



Performance and Growth Through the Cycle

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CRH Overview



CRH Overview

The International Building Materials Group

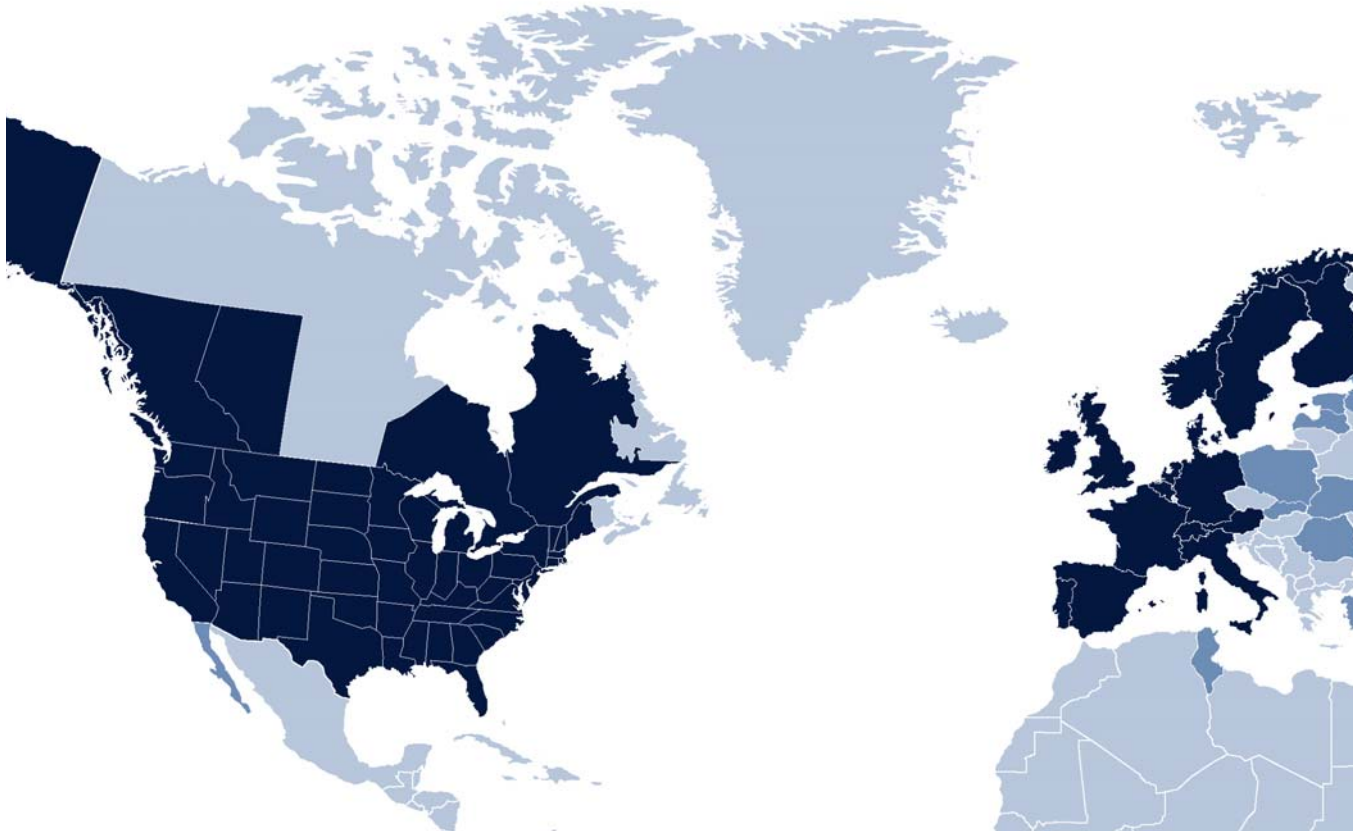
- 1970 merger of Irish Cement and Roadstone; Sales €26M, 95% Ireland
- Now in 33 countries; 3,500+ locations; 92,000+ people
- Annualised Sales over €20Bn focused on three core businesses
- Evenly balanced across geographies, products and sector end-use
- Market Cap c.€11.5Bn, top 6 in sector worldwide
- Listed: Dublin (CRH.I), London (CRH.L) and NYSE (CRH)

CRH... An International Group

Strong Leadership positions in the Developed World ...

Developed Markets

- Leading regional & national positions in Materials, Products & Distribution
- Opportunities: Geographic infill, Ops synergies, Product extension



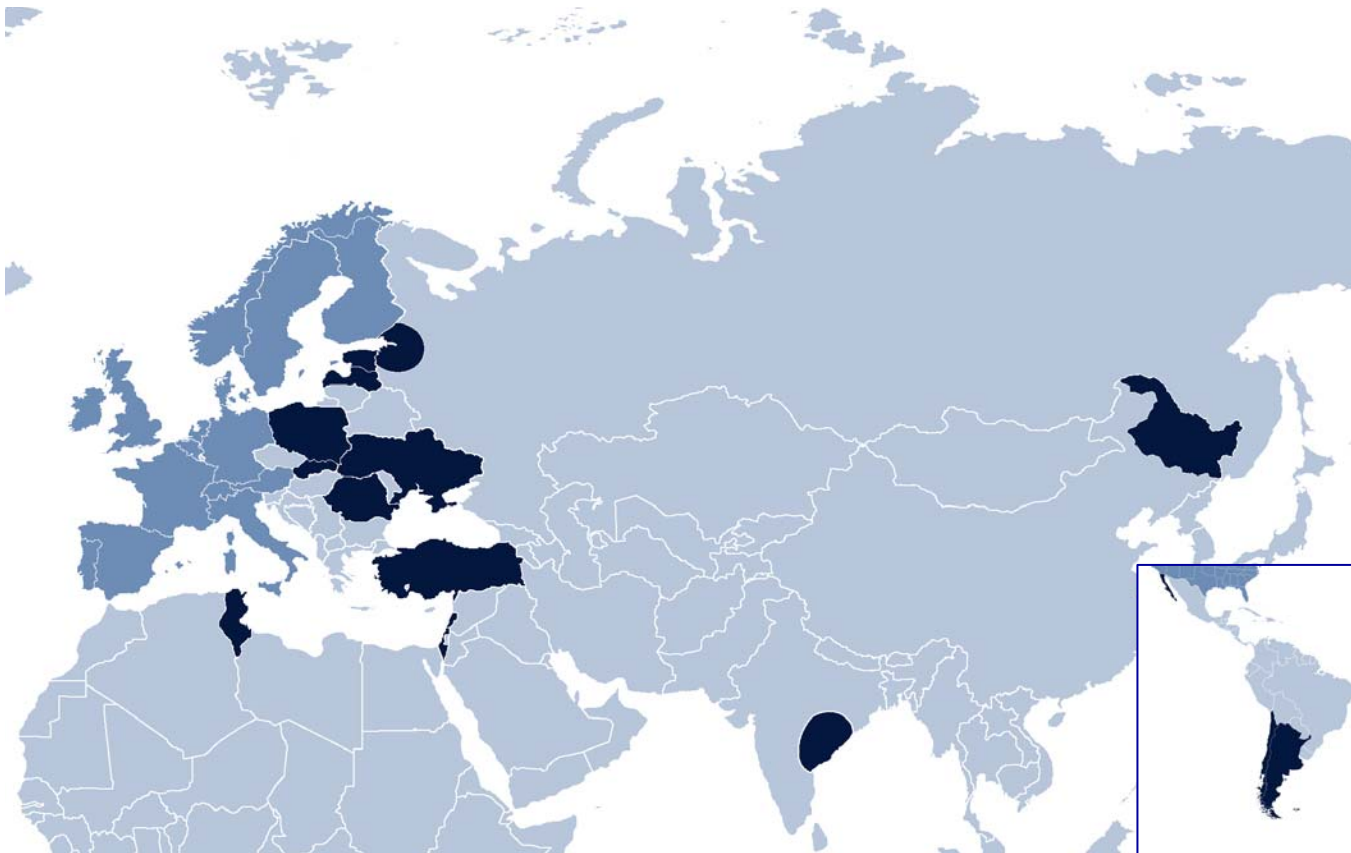
**85% Group EBITDA from
17 stable developed world countries**

CRH... An International Group

Growing presence in Emerging Regions ...

Emerging Regions

- Heavyside Entry
- Cement Emphasis
- Meaningful Scale
- Potential to create integrated Materials businesses as markets mature



***15% Group EBITDA from
16 emerging region countries; high growth potential for the future***

CRH... Focused and Diversified

Servicing the breadth of Building Materials demand ... from ...

Materials (55% EBITDA)

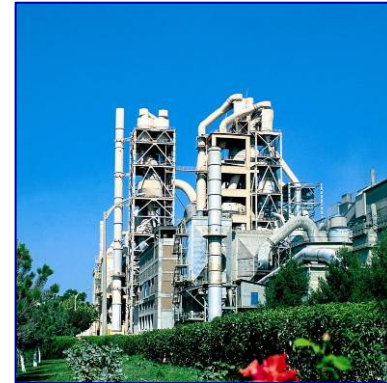
The Fundamentals

Europe

- Top 10 Cement
- Leader Aggregates, R/mix

US

- No.3 Aggregates
- No.1 Asphalt, Top 5 R/mix



***Vertically integrated primary materials businesses
with strategically located long-term reserves***

CRH... Focused and Diversified

Servicing the breadth of Building Materials demand ... through ...

Concrete Prods (20% EBITDA) Constructing the Frame

Europe

- No.1 Arch/Structural Concrete
- No.1 Construction Accessories

Americas

- No.1 Arch/Precast Concrete
- No.2 Construction Accessories



***Building systems and engineered concrete solutions
for use in Res, Non-Res and Infrastructure applications***

CRH... Focused and Diversified

Servicing the breadth of Building Materials demand ... through ...

Other Products (12% EBITDA)

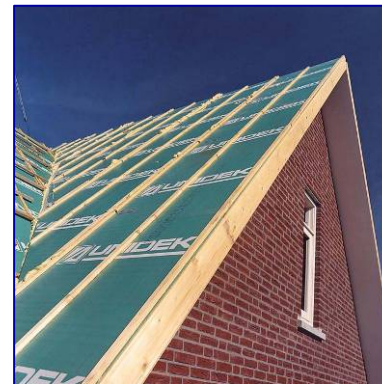
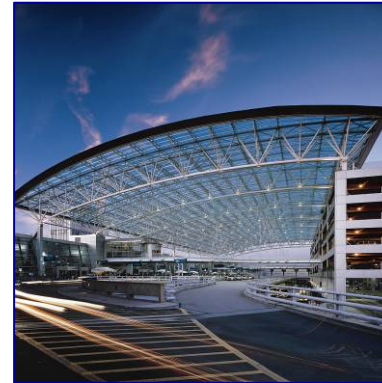
Completing the Envelope

Europe

- No.1 Facing Brick [UK/NL]
- No.1 EPS Insulation [EI/NL/PL/Nordics]
- No.1 Fencing & Security

Americas

- No.1 Architectural Glass
- No.1 Clay Brick [NE/MidW US]



Complementary value-added building products to complete the building envelope and optimise climate control / energy efficiency

CRH... Focused and Diversified

Servicing the breadth of Building Materials demand ... to ...

Distribution (13% EBITDA)

Fit-out and Renewal

Europe

- Top 3 BM Distributor Mainland Europe
- No.1 NL, No.2 BE - DIY

Americas

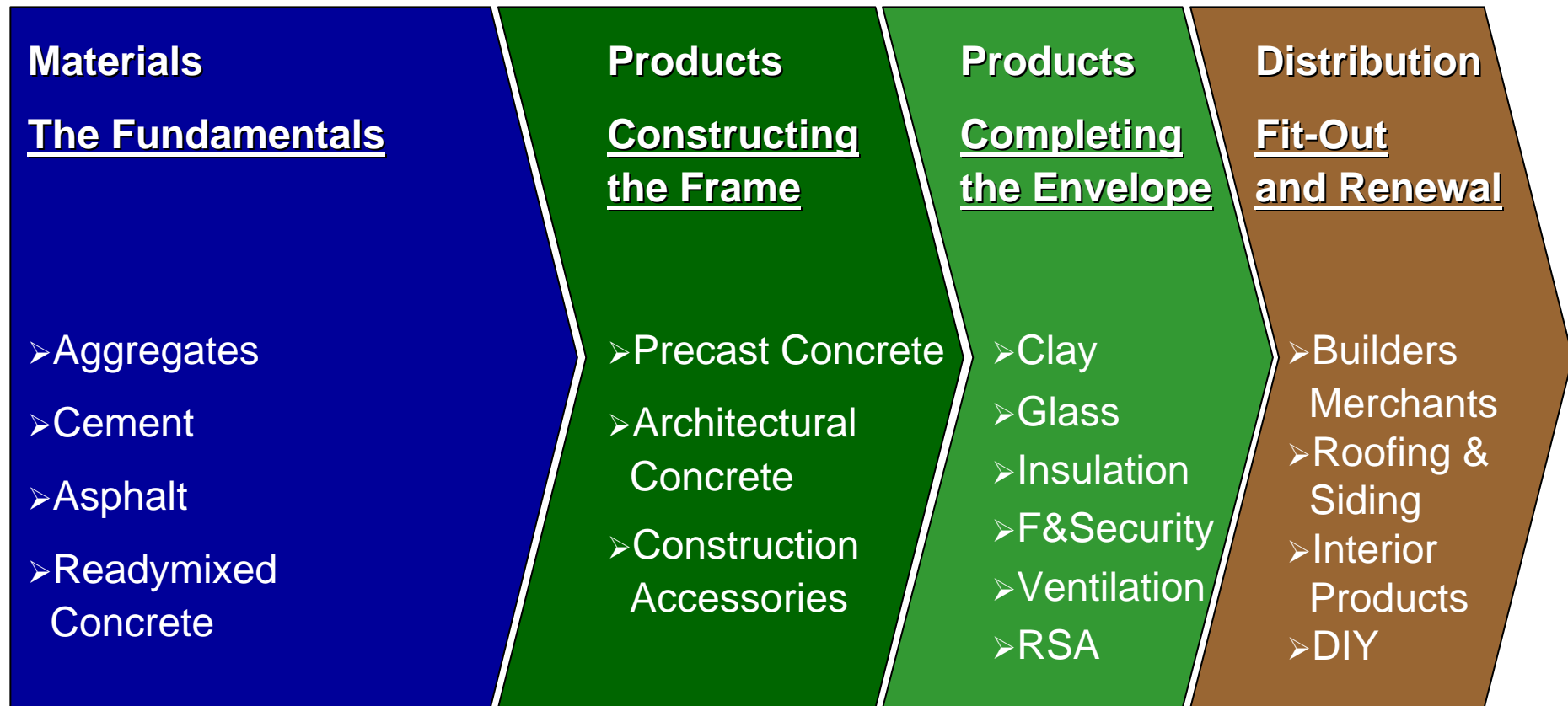
- Top 3 Roofing / Siding
- Top 3 Interior Products



Distribution channels to service the fit-out and renewal of buildings primarily in major metropolitan areas

CRH... Focused and Diversified

Providing Building Materials for Our World



***Embracing the benefits of Integrated & Complementary Businesses
... delivering mid to high teen % RoCE across the portfolio***

CRH... International and Balanced

Broad exposure to industry demand drivers

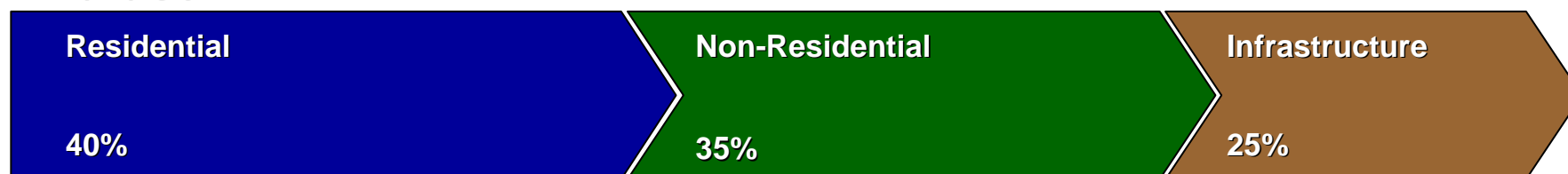
Geography



Product



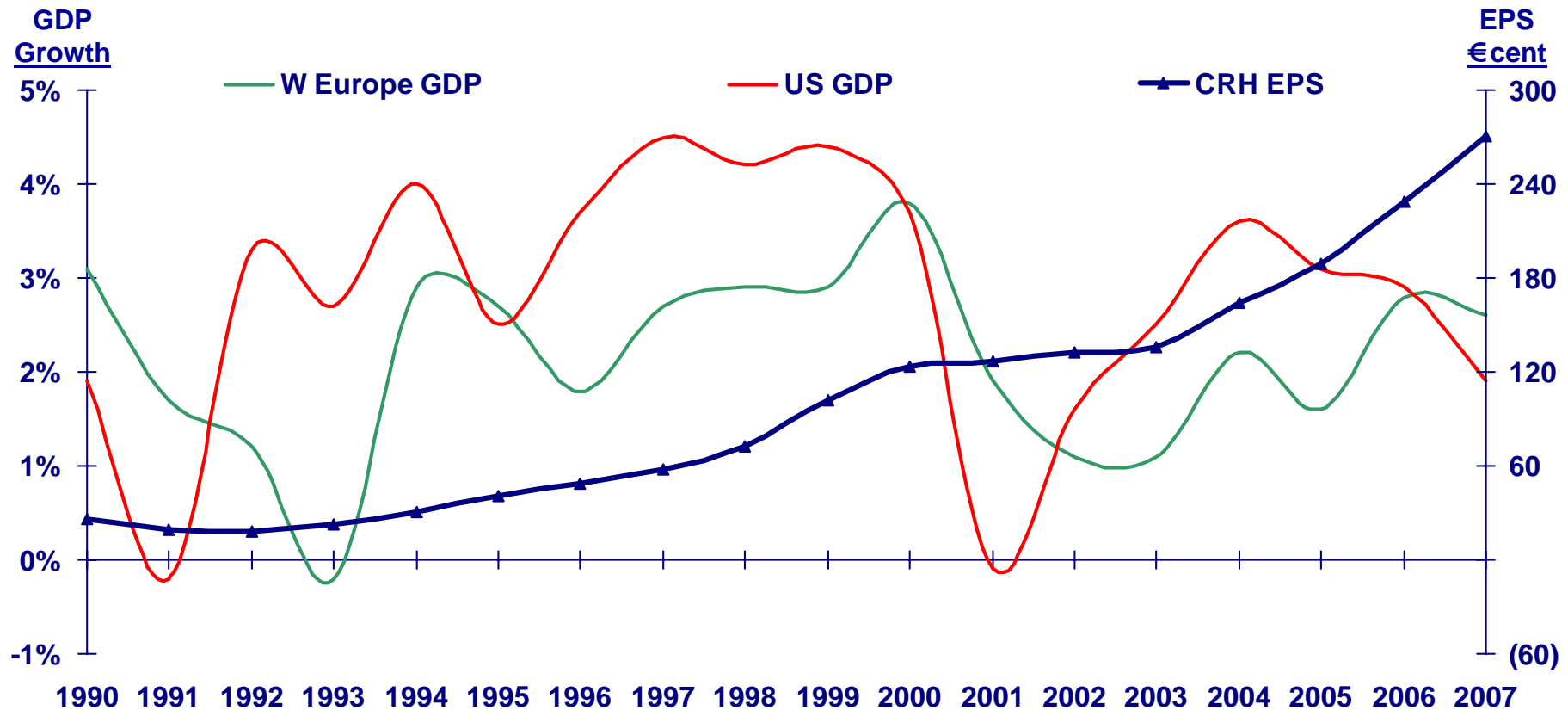
End-use



***Yielding stability of performance
and providing multiple platforms for growth***

CRH... The Consistent Performer

Delivering Superior Performance & Growth ... through the cycle!



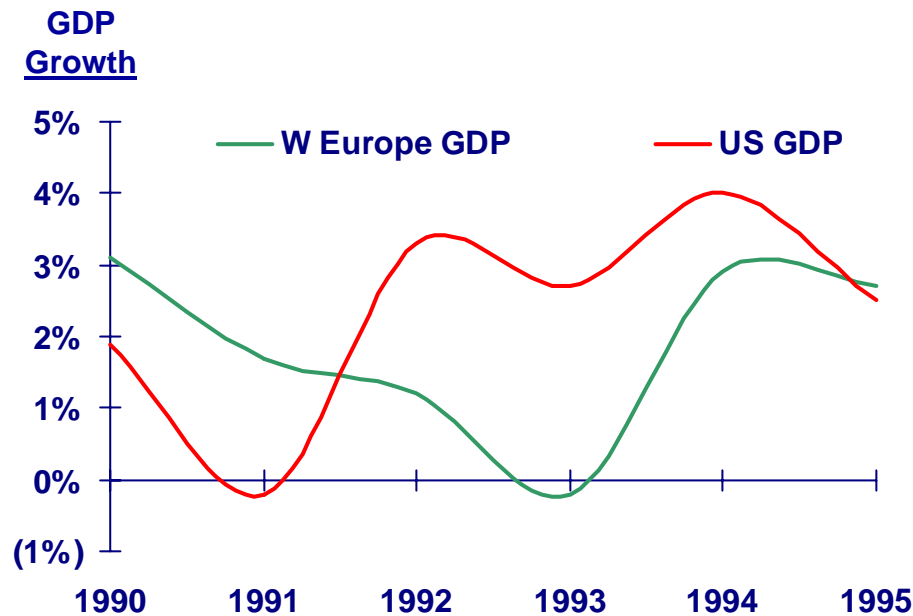
15 years of consecutive growth 1992 – 2007
A significant achievement within our industry!

Track Record of Delivery



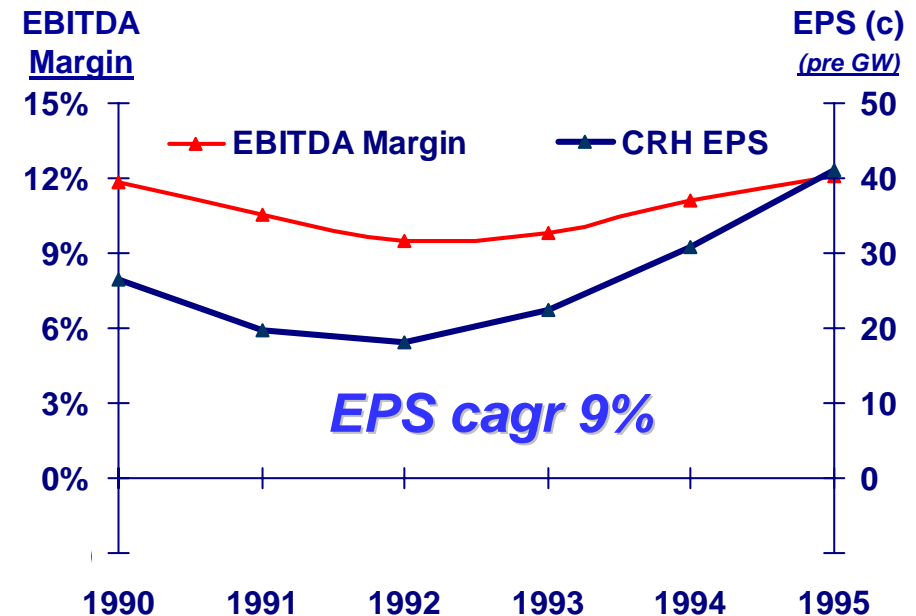
'90 – '95 Worldwide Recession

CRH sales €1.7Bn → €2.5Bn – Pursuit of new opportunities



Economic Backdrop

- Gulf War / High energy prices
- GDP growth stalled in US
- Europe GDP followed US

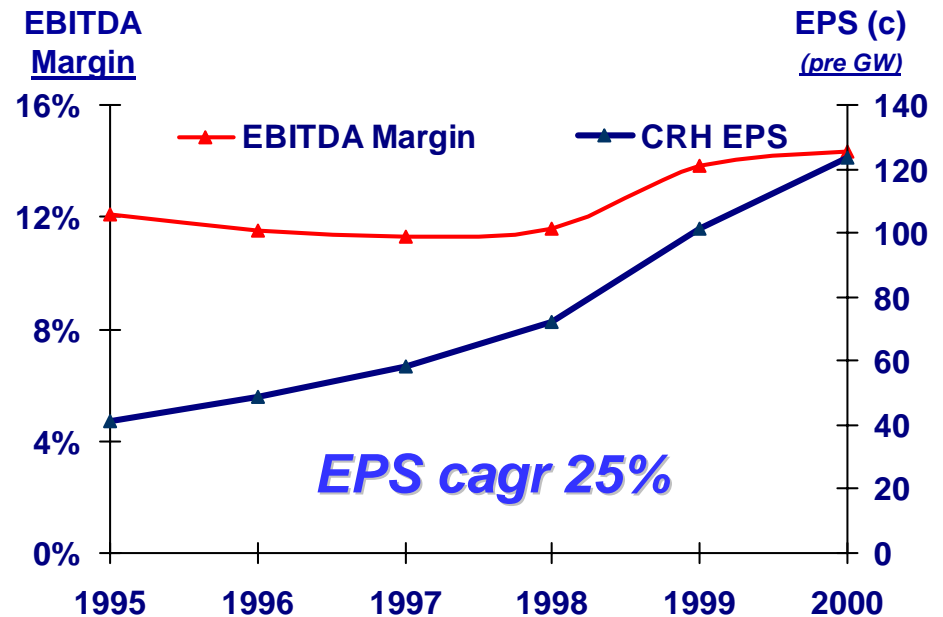
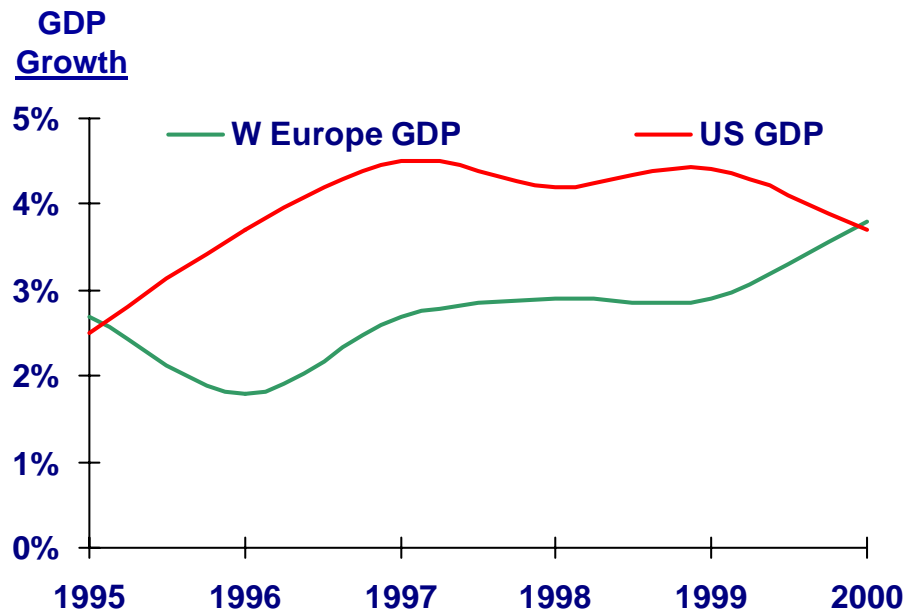


CRH Performance

- Strong Cashflow through downturn
- Rapid EBITDA margin recovery
- Benefits of operational leverage

'95 – '00 Favourable Economies

CRH sales more than tripled to €8.9Bn – Expansion on all Fronts



Economic Backdrop

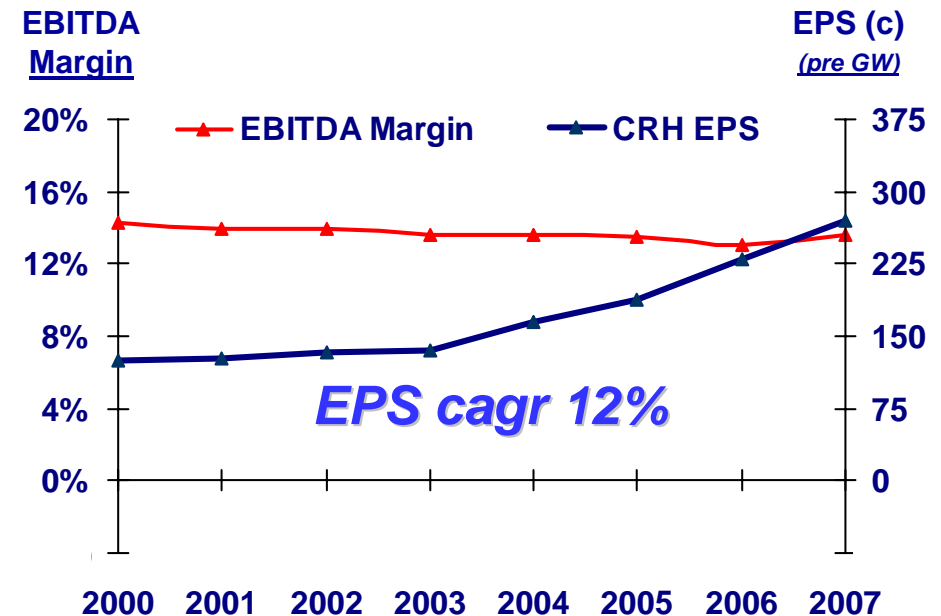
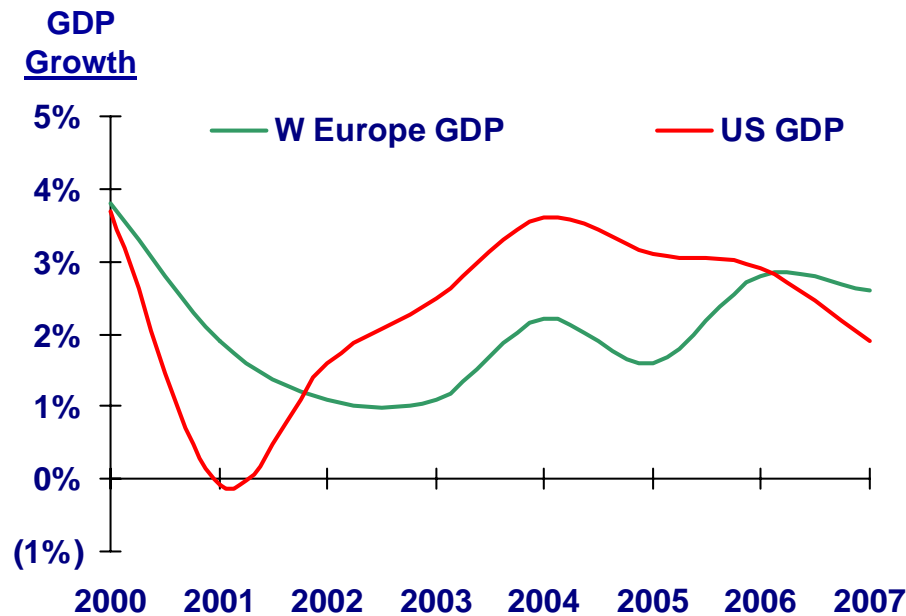
- Lower energy prices
- USD strengthening [€ = 1.26 to 0.92]
- Strong US; Lower Europe growth

CRH Performance

- Rapid expansion on all fronts
- Strong & rising EBITDA margins
- Underpinned by growing Cashflow

'00 – '07 Economic Setback & Recovery

CRH sales to €21Bn - significant development activity c€10.8bn



Economic Backdrop

- Dot.Com bust and 9/11 impact
- Weaker USD [€ = 0.92 – 1.37]
- US recession; then recovery

CRH Performance

- Sustained EPS growth in down phase
- Rapid EPS growth as mkts recovered
- EBITDA margins 12-14% range

CRH Evolution: 1990 – 2007

A significant broadening of the business base

EBITDA (Geographic Split)



| | <u>1990</u> | <u>2007</u> |
|-------------|-------------|-------------|
| ○ Ireland | 43% | 7% |
| ○ NW Europe | 36% | 33% |
| ○ CEE/Other | - % | 14% |
| ○ Americas | 21% | 46% |

EBITDA (Product Split)



| | <u>1990</u> | <u>2007</u> |
|------------------|-------------|-------------|
| ○ Materials | 64% | 55% |
| ○ Concrete Prods | 21% | 20% |
| ○ Other Prods | 2% | 12% |
| ○ Distribution | 13% | 13% |

Managing through the Cycle

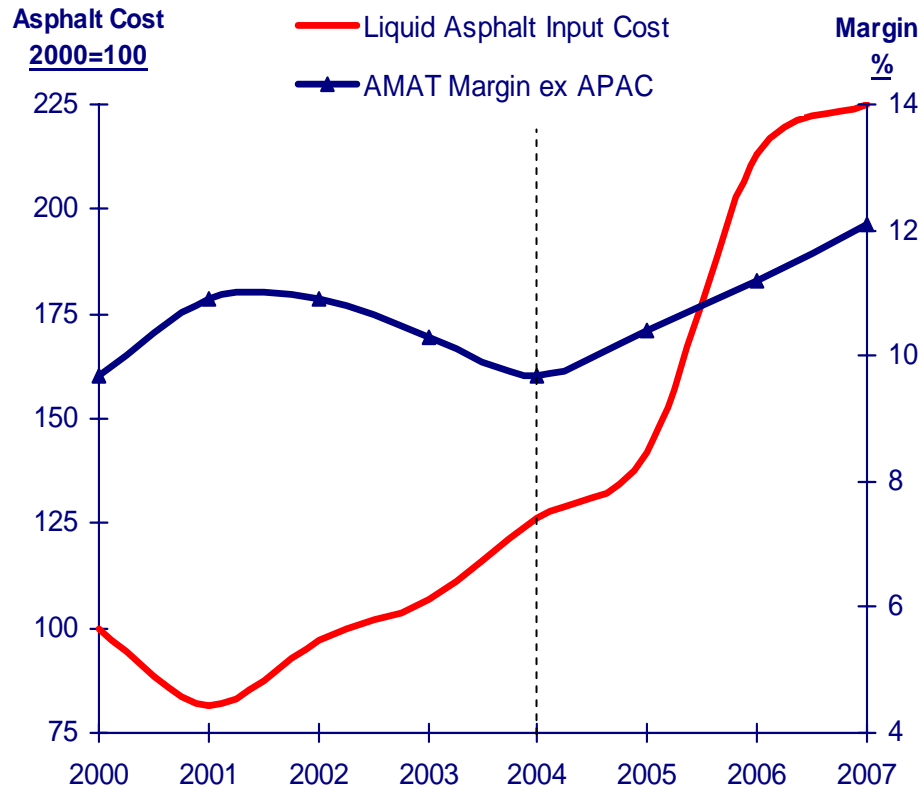
CRH... Managing through the Cycle

Core Characteristics

- Diverse yet balanced group - geographic, sectoral and product end-use
- Devolved structure supports ability to respond promptly
- Experience of managing through economic cycles
- Relentless focus on cost control, operational efficiency and margins
- Strong balance sheet and robust cashflow
- Twin imperatives ... ***Performance and Growth***

Operations - Focus on Fundamentals

Margin Management



An Americas Materials example

2000-2004

- From 2001 low, Liq. Asphalt cost rose 55% by 2004
- Inevitable lag in pricing reaction
- Contributed to 1.2%pt decline in EBIT margin

2004-2007

- Liq. Asphalt up a further 78%
- Specific focus on pricing
- Contributed to +2.4%pt increase in EBIT margin

***Managing margins in a higher input cost environment
to realise the value of our products & services***

Operations – Focus on Fundamentals

Cost Management

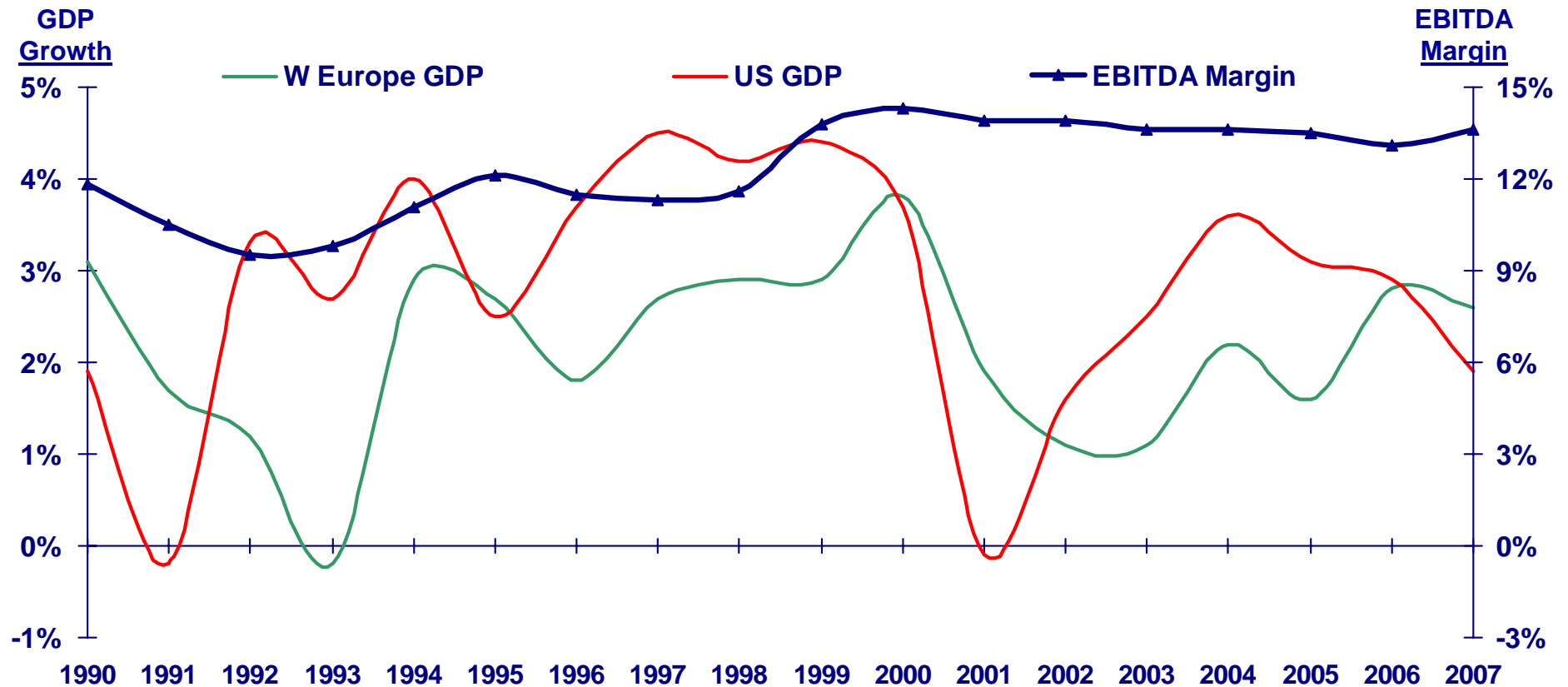
Targeted cost-reduction programmes an ongoing feature ...

- Headcount appropriate to balance capacity / market demand ...
... eg 2007/8 initiatives total c \$140m annualised savings in US markets
- Energy cost management through investment / alternative fuel usage ...
... eg Alternative fuels in 2007 saved c €1 per tonne of cement
- Production optimisation / network efficiency / use of recycled materials ...
... eg Recycled Asphalt Paving (RAP) c 15% total Asphalt production

***Cost management an ongoing operational focus;
specific initiatives as appropriate***

Operations – Focus on Fundamentals

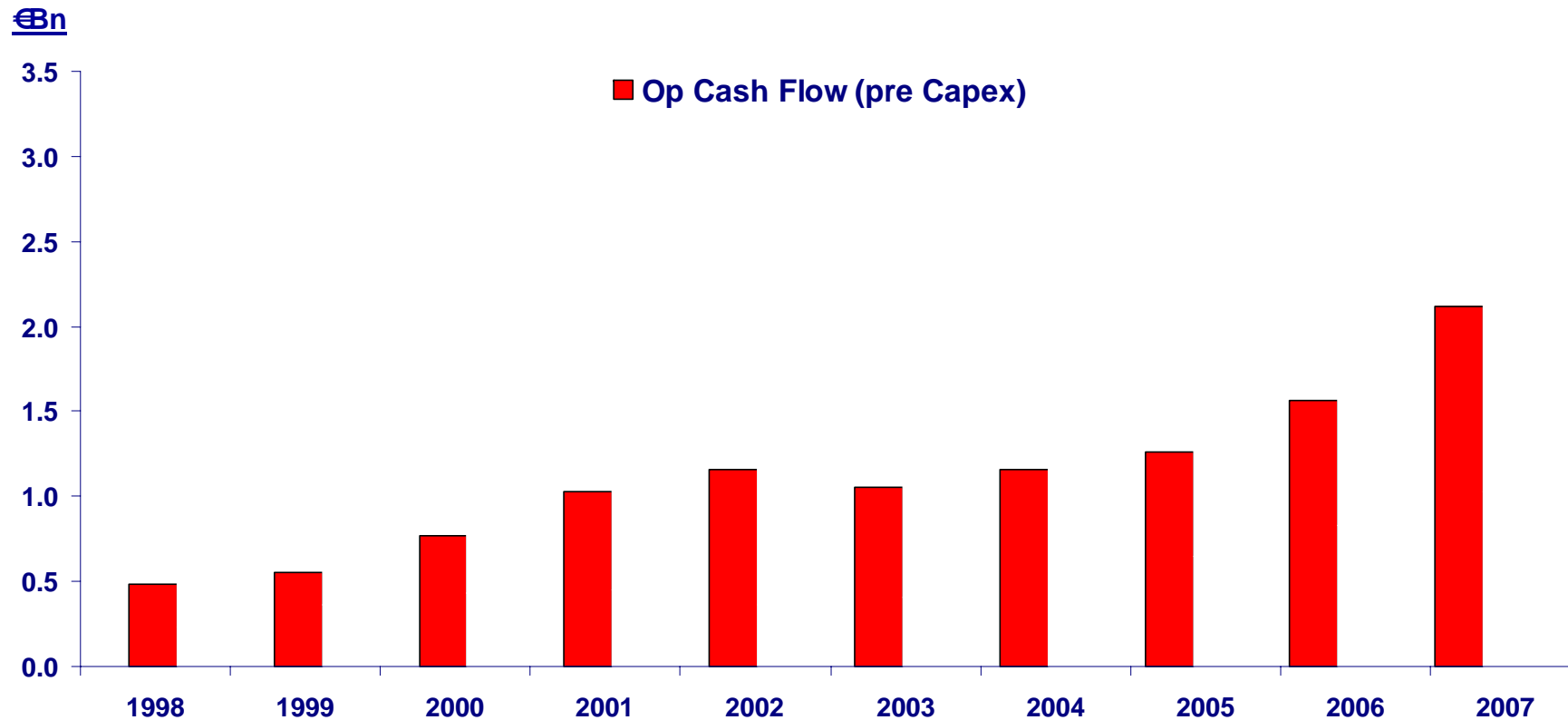
Stable Group Margins



***Operational excellence plus balanced business ...
... yields stability of margins through the cycle***

Operations – Focus on Fundamentals

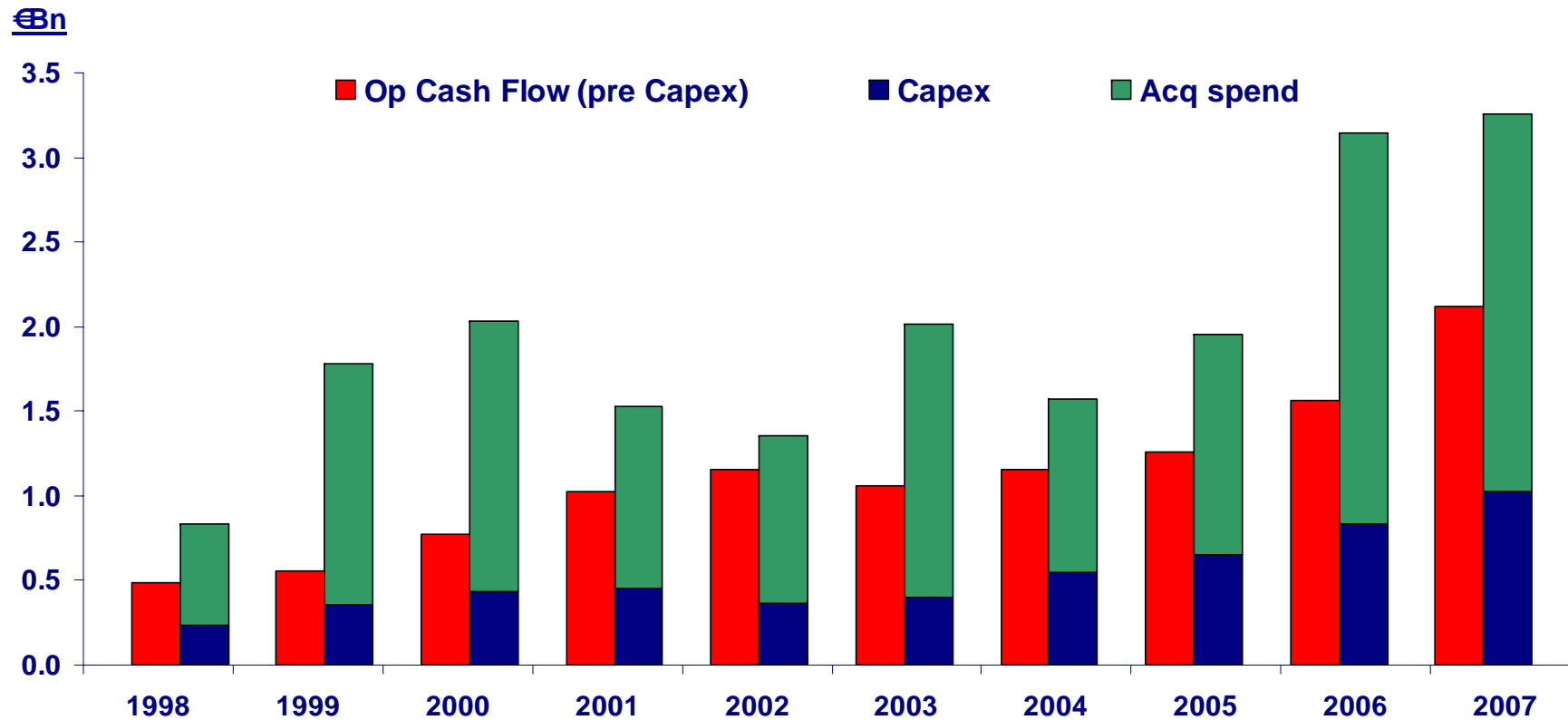
Cash Management



Strong cash focus across the operations delivers ...

Operations – Focus on Fundamentals

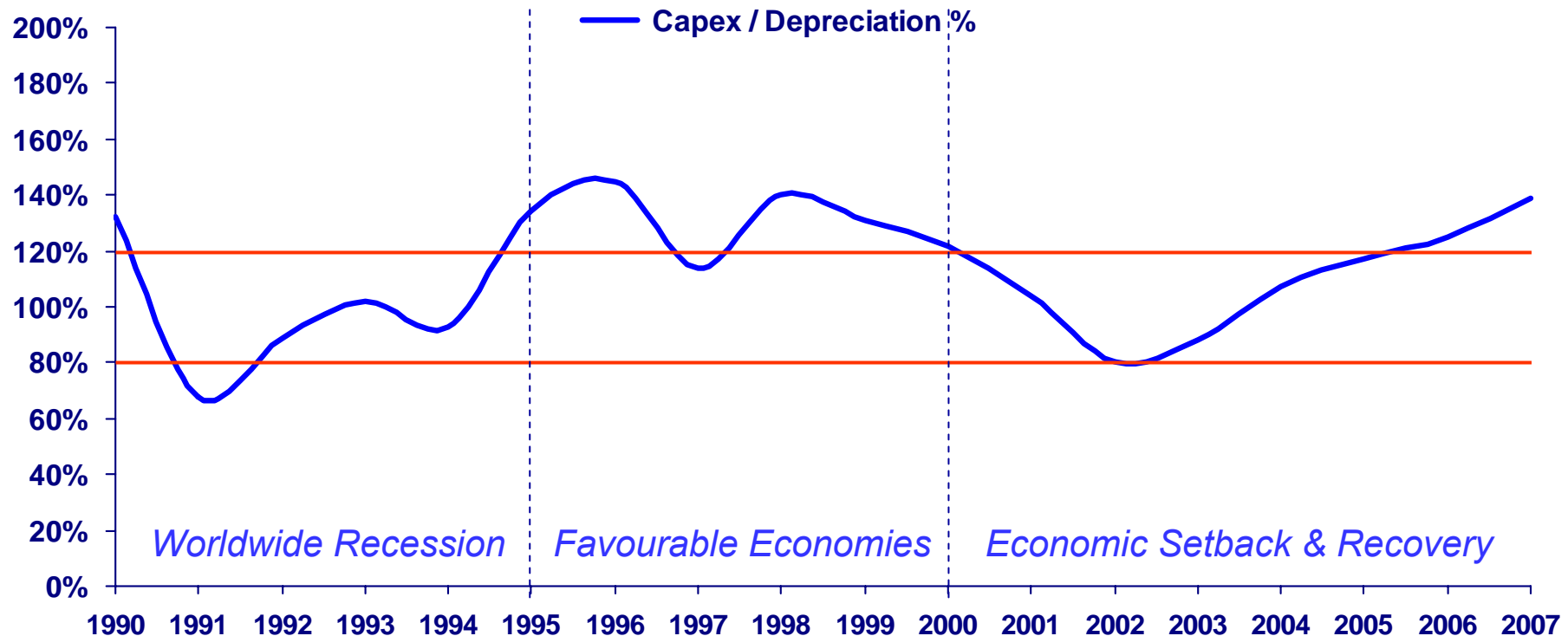
Cash Management



***Strong cash focus across the operations delivers ...
... robust Cash Generation to support development activity***

Operations – Focus on Fundamentals

Capital Expenditure Management



Ability to adapt capital expenditure through the cycle
Maintenance: to sustain assets; Development: invest for the future

Major Cement Development Capex

€0.7Bn Investment Commitment over 3 years

- Ireland: €200m investment ... on-stream end-2008
 - new state-of-the-art 1.3 mtpa line to replace old 0.4 mtpa kiln
- Ukraine: JI-0001 €210m investment ... on-stream end-2009
 - wet to dry conversion to give new state-of-the-art 3 mtpa plant
- Poland: €200m investment ... on-stream end-2009
 - capacity expansion of 1.8 mtpa to meet growing demand
- US: 50% JV in \$200m investment ... on-stream end-2008
 - new greenfield 1.1 mtpa cement plant in Florida

***Investing for the Future –
c€0.1bn ('07), c€0.4bn ('08), c€0.2bn ('09)***

Acquisitions – Focus on Fundamentals

Discipline & Rigour

| | <u>Acquisition Activity</u> | | |
|-------------------------|-----------------------------|-------------|-------------|
| | <u>2007</u> | <u>2006</u> | <u>2005</u> |
| Spend (€ bn) | 2.2 | 2.1 | 1.3 |
| <u>Multiples</u> | | | |
| Sales (x) | 0.8 | 0.6 | 0.7 |
| EBITDA (x) | 6.9 | 6.2 | 6.7 |
| <u>Yr1 RoCe</u> | | | |
| EBIT/Net Assets % | | c11% | c11% |

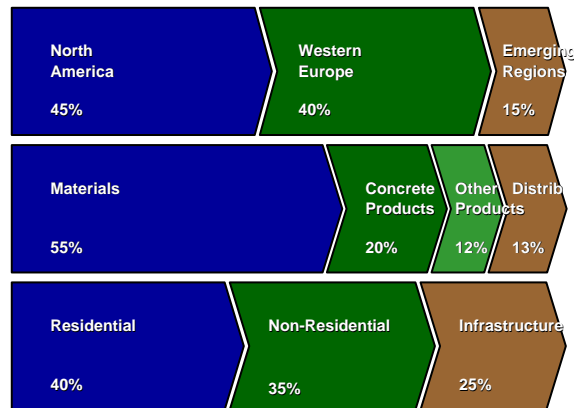
c€2Bn annual spend on c50 – 75 transactions
Absolute focus on valuation discipline and integration rigour

Summary

CRH... *Delivering Superior Performance & Growth*

...

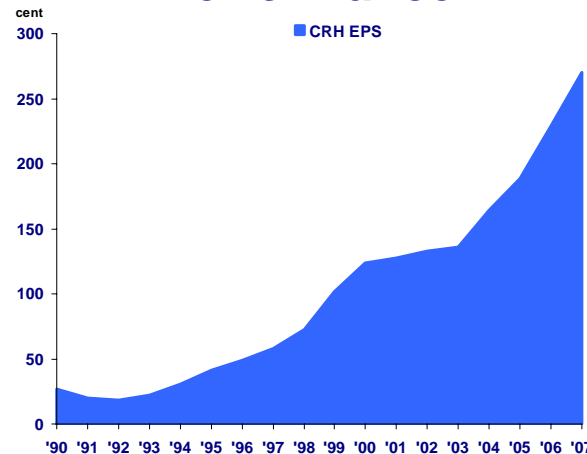
Balance



Balanced Portfolio
 • Leading positions
 • Broad demand base

Delivers stability of performance & multiple platforms for growth

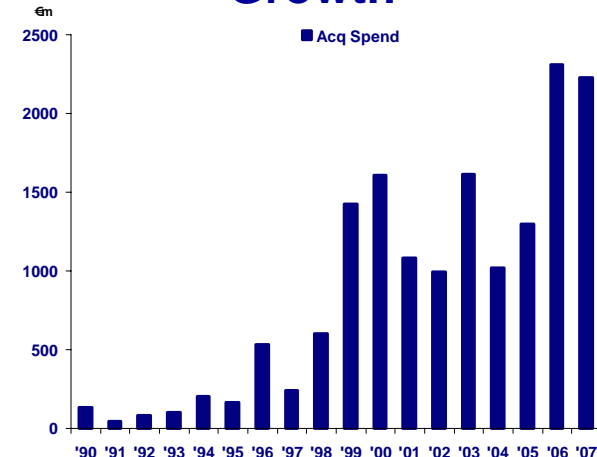
Performance



Consecutive Growth
 • PBT/EPS – 15 years
 • Dividend – 24 years

Continuing focus on operational excellence drives performance

Growth

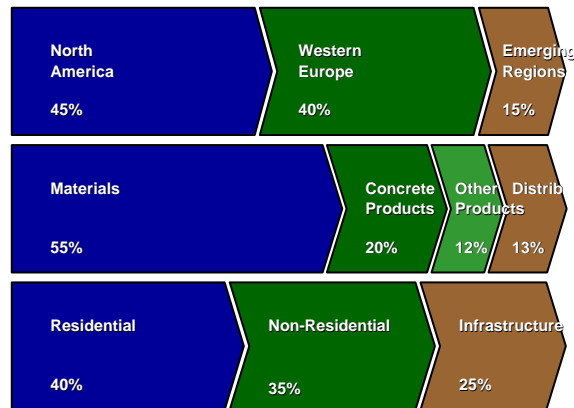


Value Creation Focus
 • c€2Bn pa spend
 • c50 - 75 transactions

Ongoing development activity investing for future growth

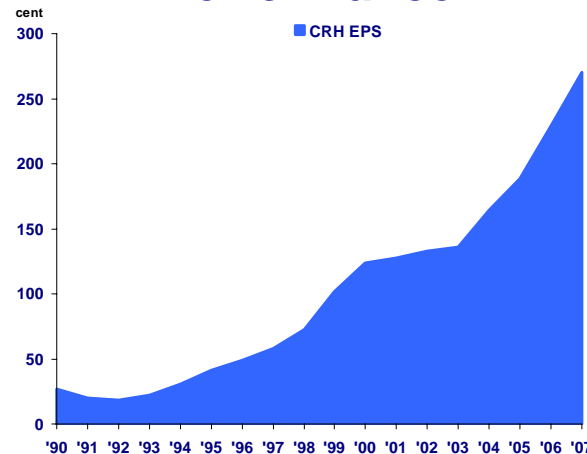
CRH... *Delivering Superior Performance & Growth* ... *through the Cycle!*

Balance



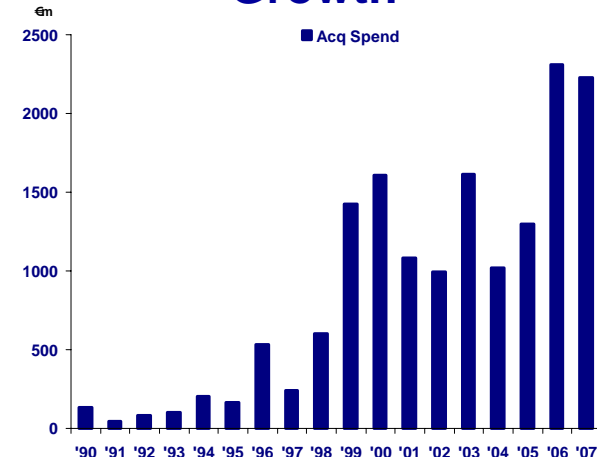
Delivers stability of performance & multiple platforms for growth

Performance



Continuing focus on operational excellence drives performance

Growth



Ongoing development activity investing for future growth

CRH ... Delivering Superior Performance and Growth Through the Cycle