



2009
**Trading Statement &
Development Update
Conference Call**

5th January 2010



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Chief Executive

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Agenda

1 2009 Trading & Development Update

2 Cost Reduction Update

3 Cash Generation & Debt Profile

4 2010 Outlook

CRH Trading Statement

Expect 2009 Outcome In Line with Nov IMS Guidance

- Expect full year EBITDA close to €1.8Bn; (2008: €2.665Bn)
- With Profit Before Tax of approximately €0.75Bn; (2008: €1.628Bn)
- After €0.2Bn cost reduction implementation costs
- And before asset impairment charges
- PBT forecast reflects adverse FX impact of c€45m; (principally PLN)

Continued strong focus on Cost and Cash Management

2009 Full Year Europe

Expect c40% decline on 2008 EBITDA

Indications	<u>Materials</u>	<u>Products</u>	<u>Distribution</u>	<u>Total</u>
2009 Change	c45 % decrease	c30 % decrease	c25 % decrease	c40 % decrease
2008 Actual	€806m	€392m	€258m	€1,456m

○ Materials

- c€70m of decline attributable to translation impact of weaker PLN/UAH

○ Products

- Like-for-like Sales down c19%; benefits from restructuring & UK Brick demand

○ Distribution

- Like-for-like Sales down c10%; weaker New Res & consumer confidence

2009 Full Year Americas

Expect c30% US\$ EBITDA decline; down c25% in euro

Indications	<u>Materials</u>	<u>Products</u>	<u>Distribution</u>	<u>Total</u>
2009 Change	Low teen % decrease	c55 % decrease	c70 % decrease	c30 % decrease
2008 Actual	\$1,065m	\$543m	\$170m	\$1,778m

○ Materials

- Margins ahead with strong cost/commercial delivery despite lower volumes

○ Products

- Like-for-like sales down over 25%; ongoing reductions in Non-Res activity

○ Distribution

- Exterior Products decline stabilised in H2; Interior Products deteriorated

2009 Development Activity

c€0.45Bn Acquisition Spend

<u>€Bn</u>	<u>H1</u>	<u>H2</u>	<u>Full Year</u>
Europe	0.02	0.01	0.03
Americas	0.04	0.15	0.19
Asia	0.22	0.01	0.23
Total	0.28	0.17	0.45

Highlights ...

- H1: 26% investment in Yatai Cement in northeastern China
- H2: 4 important materials bolt-ons in Missouri (Nov), Texas & Utah (Dec)
- Plus 12 additional bolt-ons across the Group's operations

H2 transactions at favourable multiples

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Cost Reduction Action continues ...

Cumulative annualised 2007 - 2010

Announced

Jan-09

Gross savings of:

€895m

Revised

Jul-09

Gross savings of:

€1,450m

Revised

Jan-10

Gross savings of:

€1,650m

Total savings ...

increased by €200m on the €1,450m savings announced Jul-09

Annualised Cost Savings now **€1,650m**

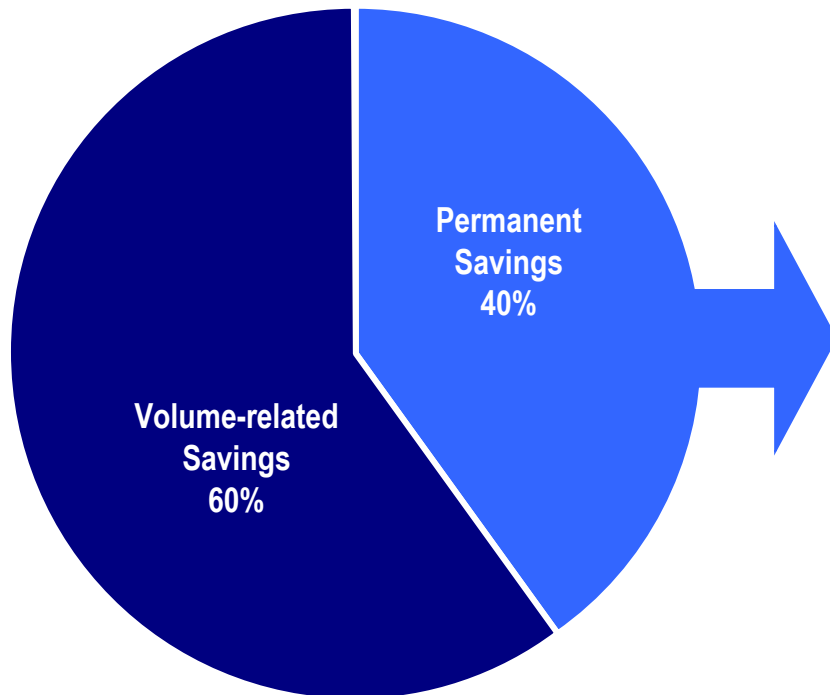
Initiatives (€m)	P&L Impact				Annualised
	'07	'08	'09	'10	
2007	50				50
2008		447	398		845
2009			450	145	595
2010				160	160
Gross savings	50	447	848	305	1,650
Cost to implement	-	62	200	45	
Net savings	50	385	648	260	

*Progressive activity across all Group divisions ...
... with c40% of total gross savings being permanent*

Permanent Cost Savings ... *c40%*

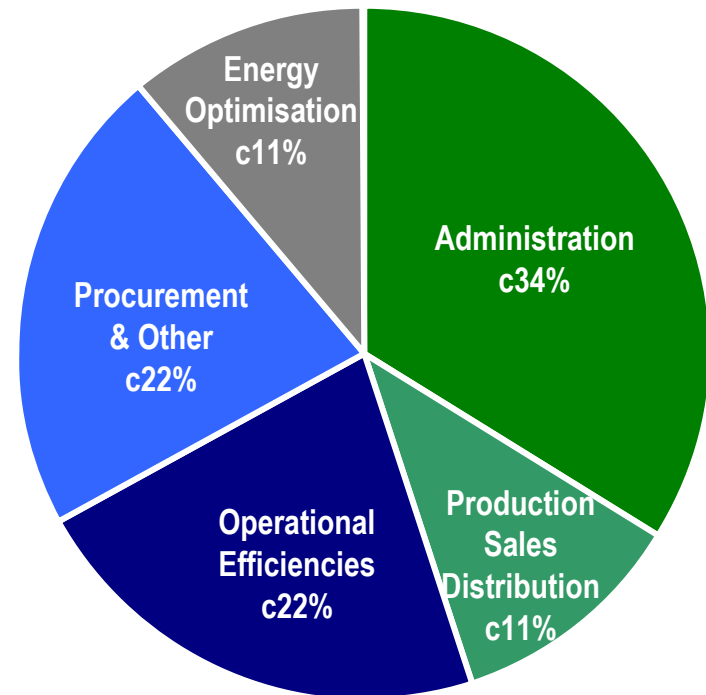
Permanent Savings

c40%



Delivered across

5 Key Areas



*Permanent savings ...
achieved across 5 functional areas of activity*

Permanent Cost Savings ... **c€660m**

ADMINISTRATION

2007-10 Target

€225m

Reconfiguring Org Structures

- *Regional back office consolidation*
- *Review of all spend items*

PRODUCTION, SALES & DISTRIBUTION

€75m

Challenging our Fixed Cost Base

- *Closure of production facilities*
- *Consolidation of sales regions*

OPERATIONAL EFFICIENCIES

€145m

Reducing labour costs for future

- *Optimising shifts, reducing overtime*
- *Increasing automation*

PROCUREMENT & OTHER

€145m

Leveraging our scale

- *Centralising procurement*
- *Renegotiating terms of supply contracts*

ENERGY OPTIMISATION

€70m

Optimising how we utilise energy

- *Optimising fuel mix / increased recyclables*
- *Greater usage of Alternative Fuels / RAP*

Cost Action Summary

- Cost reduction an ongoing focus across the Group
- Cumulative cost savings now **€1,650m**
- From multiple actions in all Group Divisions
- **c40%** of total savings are permanent

Delivering sustainable savings across the Group

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Cash and Debt Management

Net Debt down €2Bn+ in 2009

- Tight management of Trade Working Capital
- Capital Expenditure restraint – c50% of 2008 levels
- Excellent debt maturity profile – next 5 years

***CRH resolutely focussed on
Cash Generation and maintaining Balance Sheet flexibility***

Operating Cash Flow

Expect Full Year Operating Cash Inflow of c€1Bn

<u>€ Bn</u>	<u>Estd</u> <u>2009</u>	<u>Actual</u> <u>2008</u>
Profit before tax	0.7	1.6
Depreciation/Amortisation	0.8	0.8
Working capital	0.5	(0.1)
Tax Paid	(0.1)	(0.3)
Dividends (gross)	(0.4)	(0.4)
Capital expenditure	(0.5)	(1.0)
Other	---	---
Operating cash inflow	1.0	0.6

Strong working capital control and reduced Capex more than offset cash flow impact of profit decline

Net Debt

Full Year Net Debt reduction of €2Bn+ to under €4Bn

<u>€ Bn</u>	<u>Estd 2009</u>	<u>Actual 2008</u>
Operating cash inflow	1.0	0.6
Acquisitions and investments	(0.4)	(1.1)
Disposals	0.1	0.2
Share issues (incl. scrip div.)	1.4	---
Share purchases	---	(0.4)
Translation	0.1	(0.2)
Debt decrease (increase)	2.2	(0.9)
Opening Net Debt	6.1	5.2
Closing Net Debt	3.9	6.1

One of the strongest Net Debt/EBITDA ratios in Sector

Excellent Debt Maturity Profile

Cash reserves/Undrawn facilities c€3bn

December 2009 Estimates – Including JVs		
€ Bn	Gross Debt by Maturity (incl. Derivatives)	Undrawn Committed Facilities
Overdrafts	0.1	-
2010	0.2	0.2
2011	0.6	0.4
2012	0.9	0.8
2013	0.5	0.1
2014	1.0	0.1
2015	0.3	0.0
2016+	1.7	0.0
Total	5.3	1.6
Cash/Liquid Invs	1.4	

Net Debt under €4Bn; no undue concentration of Maturities

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2010 Outlook

- Economic & financial market newsflow more positive over recent months
- Nevertheless trading conditions remain difficult
- With timing of any sustained construction demand pick-up unclear
- CRH focus on cost reduction & operational initiatives will benefit 2010
- With a strong balance sheet and cash generating capability

***CRH is well-positioned to respond to evolving demand patterns
and to pursue development opportunities***

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