



Interim Trading & Development Update July 2010

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CRH Interim Updating Statement

H1 2010 – Key Points

- ▶ Expect H1 like-for-like Sales down c10% (*H1'09: €8.3 Bn*)
- ▶ With H1 EBITDA down c20% (*H1'09: €0.65 Bn*)
- ▶ H1 Operating Profit down c50% (*H1'09: €0.24 Bn*)
- ▶ And PBT close to breakeven (*H1'09: €0.1 Bn*)
- ▶ H1 development initiatives c€0.24 Bn; emphasis on Materials platforms
- ▶ Rolling 12-mth EBITDA / Net Interest cover comfortably in excess of 6 times

Focussed on delivery in challenging times

Europe Performance

H1 2010 EBITDA Indications

<u>Europe</u>	<u>Materials</u>	<u>Products</u>	<u>Distribution</u>	<u>Total</u>
H1 2010 Indications	c.-10%	c.-25%	c.-20%	high-teen % decline
H1 2009 Actual	€163m	€149m	€98m	€410m

Materials: *H1 like-for-like Sales down c-10%*

- ▶ Weather effects Jan/Feb/May; Pricing more competitive; Input costs stable
- ▶ Volumes: EI/ES challenged; PT/UA lower; PL slightly ahead; FI/CH growth

Products: *H1 like-for-like Sales down c-10%*

- ▶ Concrete products impacted by weather and weaker Non-Res activity
- ▶ RMI-oriented B.Products impacted less; UK Clay brick demand strong

Distribution: *H1 like-for-like Sales down c-10%*

- ▶ Tough start in NL; partly offset by improvement in AT/CH

Americas Performance

H1 2010 EBITDA Indications

<u>Americas</u>	<u>Materials</u>	<u>Products</u>	<u>Distribution</u>	<u>Total</u>
H1 2010 Indications	c.-45%	c.-10%	c.+30%	c.-30%
H1 2009 Actual	\$180m	\$127m	\$14m	\$321m

Materials: *H1 like-for-like Sales down c-10%*

- ▶ Volumes (like-for-like): Aggs -8%; Asphalt -10%; RMC -9%
- ▶ Pricing: Aggs modestly ahead; Asphalt/RMC/Construction more competitive
- ▶ Lower volumes impacted H1 operational efficiency

Products: *H1 like-for-like Sales down c-12%*

- ▶ Continuing declines in Non-Res construction impacting Glass and Precast
- ▶ APG ahead with good RMI demand; MMI improvement

Distribution: *H1 like-for-like Sales down c-7%*

- ▶ Exterior Products sales in line with 2009; Interior Products sales down c20%

Operations – Further Cost Action

Cumulative Annualised Savings 2007 – 2010

Announced:

Jan-10

Gross savings of ...

€1,650m

Jul-10

... revised to ...

€1,710m

***Total savings increased by €60m
on the €1,650m savings announced Jan-10***

Operations – Further Cost Action

Annualised Cost Savings €1.7Bn

P&L Impact

Initiatives (€m)	2007	2008	2009	2010	2011	Annualised
2007	50					50
2008		447	398			845
2009			450	145		595
2010				190 [#]	30 [#]	220
Gross savings	50	447	848	335	30	1,710
Cost to implement	-	62	205	58	-	
Net savings	50	385	643	277	30	

[#] In progress in 2010

***Progressive activity across all Divisions
c40% permanent***

Operating Cash Flow

H1 outflow estimated to be similar to H1'08

€Bn	Estimated H1 '10	Actual H1 '09	Actual H1 '08
Profit before tax	-	0.11	0.61
Depreciation/Amortisation	0.40	0.41	0.39
Working capital	(0.40)	(0.10)	(0.61)
Tax Paid	(0.05)	(0.04)	(0.15)
Dividends	(0.30)	(0.26)	(0.26)
Capital expenditure	(0.25)	(0.32)	(0.56)
Other	-	-	-
Operating cash outflow	(0.60)	(0.20)	(0.58)

*Increased H1 seasonal working capital build
due to very low working capital level at year-end 2009*

Net Debt / Equity

H1'10 FX translation effects: Net Debt €0.5Bn, Total Equity €0.9Bn

€Bn	Estimated H1 '10	Actual H1 '09	Actual H1 '08
Operating cash outflow	(0.60)	(0.20)	(0.58)
Acquisitions / Investments	(0.15)	(0.28)	(0.74)
Disposals	0.05	0.05	0.06
Share Issues (net)	0.15	1.35	(0.30)
Translation	(0.48)	0.05	0.16
Debt decrease (increase)	(1.03)	0.97	(1.40)
Opening Net Debt	3.72	6.09	5.16
Closing Net Debt	4.75	5.12	6.56
Total Equity	10.50	9.22	7.55
Debt / Equity	45%	56%	87%

*Net Debt / Equity ratio
c10 %points lower than at June 2009*

Excellent Debt Maturity Profile

Cash reserves/Undrawn facilities of over €2.5 Bn

June 2010 Estimates – Including JVs		
€ Bn	Gross Debt by Maturity (incl. Derivatives)	Undrawn Committed Facilities
Overdrafts	0.1	-
2010 (H2)	0.2	0.2
2011	0.8	0.4
2012	1.0	0.8
2013	0.6	0.2
2014	0.9	0.0
2015	0.4	0.0
2016+	1.8	0.0
Total	5.8	1.6
Cash/Liquid Invs	1.0	

***Strong capacity
to pursue appropriate development opportunities***

CRH H1 2010 Development

Total Development Spend of c€0.24Bn

- ▶ Acquisition spend of €133 million on 13 transactions ... includes ...
 - 9 bolt-ons to Americas Materials adding 243m tonnes aggregates reserves
 - 4 bolt-ons to Europe Materials incl. a downstream acquisition in India
- ▶ €19 million equity investment in Yatai Cement in China
 - CRH's share of funding for 2 development projects to expand capacity
- ▶ Capex €84m over 3 yrs to expand capacity/improve efficiency; US, PL, India
- ▶ Disposal process for Insulation & Climate Control in Europe advancing well

***Patient approach
in light of challenging market backdrop***

2010 Outlook

Uncertainties remain

- ▶ Concerns regarding European fiscal deficits and economic growth
- ▶ US indicators better though recent data suggests slower pace of recovery
- ▶ We expect ...
 - ... ongoing improvement in cumulative rate of like-for-like (LFL) sales declines ...*
 - ... full year LFL sales decline somewhat greater than previously anticipated ...*
 - ... benefits from cost reduction, lower restructuring, and FX translation ...*

***... and EBITDA to be ahead of last year
in the seasonally more important H2***

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