

CRH Interim Management Statement

November 2008



Liam O'Mahony Chief Executive

Myles Lee
Finance Director
Chief Executive Designate

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- August Interims indicated FY 2008 PBT decline similar to -10% for H1
- Since then ... unprecedented events in financial markets
- With increasingly cautious business climate across the world
- Change in sentiment has been most marked in Europe
- US trading has evolved broadly as anticipated
- Now expect a low-to mid-teen % PBT decline
- Lesser reduction in EPS with 3.3% share buyback & lower % tax charge

CRH's geographic, sectoral and product balance continues to underpin performance and cashflow



2008 Full Year Europe Outlook Low single digit % decline on 2007 Op. Profit

Indications	<u>Materials</u>	<u>Products</u>	<u>Distribution</u>	<u>Total</u>
2008 Change	high single digit % increase	c25% decrease	mid-high single digit % decrease	low single digit % decrease
2007 Actual	€586m	€308 m	€212m	€1,106m

Materials

Slower PL/UA growth in recent months and generally weaker trading patterns

Products

Slower trading patterns evident late Q2 have intensified; UK Clay restructuring

Distribution

Benelux DIY more robust than in H1 but BM ops have weakened

Balance: Res c50%, Non-Res c30%, Infrastructure c 20%



2008 Full Year Americas Outlook Mid-teen US\$ Op. Profit decline; -c20% in euro

Indications	<u>Materials</u>	Products	<u>Distribution</u>	<u>Total</u>
2008 Change	mid-teen % decrease	c20% decrease	c30% increase	mid-teen% decrease
2007 Actual	\$781m	\$466m	\$96m	\$1,343m

Materials

> Strong pricing to recover input costs but continuing to affect volumes

Products

Economic backdrop feeding through to some Non Res sectors

Distribution

Beating expectations with effective management of pricing, sales & overhead

Balance: Res c30%, Non-Res c35%, Infrastructure c 35%



Development Focus on Compelling Value / Strategic Fit / Needs

Acquisitions

- c€1 billion acquisitions and investments completed year-to-date
- Completion of Yatai/Pavestone remains dependent on regulatory approvals
- Current emphasis firmly concentrated on operational delivery
- Activity limited to deals offering compelling value/exceptional strategic fit

Capital Expenditure

- Adjusted to reflect the reduced demand environment
- Expect 2008 Cx will be held at 2007's €1 billion despite major projects
- Anticipate that 2009 Capex at c€750m will be below Depreciation



Finance Strengthening Existing Financial Flexibility

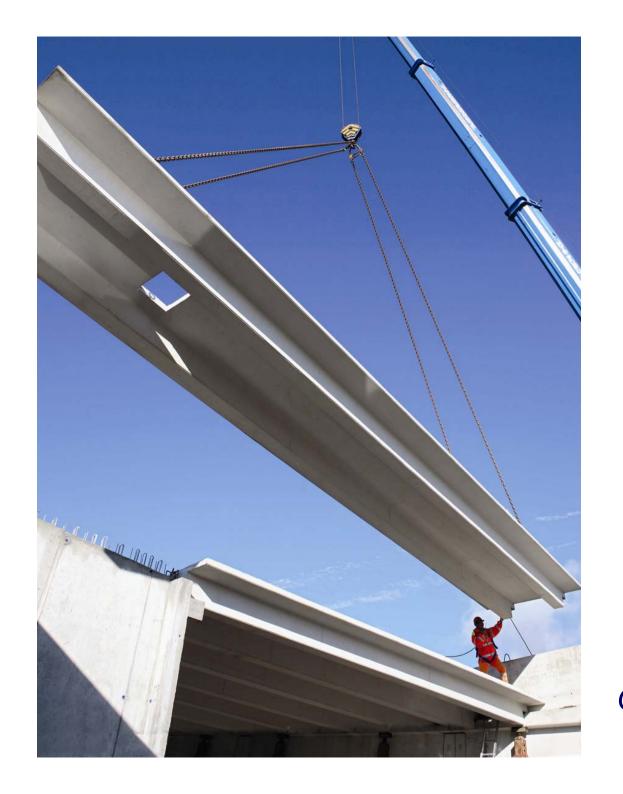
- 2008 EBITDA / Net interest cover expected to remain strong at c7.5x
- To-date in 2008, CRH has raised a total of €1.5 billion of funding
 - > €0.8 billion long-term funding (Stg£ 250m and US\$ 650m Bonds)
 - ➤ €0.7 billion of bank funding, primarily new facilities
- Renewal / extension of €1.5 billion of bank facilities close to completion
- Share Buyback programme terminated with 3.3% shares repurchased
- Traditional strong cash profile, enhanced by intensified cash generation
- Leaves CRH well positioned in terms of debt facilities and maturity profile



Summary

- Intense emphasis on operational efficiency / commercial delivery
- While 2009 outlook is challenging, there are some positives
 - declining energy costs and world wide interest rate reductions
 - potential US infrastructure stimulus package
 - translation benefit of a stronger US \$
- CRH's geographic, sectoral and product balance continues to underpin performance and cashflow
- Attention and actions resolutely focussed on
 - ... ensuring CRH is strongly positioned
 - ... for whatever circumstances may evolve
 - ... and on further strengthening our existing financial flexibility





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