



Interim Trading Statement
&
H1 Development Strategy Update
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CRH Interim Updating Statement

H1 2008 – Highlights

- Expect first half 2008 PBT of approximately €0.60 Bn (*H1'07: €0.67 Bn*)
- Includes adverse translation effect of c€20m (*US\$: 1.5304 vs. 1.3291*)
- Europe: expect Op. Profit increase of c5% (*H1'07 €0.495 Bn*)
- Americas: expect Op. Profit close to c\$0.3/€0.2 Bn (*H1'07 \$0.367/€0.276 Bn*)
- Rolling 12-mth EBITDA / Net Interest expected to remain high at c9 times
- Share Buyback ongoing: c14m shares (2.6% of 5%) repurchased at €24 /share

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



Europe

H1 2008 Operating Profit Indications

	<u>Materials</u>	<u>Products</u>	<u>Distribution</u>	<u>Total</u>
H1 2008 Indications	+c20%	-c10%	similar	+c5%
H1 2007 Actual	€222m	€180m	€93m	€495m

○ **Materials**

- Positive start with continuing advances in Poland/Ukraine & Portugal recovery more than compensating for declines in Ireland and Spain

○ **Products**

- After good start, trading patterns in recent months have shown a slower trend
- UK Clay particularly impacted by sharp Res slowdown & higher input costs

○ **Distribution**

- Lower Benelux DIY activity/profits more than offset good start in B.Merchants
- Op. Profit broadly in line with inclusion of Gétaz Romang (acquired May 2007)

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

Americas

H1 2008 Operating Profit Indications

	<u>Materials</u>	<u>Products</u>	<u>Distribution</u>	<u>Total</u>
H1 2008 Indications	-c40%	-c15%	+c10%	c\$300m
H1 2007 Actual	\$88m	\$239m	\$40m	\$367m

○ **Materials**

- Trend of strong pricing with associated like-for-like volume declines continues
- Wet weather in May/June hampered start of highway construction season

○ **Products**

- Ongoing declines in Res; some signs of moderation in Non-Res
- Further significant cost-reduction initiatives implemented

○ **Distribution**

- Sales higher than H1'07 reflecting the inclusion of AMS (acquired Nov 2007)
- Rate of like-for-like Sales decline has eased in Q2; margins similar to H1'07

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



CRH H1 '08 Development Activity

Continued development momentum

- Acquisition spend of over €0.7 Bn on 37 transactions ... includes ...
 - First move into India cement; 50% My Home Industries
 - Ancon in the UK; adding to our Construction Accessories platform
 - 35 other bolt-ons adding to product and regional positioning
- Additional €0.6 Bn announced; expected to complete later in the year
 - Yatai; 26% stake in major NE China cement, with option to 49%
 - Pavestone; major US concrete products manufacturer
- Ongoing focus: strategic fit + compelling value

***Continued development momentum
while remaining committed to an investment grade debt rating***



2008 Outlook

CRH remains focussed on continuing delivery

- Ongoing negative economic / financial developments impacting business sentiment
- CRH's geographic, product and end-use balance underpins performance / cashflow
- Significant cost reduction measures over past 18 months
- Intensified emphasis on operational efficiency / commercial delivery for H2
- Current US\$ levels would result in adverse full year translation impact of c€80m
- Anticipate 2008 PBT may show high single digit % decline on record 2007
- EPS decline will be less due to Buyback and expected lower tax charge



Overall

- Strategic balance a key strength of CRH
- Disciplined & rigorous approach to acquisition evaluation & integration
- Strong team focused on delivery
- Experience of managing through economic cycles
- Devolved structure enables quick and effective response

***CRH remains focused on its twin imperatives ...
Performance and Growth***



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