall H2 demand remained broadly positive with growing Non-Res markets
- *Precast*: Record year with growth in commercial & infra construction
- *APG*: Robust 2006 performance overall despite tougher H2 Res markets
- *Glass*: Excellent year with increased Non-Res activity
- *MMI*: Non-Res oriented; some weakness in less significant Res segment

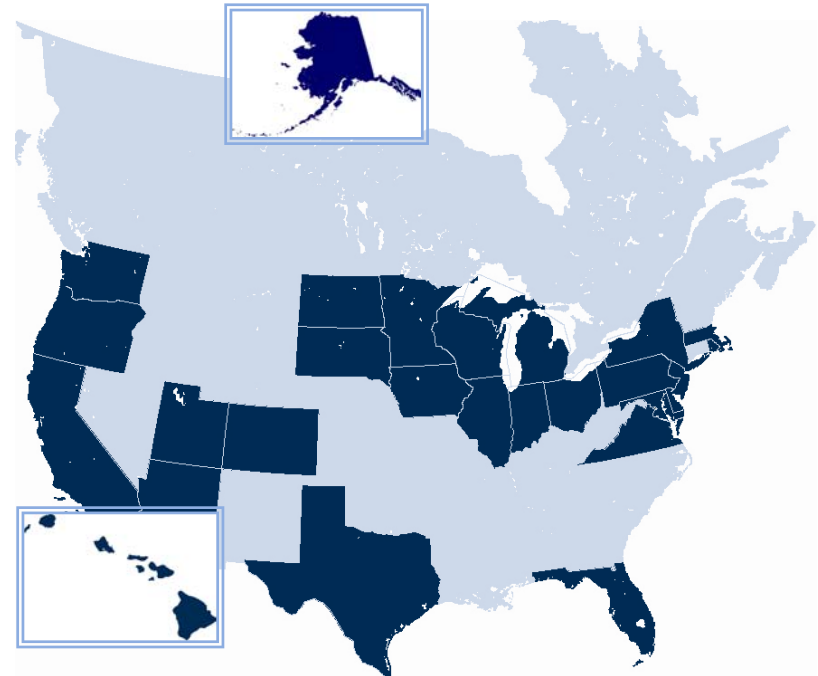


2005 Sales \$3.4bn

*Overall ... expect good full year profit advance*

# Americas Distribution – 2006 Trading Review

- Another year of growth with good performance from heritage and acquired businesses
- Replacement demand remained generally robust throughout the year
- *Roofing & Siding:*  
H2 Florida decline following very strong activity post 2004/5 hurricanes
- *Interior Products:*  
Major expansion over last 2 years with excellent acqs. contributions in 2006



2005 Sales \$1.4bn

*Overall ... expect good profit growth; margins similar to excellent 2005*

# **Development Activity 2006**

# 2006 Acquisitions

- Total development activity in 2006 of €2.1 billion
- Comprising 69 acquisitions spanning all business segments
- Split approximately 20% Europe, 80% Americas
- Including three significant individual deals at a combined cost of €1.3 billion ...
  - Europe - Halfen-Deha (announced May 2006)
  - Americas - MMI (announced April 2006)
  - Americas - APAC (announced August 2006)

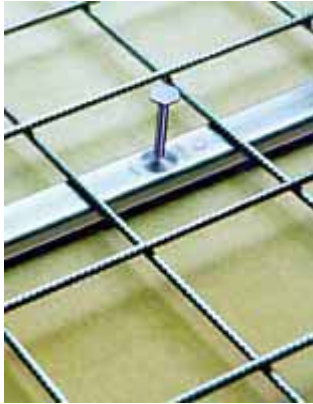
# HALFEN-DEHA – Construction Accessories

- Leading European producer of metal construction accessories including ...
- Anchoring technology and systems for façades, transport, reinforcement & fixing/framing
- Used in commercial, civil engineering and residential construction
- Consideration: €170 million; 2005 Sales: €190 million; 2005 EBITDA: €22 million
- Six production locations; Germany (2), Poland, Netherlands, Sweden, Malaysia
- Excellent fit with our existing CA business making CRH the market leader in Europe



# HALFEN Business Segments ...

*Anchoring Technology*



*Façade Systems*



*Transport Systems*



*Reinforcement Systems*



*Fixing/Framing Systems*



# MMI – New Americas Product Platform

- Leading US manufacturer & distributor (mainly fencing) of ...
- Fencing products, welded wire reinforcement and construction accessories
- Used in non-residential (c.70% Sales), residential and infrastructure
- Network of 19 well positioned manufacturing facilities in US and Mexico
- Consideration: \$350 million; 2005 Sales: \$721 million; 2005 EBITDA: \$50 million
- The foundation of a major new product platform for Americas Products & Distribution

# MMI Business Segments ...

## *Construction Accessories (20% of Sales)*



## *Welded Wire Reinforcement (35% of Sales)*



## *Fencing (45% of Sales)*

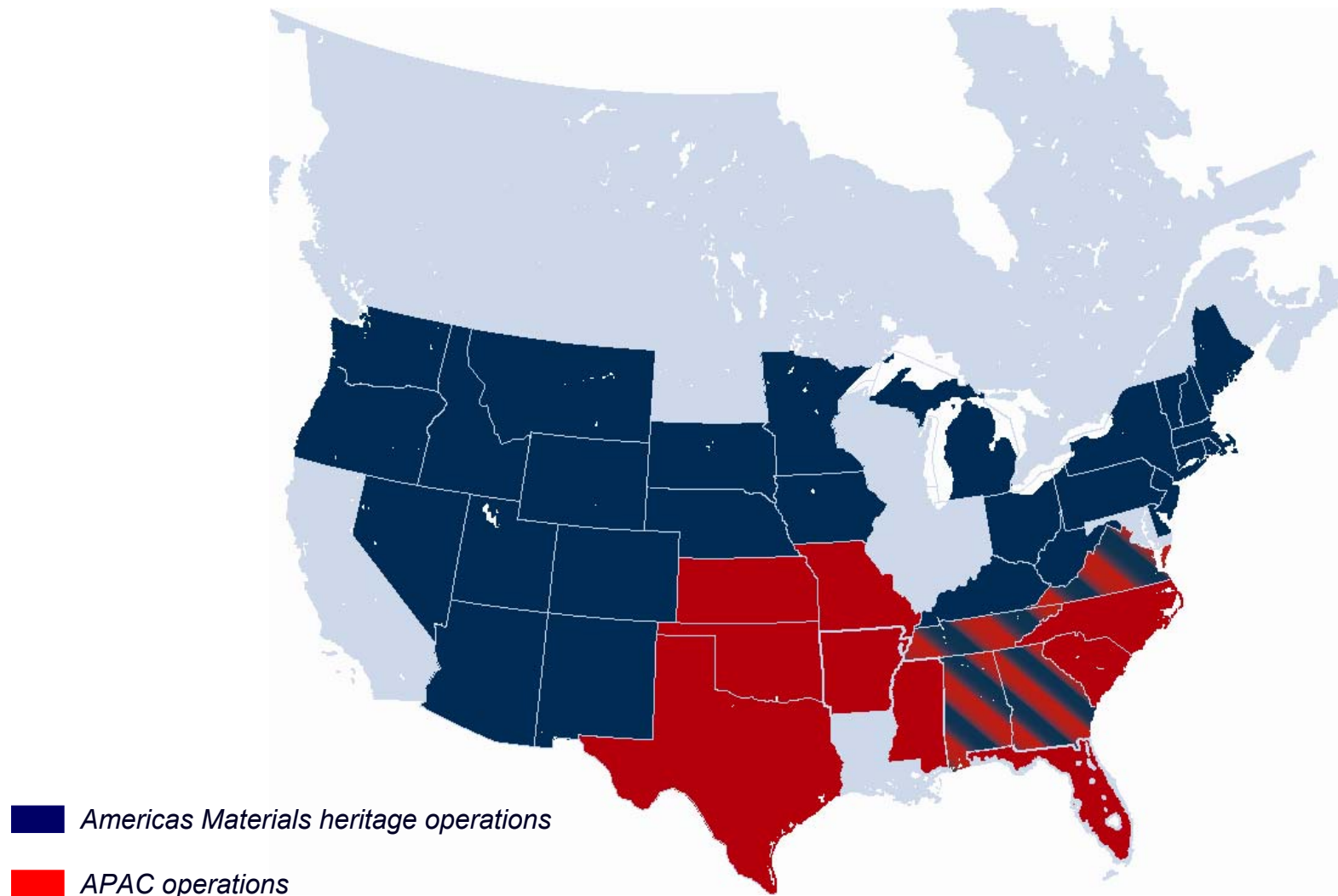


# APAC – New Americas Materials Platform

- Major expansion into midwestern and southern US states
- Significantly increases US aggregates and asphalt positions
- Increases exposure to positive US infrastructure spending trend
- Substantial scope for administrative, operational and purchasing synergies
- With selective disposals to increase the materials focus ...
- ... and aggregates/other downstream acquisitions over time

	At Acquisition	Net of Disposals
Consideration	\$1.3 billion	\$1.1 billion
Sales (LTM June 2006)	\$2.9 billion	\$2.4 billion
EBITDA (LTM June 2006)	\$220 million	\$190 million

# APAC – New Americas Materials Platform



# Outlook



# Outlook

- Overall European construction demand outlook remains positive
- While decline in US Res (<10% of CRH t/over) will impact overall US construction ...
- ... CRH expects to benefit from its broad geographic, product and end-use diversity
- With ...
  - Ongoing focus on price and cost effectiveness
  - Further benefits from record 2006 acquisition activity
  - Sustained emphasis on development
- We expect to achieve further progress in the year ahead.

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