

Stock : CRH PLC (CRH ID)

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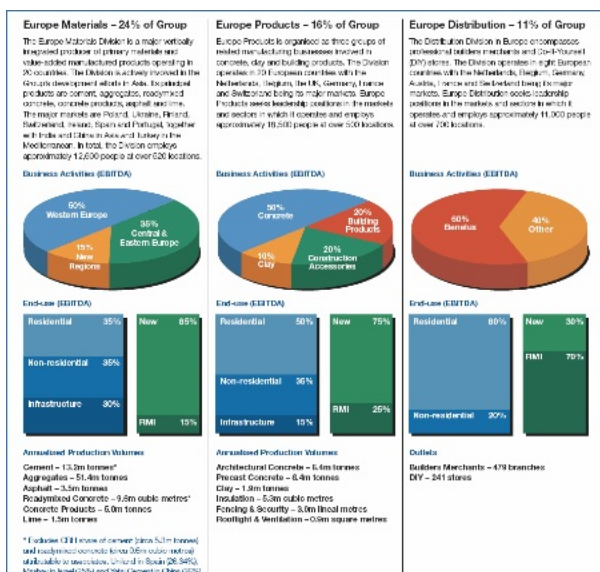
Table 132: Split of CRH's 2007 sales by end-market				Table 133: New vs RMI split of CRH's 2007 sales			
	Residential	Non-residential	Infrastructure		New	RMI	
Europe				Europe			
Materials	49%	20%	30%	Materials	69%	31%	
Products	55%	50%	15%	Products	75%	25%	
Distribution	75%	20%	5%	Distribution	45%	55%	
Americas				Americas			
Materials	20%	30%	50%	Materials	34%	66%	
Products	40%	40%	10%	Products	50%	50%	
Distribution	30%	40%	0%	Distribution	50%	50%	
Total	46%	33%	25%	Total	60%	40%	

Source: Company data

1. RMI: Ready-mixed concrete

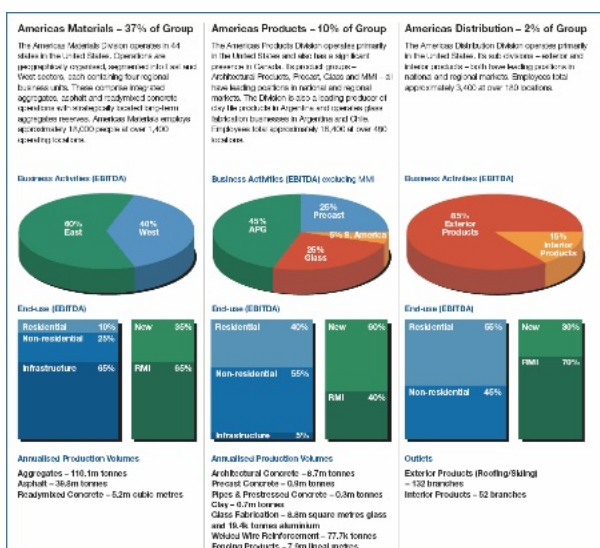
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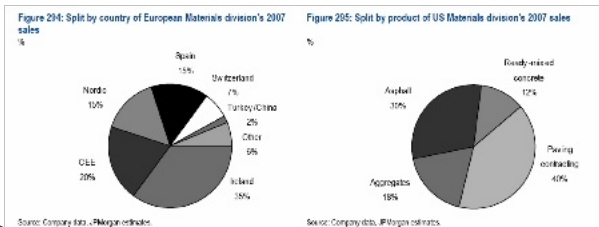
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Material :

CRH's European materials businesses are mainly located in the peripheral countries of Europe. It owns vertically integrated cement, aggregates and ready-mixed concrete businesses in Ireland, Finland, Poland and Switzerland. CRH had an annualised production volume of 260.3m tonnes of aggregates at the end of 2007, 174m of which were in the US. It also had a 2007 annualised production volume of 25.8m cubic metres of ready-mixed concrete, 89.7m of which were in the US and the rest in Europe. CRH also produced 15.6 million tonnes of cement in 2007. In cement, CRH has 36.1m tonnes of fully operational capacity. If the other shareholders interests are excluded CRH's cement capacity is 20.1 million tonnes. In addition it acquired, in December 2005, a 26.3% shareholding in the Spanish cement company, Unilind. The latter's principal assets are 3.2mt per annum of capacity in Spain and 2.0mt in Tunisia. As Cementos Portland then acquired a 51% shareholding in Unilind in June 2006, CRH's longer term plans for their shareholding are in our view unclear. We have therefore excluded it from Table 134.

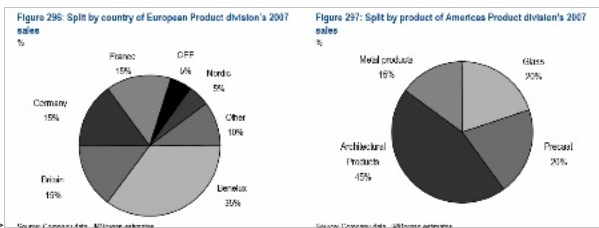
JPM estimate of CRH's Global rankings by 2007 production volumes (adjusted for subsequent consolidation):

- No.3 in aggregates
- No.5 in ready-mixed concrete
- No.13 in cement



Products

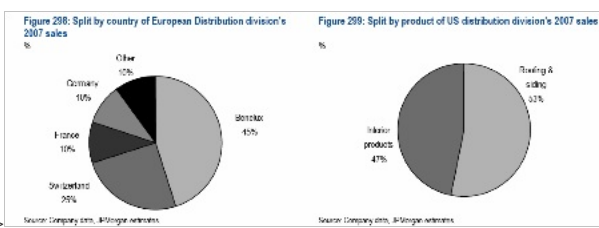
In Europe, CRH's Products businesses mainly operate in the core Eurozone countries. In the US, they operate throughout the country. CRH's Products businesses manufacture precast concrete products (Pipes, manholes, utility vaults, etc) in most of the countries in which they operate in Europe, and in the US. CRH produces clay bricks in the UK, the US, the Netherlands, Ireland, Germany, Poland and Argentina. These brick businesses form part of CRH's Architectural Products business, which also includes concrete/clay blocks, concrete paving slabs, kerb stones and clay pavers. In Europe, the Products business also includes insulation and rooflights. The fabricated glass products business operates only in the US. CRH also owns metal products businesses in both Europe and the US which specialise in metal fencing, welded wire reinforcement and metal construction accessories.



Distribution

CRH has builders' merchant and DIY businesses in both Europe and the US. At the end of 2007 CRH had 240 DIY superstores in the Benelux, Germany, Portugal and Spain, and 448 builders' merchant depots in Austria, France, Germany, the Netherlands and Switzerland. In the US, the group distributes roofing / siding and interior products. It had a network of 135 roofing / siding branches at the end of 2007 and 65 interior products branches.

240 DIY superstores and 648 builders' merchant depots



Split by business nature - Materials

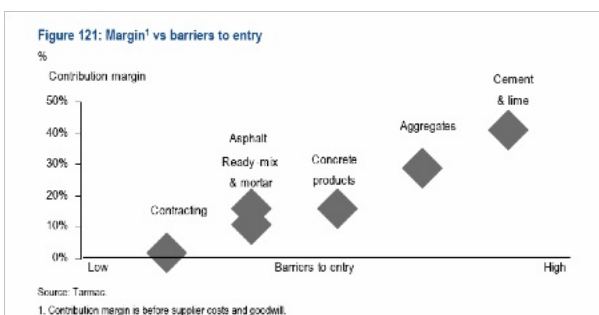


Table 10: Estimated split of companies 2007 EBITDA by type of building material

Entity/Company	Cement	Aggregates	Concrete	Asphalt	Gypsum	Other
Aggregates						
CRH	11%	10%	10%	14%	2%	40%
Marin Materials				2%		7%
Vulcan	5%	70%	10%	1%		3%
Cement						
Heidelberg	88%		10%			
Cemex	83%	16%	1%			7%
Ciments Français	92%	4%	3%			
Heim	81%	0%	7%	2%		1%
Leiment	89%	5%	4%			1%
Large	88%	5%	3%	2%	4%	1%
Titan	88%	5%	3%			5%
Other building materials						
Eagle Materials	29%	2%	4%		27%	5%
Carls-Göran					10%	50%
Total	53%	11%	8%	3%	2%	24%

Source: Company equatorial, JPMorgan estimates.

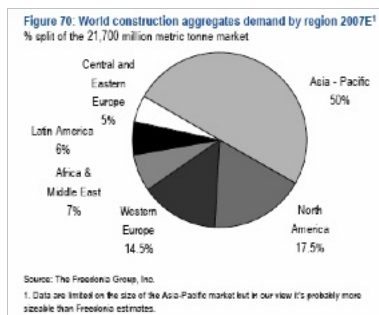
1. Pre-forms including Ready Rock.

2. Pre-forms including Pavers.

3. Y&S 1998 2008.

Aggregates business

What ? : Il ya une chaine dans le terme aggregates. On part de la mine et on arrive beton/ Asphalt....Le positionnement de CRH dans ces marchés est le suivant :



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Table 17: Aggregates companies ranked by 2007 production

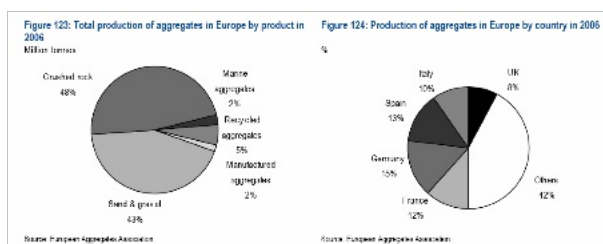
Company	Country	Sales
HeidelbergCement + Hanson	Germany	336
Cemex + Rinker	Mexico	277
CRH	Ireland	260
Lafarge	France	259
Vulcan + Florida Rock	United States	239
Holcim	Switzerland	188
Martin Marietta Materials	United States	165
Colas	France	117
Anglo American	United Kingdom	95
Vinci	France	81
Italcementi	Italy	56

Source: Company data.
1. Country in which based.

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En europe la production par type de produit est la suivante :



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<!--[endif]-->

Clients finaux :

<!--[if lsupportLists]-->a) <!--[endif]-->US

Table 20: US sales of aggregates by end use

	2002	2003	2004	2005	2006	2007
Public construction						
Highways, streets and airports	31%	25%	23%	23%	23%	25%
Other public works	10%	9%	10%	10%	10%	11%
Government buildings	11%	11%	11%	11%	11%	11%
Public total	52%	45%	44%	44%	44%	47%
Private construction						
Residential buildings	21%	20%	20%	20%	20%	19%
Private nonresidential buildings	23%	25%	27%	27%	28%	31%
Railroad ballast	2%	2%	1%	1%	1%	1%
Private nonconstruction						
Agricultural, chemical and industrial	2%	2%	2%	2%	2%	2%
Private total	48%	55%	56%	56%	56%	53%

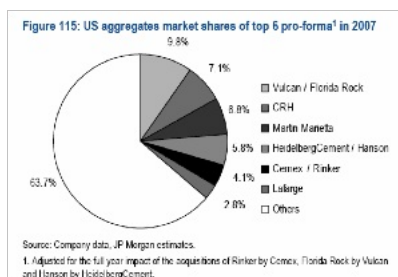
Source: Vulcan Materials estimates.

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Un marché très fragmenté

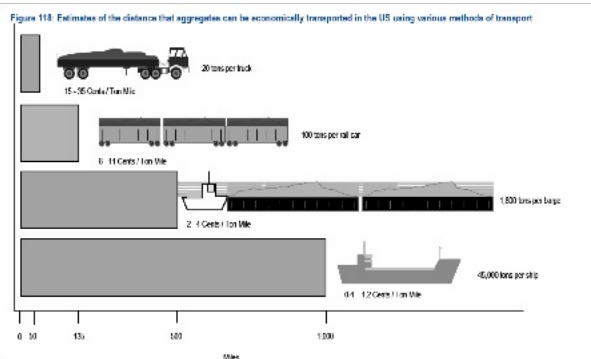
<!--[if lsupportLists]-->a) <!--[endif]-->US



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Car le transport n'est pas facile et est cher : Prix aux aux US sur de l'agrégat sables, pierres...entre 5 et 10\$ la tonne)



<!--[if lvm]--> <!--[endif]-->

Prix des produits agrégats en £:

Table 29: Typical aggregate prices

£/tonne	Price ¹
Countries	
France, US, Great Britain ²	4-8
Germany, Austria, Ireland	3-5
Czech Republic, Poland, Portugal, Spain	2-4
Other Europe, rest of the world	Under 3

Source: J1/Morgan estimates.
1. Ex-works. 2. After deducting the Aggregate Levy (£1.95 per tonne).

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Agrégats économiques aux UK

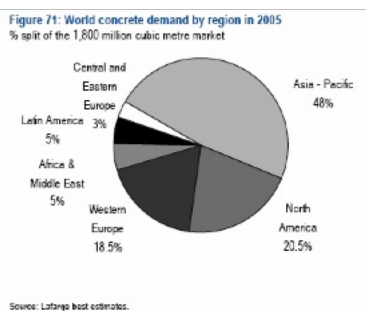
Table 30: Typical costs of operating a quarry in the UK

Sales	100
COGS	
Manufacturing costs	(45)
Wages and salaries	(18)
Spares and repairs	(10)
Direct materials	(3)
Contingency charges	(2)
Hire charges	(3)
Expenses	(3)
Fuel in quarry	(2)
Power	(1)
Shipping	(2)
Restoration	(2)
Wastewater disposal	(1)
Rent and rates	(2)
Depreciation	(5)
Depletion	(2)
Royalties	(1)
Distribution/haulage	(20)
Total COGS	(75)
Gross Profit	25
SSDA	(8)
EBITA	17
EBITDA	25

Source: J1/Morgan estimates, Company data

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Concrete business



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Table 19: Ready-mixed concrete companies ranked by 2007 production

Company	Country ¹	Sales
Cemex + Rinker	Mexico	80.5
HeidelbergCement + Hanson	Germany	46.7
Holcim	Switzerland	45.2
Lafarge	France	42.2
CRH	Ireland	25.8
Italcementi	Italy	20.5
Buzzi Unicem	Italy	17.1

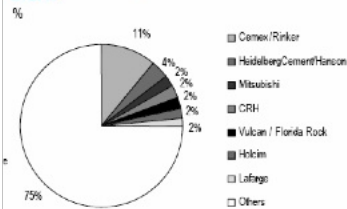
Source: Company data.

1. Country in which based.

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CRH MS in the US - a very fragmented business

Figure 243: US ready-mixed concrete market shares in 2007¹



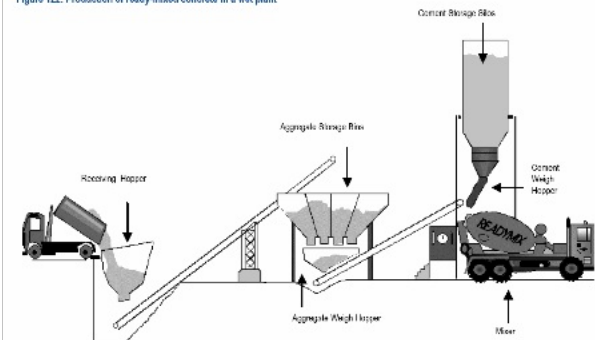
Source: Company data, JPMorgan estimates.

1. On a pro-forma basis, adjusted for subsequent acquisitions/divestments.

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Ready mixed concrete production chain :

Figure 122: Production of ready-mixed concrete in a wet plant



Source: RMC.

<!--[if lvm]--> <!--[endif]-->

Ready mixed concrete economics:

Table 27: US ready-mixed profitability in 2007

	tons	\$ per ton	\$ per cubic yard
Price			90
Costs			
Cement	0.25	100	(25)
Cement substitutes			(5)
Sand	0.50	6.5	(6)
Crushed/coarse aggregate	0.95	8.0	(8)
Additives			(5)
Convenience costs			(12)
Haulage			(18)
Overheads			(9)
EBITDA			7.06
EBITDA margin			7.8%
Depreciation			(2)
EBITA			6
EBITA margin			6.2%

Source: JPMorgan estimates.

<!--[if lvm]--> <!--[endif]-->

Asphalt business

Table 18: Asphalt companies ranked by 2007 production

Company	Country	Production 2007
CRH	Ireland	56.3
Colas	France	53.8
Vinci	France	40.0
Holcim	Switzerland	14.8
HeidelbergCement	Germany	13.0
Lafarge	France	10.9
Vulcan	United States	9.6

Source: Company data.

1. Country in which based.

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Un marché en forte hausse notamment en Europe :

Figure 129: Total consumption of hot mix asphalt in Europe



Source: European Asphalt Pavement Association.

Figure 130: Consumption of hot mix asphalt in Europe by country



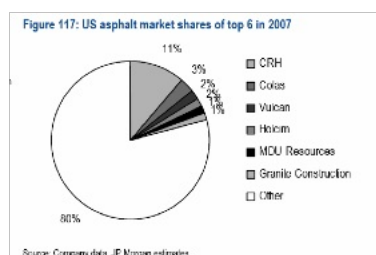
Source: European Asphalt Pavement Association.

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Dans des marchés ultra segmentés (Pas de transport possible / près des mines et de la zone de production)

Un marché segmenté

<!--[if !supportLists]-->a) <!--[endif]-->US



Source: Company data, J.P Morgan estimates.

Asphalt economics :

Table 28: Current US asphalt profitability

	kg	% by volume	\$/ton	\$/ton of asphalt	% by value
Selling price				\$6.0	
Raw materials	100	1%	100	(0.6)	0%
Liquid asphalt	500	5%	500	(3.5)	3%
Prime aggregates	570	3%	600	(3.6)	7%
Total materials	1,000	100%		(41.4)	100%
Cost of operating plant					
Fuel costs				(3.0)	
Labor				(4.0)	
Total plant costs				(7.0)	
Overhead and marketing costs				(5.0)	
EBITDA				7.5	
EBITDA margin				11.6%	
Depreciation				(2.1)	
- \$4m for 400 tons per hour plant					
- Depreciated over 15 years					
Assume 150 working days per 9 hours per day					
Assume 40% utilization					
EBITA				5.3	
EBITA margin				8.8%	

Source: J.P Morgan estimates.

Cement business

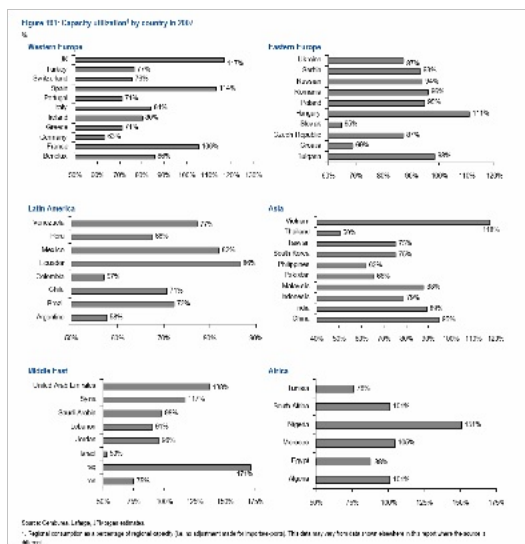
Table 40: Cement consumption — Regional totals

Tonnes (m)

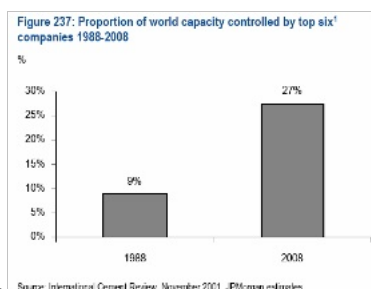
	2006	2007E
Developed Countries		
Western Europe	255.8	266.4
(% change)	7%	0%
North America	136.8	124.3
(% change)	0%	-9%
Australasia	11.0	11.1
(% change)	2%	1%
Japan	59.8	59.6
(% change)	-1%	-3%
Developed Countries	472.0	458.5
(% change)	4%	-3%
Developing Countries		
Eastern Europe	107.1	119.8
(% change)	12%	12%
Latin America	117.0	127.0
(% change)	10%	9%
Asia	1,558.6	1,752.0
(% change)	19%	12%
Middle East	104.1	113.8
(% change)	15%	9%
Africa	91.4	101.2
(% change)	10%	10%
Developing Countries	1,981.2	2,216.4
(% change)	15%	12%
Total¹	2,453.2	2,675.0
(% change)	13%	9%

Source: Centimex, J.P Morgan estimates.
1. Mid-cycle estimates.
2. Comparable to listed countries total in Table 41.

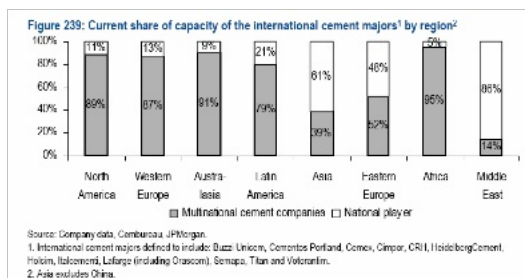
De nouvelles capa sont censées arriver pour réduire les taux d'utilisation :



Still a fragmented business.



But more concentrated in western countries :



Why ?

First, it makes it more difficult for importers of cement, and therefore has positive implications for cement prices. In developed markets, **ready-mixed concrete typically accounts for 60-80% of cement consumption**. Therefore if the cement producers also own the ready-mixed concrete industry, it is more difficult for importers to enter the market. For example, in the US, Florida is a vertically integrated market, California is vertically integrated in the North but considerably less so in the South, and Texas has only recently started to become vertically integrated. The benefits are shown in the pricing trends during the last three completed cycles in these three states, which have been considerably less volatile in Florida.

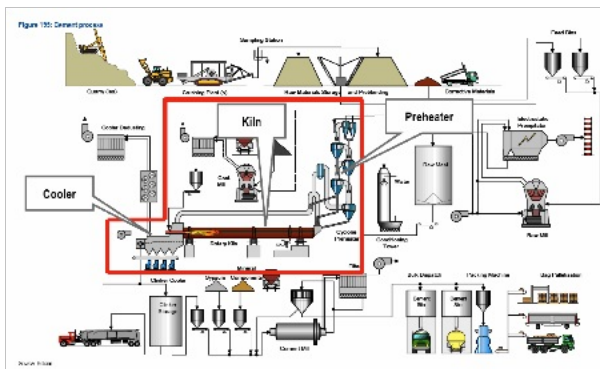
Cement production is as follow :

Raw materials – processing

In the dry-process, locally quarried limestone and shale are ground together with a small proportion of sand and iron-rich materials to produce a fine powder called raw meal. In the wet-process, chalk is used instead of limestone and clay in place of shale, and the materials are additionally mixed with water. Limestone or chalk typically accounts for 85% by volume of the raw materials used. Cement plants are therefore normally located close to deposits of these materials. Shale or clay account for around 14% of the materials used, and the other additives for around 1%. 100-200 litres of water are also required per tonne of clinker in a modern dry-process plant and 300-900 litres per tonne of clinker in a wet process plant.

The pre heater and kiln

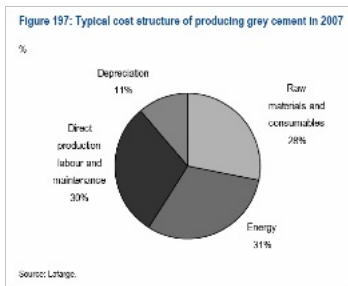
The prepared raw meal is fed into the pre-heater tower, where air exiting the kiln is used to preheat the raw meal to begin the process of converting the raw meal to clinker. The raw meal passes down the tower and through a chamber that is heated to around 900° Celsius. More than 50% of the fuel used in the process is consumed here. A pre-calciner may be fitted to the preheater to improve the efficiency of the process further. In a pre-calciner, the raw materials are heated, increasing the proportion of the chemical reaction that occurs outside the kiln and thereby increasing the cement plant's clinker capacity.



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Cement economics are as follows:



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WW prices in 2007 average:

Table 69: Current cement prices¹ in developed countries

Country	Local Currency	US\$1
Europe Western		
Austria	€65	93
Belgium	€62	92
Denmark	kr10	103
Finland	€75	107
France	€100	143
Germany	€56	84
Greece	€78	111
Ireland	€70	103
Italy	€70	103
Netherlands	€53	76
Norway	kr55	121
Portugal	€58	87
Spain	€60	114
Sweden	kr15	107
Switzerland	Sfr124	111
Turkey	TL30	56
UK	£30	123
Average		103
North America		
USA		108
Canada	CS\$40	132
Average		119
Australia		
Australia	A\$110	96
New Zealand		145
Average		118

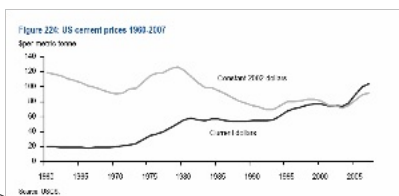
Source: Company data, J-Morgan.

¹ The prices shown are for the most common type of cement used in the country, and are therefore a mixture of bulk and bagged prices, and ex-works and delivered prices.

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Exemple US – Price increase = more or less inflation



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CRH est présent dans les pays suivants :

Table 135: CRH's cement market shares

Country	Market Share	Rank	Main Competitors
China			
Finland	81%	1	Comex (10%)
France			
Germany	61%	1	Stora Dorn (25%), Lafarge (10%), Lohm (10%), imports (4%)
Italy	85%	1	Impero (15%)
Poland	72%	3	Polk-Borg/Comex (21%), Lafarge (20%), Comex (14%), Misch (10%), Dyckerhoff (8%)
Portugal	37%	2	Clayton (55%)
Sweden	70%	2	Indem (65%), Viger (10%)
Turkey	3%	11	Bakirli/Indem/Comex (10%), Dya (10%), Nuh (10%), Raf (8%), Cemmer (7%), Vitol (6%), Geyre (6%)
UK	7%	4	Indem/Comex (28%), Farnsworth (21%), Buzzi (17%), Lafarge (16%)

Source: Company data.

¹ The data on market shares in China are not available in the case of the size of the country and the varying quality of the cement used in production.

² 10% in the Andalusia region with 21% of the market.

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CRH'S CURRENT CEMENT PRODUCTION CAPACITY

	% Interest	Current capacity (mt)	Adjusted for minorities	Rank	Market share
China					
Harbin Sanling	100%	0.7	0.7		
Yatai	26%	9.0	2.3		
Finland (Finsementti)	100%	1.5	1.5	1	85%
India (My Home Industries)	50%	4.5	2.3		
Ireland	100%	3.0	3.0	1	55%
Israel	25%	7.0	1.8	1	82%
Poland	100%	3.1	3.1	3	17%
Portugal (Secil)	49%	3.9	2.0	2	37%
Switzerland (Jura)	100%	1.4	1.0	2	20%
Tunisia (Through Secil)	49%	1.4	0.7		
Turkey	50%	2.3	1.2		
Ukraine	99%	3.7	3.7	4	17%
Total		41.5	23.2		

Source: CRH

The cost of building a new plant currently varies from only \$90 per tonne in China to around \$250 per tonne in North America. Typically in emerging markets we estimate that the cost averages around \$130 per tonne, but in China it could be around \$90 per tonne as labour costs are lower.

La durée de dvp d'une usine est la suivante max 4 ans minimum 3,5 ans:

Table 59: Length of construction period
Months (cumulative)

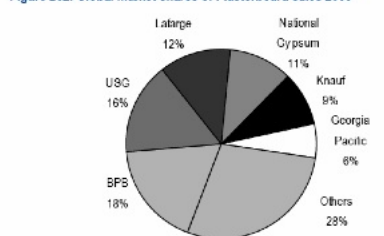
Inception	0-1
Feasibility study	1-4
Tendering & contracting	5-14
- Specification	5-7
- Tender documentation preparation	6-8
- Call for tender & evaluation	9-12
- Negotiation & award	12-14
Detailed design	15-26
- Basic engineering	15-21
- Detailed equipment engineering	18-25
- Detailed civil design	18-28
Execution	19-39
- Equipment delivery	23-24
- Equipment fabrication	19-34
- Steel structure fabrication	21-34
- Civil work (site)	21-36
- Erection	24-39
Commissioning	43-48
- No-load testing	43-45
- Commissioning	44-46
- Acceptance	47-48

Source: Cement Plant Operations Handbook, October 2007

Gypsum business

60% of the business is dedicated to the housing market. As a consequence with the slowdown in the sector in US and now in Europe the average prices decreased by 40% in some markets (espe. in the US). The main players are:

Figure 262: Global market shares of Plasterboard sales 2005



Source: Lafarge, JPMorgan estimates

But in Europe, 3 players own 97% of the market:

Table 91: European plasterboard sales market shares in 2007

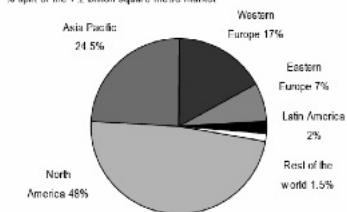
Company	%
BPS	43%
Lafarge	28%
Knauf	27%

Source: JPMorgan estimates

Demand is very focus in the US but 75% of the growth is seen in China at the moment.

Figure 246: Worldwide Plasterboard Demand in 2006

% split of the 7.2 billion square metro market



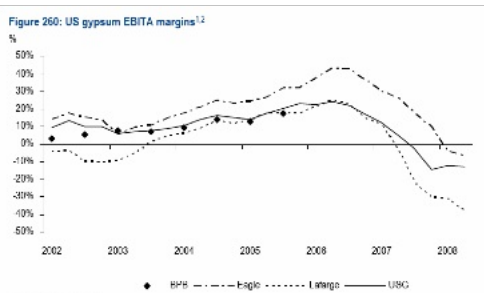
Source: Lafarge

Gypsum economics

Table 88: Breakdown of the variable cost of manufacturing and distributing plasterboard

Cost	%
Paper	25%
Energy	
- Two-thirds gas	17%
- One-third electricity	8%
Gypsum	13%
Chemicals	8%
Production labour	16%
Freight	8%
Other	5%

Source: Company data, JPMorgan estimates.



Source: Company reports
 1. Temple-Inland has been excluded as it does not report separate sales and profits for its gypsum operations. They are included in its Forest Products division, which is dominated by its lumber operations.
 2. Six-month data are shown for USG. The data for USG also included its Canadian businesses and its US ceilings businesses. The latter's margins remained low during the period shown. Note for BPF has not been available since its acquisition by Saint-Gobain in December 2006.

Gypsum/plasterboard production scheme:

Major M&A

In 2000, despite significant challenges in the operating environment, CRH's unique regional and sectoral balance again underpinned significant growth in sales and profits and with a record development spend of €1.6 billion, it was a year of considerable progress. In addition to many small and medium-sized deals across the major regions and product groups, there were a number of significant acquisitions:

- The Shelly Company, Ohio The €348 million acquisition of The Shelly Company, together with a number of subsequent add-on smaller deals, greatly advanced the position of the US Materials Group in the Midwest.
- Towards the end of the year, CRH returned to the home of its initial venture in 1985 with Callanan Industries by the acquisition of the Dolomite Group in upstate New York.
- In Mainland Europe, our Products & Distribution Division built on the success of our existing daylight and ventilation businesses through the €77 million acquisition of the rooftop division of Yule Catto, with operations in the UK, Belgium, Germany and Holland.
- Towards year-end, our Europe Materials team acquired the Jura Group in Switzerland for €268 million, a further step in expanding CRH's cement and aggregates presence in Europe, also with a distribution business with scope to add value with the support of CRH's existing European distribution group.

In 2001 and 2002, CRH experienced challenging economic conditions across most markets but continued to make good progress on many fronts. Development activity remained steady with over €2 billion spent on 95 deals, the most significant being the purchase in 2001 of Mount Hope Rock Products in New Jersey, further adding to Americas Materials market position in the New York City area and the acquisition in May 2002 of the Ehl Group, the market leader in concrete paving and landscape walling products with a comprehensive network of 32 modern production facilities in Germany and one in Poland.

Secil Cement Plant, Portugal Although market conditions continued difficult into 2003 and 2004 CRH continued to grow. In 2003, CRH completed its biggest deal ever with the acquisition of Cementbouw, a leading Dutch building materials group with DIY, merchandising and building products operations and a 45% joint venture stake in Cementbouw's cement trading and readymixed concrete operations. Total development spend in 2003 amounted to €1.6 billion on 42 deals. The highlight of 2004 was the 49% joint venture stake, with joint management control, of Secil, a major Portuguese manufacturer of cement and readymixed concrete, providing a new geographic platform with development opportunities in Portugal and the Mediterranean basin. By the end of 2004 CRH had sales of €12 billion and profit before tax exceeded €1 billion for the first time. Performance and growth continued through 2005 and CRH generated operating profit of €1.4 billion on sales of €14.5 billion and reported profit before tax of €1.3 billion. Development activity amounted to approximately €1.45 billion. Development momentum in 2006 was very strong and net acquisition spend for the year amounted to a record €2.1 billion. A total of 69 acquisitions was concluded, this included Ashland Paving And Construction for US\$1.1 billion (net of disposals), the largest single transaction completed by the Group; MMI Products Inc for US\$350 million; and Halfen-Deha Group (Halfen) for €170 million. Following a record acquisition spend in 2006, CRH continued the momentum in 2007, spending €2.2 billion on 78 acquisitions which strengthened, expanded, and added value to our network. In addition a further €0.7 billion 3-year programme of investment in cement plant modernisation and expansion was progressed. Major transactions in 2007 included: 50% acquisition of Denizli Cement (Turkey), 100% acquisition of Harbin Sanling Cement (China), Conrad Yelvington Distributors (US), Gétaz Romang (Switzerland), Acoustical Materials Services (US), Vistawall (US). 2008 saw major changes in the financial, economic and business climate worldwide. These events necessitated a significant shift in CRH's short-term focus with the implementation of wide-ranging cutbacks across our businesses and a significant curtailment of development activity as the economic environment deteriorated. Despite a very challenging backdrop, and the adverse translation effects of a weaker average US Dollar/euro exchange rate, CRH performed robustly and succeeded in limiting the decline in performance following 15 consecutive years of growth between 1992 and 2007.

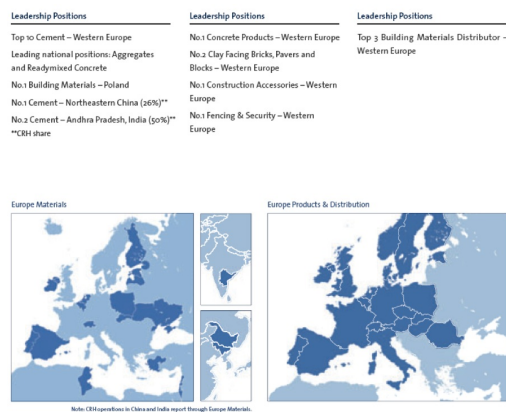
Major acquisitions have included Tilcon, a leading US building materials supplier, in 1996, and Ibstock, a leading British brick manufacturer in 1999.[1]

In 2006 CRH struck out from its usual strategy and invested in a cement factory in based in the Heilongjiang region in China. [2]font-size: 10.0pt; mso-fareast-font-family: Calibri; mso-fareast

CRH - Business Description

CRH By division

EUROPE



European materials

The Europe Materials Division is a major vertically integrated producer of primary materials and value-added manufactured products operating in 19 countries and is actively involved in the Group’s development efforts in Asia. Its principal products are cement, aggregates, readymixed concrete, concrete products, asphalt and lime. Ireland, Poland, Finland, Switzerland, Spain, Portugal and Ukraine are the major markets. In total, the Division employs approximately 14,500 people at over 540 locations.

Activities

Market leadership positions

Cement
China, Finland, Ireland, Lebanon (25%), Poland, Portugal (49%), Switzerland, Tunisia (49%), Turkey (50%), Ukraine

15.6m tonnes*

No.1: Finland, Ireland
No.2: Portugal, Switzerland
No.3: Poland, Ukraine

Aggregates
Estonia, Finland, Ireland, Latvia, Poland, Portugal (49%), Slovakia, Spain, Switzerland

86.3m tonnes*

No.1: Finland, Ireland

Asphalt
Finland, Ireland, Poland, Switzerland

4.9m tonnes*

No.1: Ireland

Readymixed concrete
Estonia, Finland, Ireland, Latvia, Poland, Portugal (49%), Russia, Spain, Switzerland, Tunisia (49%), Turkey (50%)

16.1m cubic metres*

No.1: Finland and Ireland
No.2: Portugal and Switzerland

Agricultural & chemical lime
Ireland, Poland, Switzerland

1.9m tonnes*

No.1: Ireland
No.2: Poland

Concrete products
Estonia, Finland, Ireland, Poland, Portugal (49%), Spain, Tunisia (49%)

8.6m tonnes*

No.1: Blocks and rooftiles: Ireland

(*) CRH share of annualised production volumes. Cement and readymixed concrete volumes above exclude CRH share of associates Uniland in Spain (26.3%) and Mashav in Israel (25%). CRH’s share of annualised production volumes for these businesses amounts to approximately 3.1m tonnes of cement and 0.8m cubic metres of readymixed concrete.

European products

Concrete Products

This group manufactures concrete products for two principal enduses: pavers, tiles and blocks for architectural use, and floor and wall elements, beams and vaults for structural use. In addition, sand-lime bricks are produced for the residential market. 2007 saw good progress on the development front with eight acquisitions which further consolidated our positions in existing Western European markets and expanded our operations in Eastern Europe, in particular in Poland and Romania. The group reported a solid underlying profit advance boosted by contributions from acquisitions.

Architectural

Architectural operations performed ahead of 2006 despite difficult market conditions in several markets. Our Dutch and Belgian businesses continued to face tough competition due to market over-capacity and downward price pressure. The German business posted strong results despite a downturn in new residential construction. In France results improved driven by operational synergies. Our Danish and Slovakian businesses continued to perform strongly. Supreme in the UK, acquired in April 2006, contributed above expectations in its first full year. The architectural group made four acquisitions in 2007 including an add-on to Supreme in the UK, two bolt-ons to our water treatment and paving business in Belgium, and Elpreco, an entry into the Romanian market.

Structural

Our structural concrete operations again delivered excellent results driven by tight operational control and strong markets in Belgium, France, Denmark and Poland, in particular in the new non-residential sector. Our sand-lime brick business posted lower results reflecting slower activity levels in the Dutch residential market. The structural group expanded its product range and market position in Denmark with the acquisition of a concrete stairs business in March followed by the purchase of a lightweight wall panels and flooring manufacturer in August; this group also acquired a small add-on in France and completed the buyout of the remaining 75% of Ergon Poland.

Clay Products

The Clay Products group, with operations in the UK, the Netherlands, Germany, Poland and Belgium, principally produces clay facing bricks, pavers, blocks and rooftiles. This group delivered increased profits for 2007.

UK brick industry volumes showed a welcome return to growth in the first half of 2007; however, with heavy rain across the UK in mid-summer, volumes for the year finished at a similar level to 2006. Istock profits advanced strongly due to operating and overhead efficiencies.

In the Netherlands our markets slowed as the year progressed and profitability declined slightly.

In Germany the initial early optimism was not sustained and our clay operations were restructured and capacity reduced. However, underlying results improved on 2006. Our Polish operation advanced strongly and profits increased sharply, as a result of good volume and price growth. In November, we expanded our presence with the acquisition of a clay brick, block and rooftile manufacturer in western Poland.

Building Products

The Building Products group is active in lightside building materials and focuses on three core business areas: Construction Accessories, Building Envelope Products and Insulation Products. Market conditions in 2007 were positive, particularly in non-residential sectors in Germany, the Benelux and the UK. All business units contributed to organic improvement, complemented by acquisitive growth.

Construction Accessories

This business unit, market leader in construction accessories in Europe, experienced another year of top performance and growth. The full year contribution of Halfen, acquired in May 2006, exceeded our expectations and all our other businesses showed solid operating results. We closed four small bolt on acquisitions during the year, which performed as expected. With its main focus on non-residential construction and civil engineering, Construction Accessories is well positioned for further growth.

Building Envelope Products

This business unit comprises Fencing & Security (F&S), Daylight & Ventilation (D&V) and Roller Shutters & Awnings (RSA) businesses which specialise in entrance control and climate control products. All segments contributed to a stronger 2007 performance. F&S once again delivered record results. Despite difficult markets for our glass projects business, D&V showed a year of progress in operating results, mainly driven by an excellent performance in its German roof lights business. The first full year contribution from our RSA business, acquired in August 2006, exceeded expectations. The Building Envelope unit continues to benefit from a growing market focus on repair, maintenance and improvement, safety and comfort.

Insulation Products

Insulation Products had another year of organic improvement in both sales and operating profits. Good returns from recent restructuring initiatives and growing demand in our key markets, especially in Poland, underpinned a solid performance. The business is well positioned for further improvements, given the ongoing European legislation for energy management of buildings.

Activities

Market leadership positions

Concrete paving and landscaping
Benelux, Denmark, France, Germany, Italy, Slovakia, UK

10.1m tonnes*

No.1 paving products: Benelux, France, Slovakia
No.1 paving/landscape walling: Germany; No.1 architectural masonry: UK
No.2 paving products: Denmark

Precast concrete products
Benelux, Denmark, France, Poland, Romania, Switzerland, UK

7.3m tonnes*

No.1 precast flooring: Benelux; No.1 precast architectural concrete: Denmark
No.1 utility precast: France; No.1 precast structural elements: Switzerland
No.1 concrete fencing and lintels: UK

Clay bricks, pavers, rooftiles and blocks
Benelux, Germany, Poland, UK

3m tonnes*

No.1 facing bricks: UK; No.2 facing bricks, pavers & blocks: Europe

Insulation Products
Benelux, Denmark, Estonia, Finland, Germany, Ireland, Poland, Sweden, UK

6.2m cubic metres*

No.1 EPS: Ireland, Netherlands, Poland, Nordic region
Joint No.1 XPS: Germany (50%); No.1 XPE: Germany
No.1 PUR/PIR: Netherlands

Fencing & Security
Benelux, France, Germany, UK

2.4m lineal metres*

No.1 security fencing and perimeter protection: Europe

Daylight & Ventilation
Benelux, France, Germany, Ireland, UK

1.2m square metres*

Joint No.1 glass structures, plastic rooflights, natural ventilation and smoke exhaust systems: Europe

*CRH share of annualised production volumes.

European distribution

2007 was another strong year with a further improvement in sales and operating profit. Good market conditions in most of our markets, a mild winter and a continued focus on margin improvement and cost control underpinned organic growth. This was supplemented by excellent contributions from the ten acquisitions completed in 2007.

Professional Builders Merchants

With 448 locations in five countries, Professional Builders Merchants has strong market positions in all its regions and generated significant margin improvement in 2007.

The Netherlands: Following a good final quarter in 2006, this business performed very strongly in the first half of 2007, supported by a positive market and mild winter conditions. Although the global credit crunch impacted sentiment from mid-year, demand remained solid throughout the second half. This positive backdrop combined with a targeted "quality for quantity" margin improvement programme enabled our Dutch professional business to report strong sales and profit growth.

France: Our heritage operations in Ile-de-France (100%), Burgundy and Franche-Comté (58%) benefited from good market conditions resulting in improved sales and profits. LDP (100%), acquired in January 2007 with 17 locations in Normandy, delivered very satisfactory results exceeding our initial expectations. négoce en bâtiment, acquisitions à 100 % : Raboni (Ile de France et Normandie) issues des acquisitions des sociétés Raboni (1998), Matériaux Service (1996 et 2001), Codimat (2000), Etrechy Matériaux (2006) et LDP

Business
description
[Show/Hide](#)

(2007), négoce en travaux publics, acquisitions à 100 % : Buscaglia (6 agences, 2001), négoce en bâtiment, société en joint-venture : Doras (45 agences, N°1 en Bourgogne-Franche Comté), détenue à 45 % depuis 2003, conjointement avec la société SAMSE, négoce en bâtiment, sociétés en participations : SAMSE (N°1 en Rhône-Alpes, détenue à 21 %)

Switzerland: Our acquisition (effective 1st May 2007) of Gétaz Romang, created the largest builders merchants business in Switzerland with more than 100 locations and annualised sales of approximately €1 billion. In addition to its traditional builders merchants business, the new group has a leading position in a number of specialised builders merchants businesses including sanitary ware, tiles, kitchens and ironmongery. Organic improvement in the heritage Baubedarf and Richner operations, a performance well above initial expectations from Gétaz Romang and a successful integration of all three businesses, resulted in a highly satisfactory 2007 performance. In addition, two further acquisitions added three branches to the existing network.

Austria: Quester, our Austrian builders merchants company, failed to benefit in 2007 from the positive market conditions and from re-organisation measures taken in 2006. As a result, sales, operating profit and margins were lower than 2006. In response, further restructuring initiatives were implemented from mid-2007 which are expected to restore margins to appropriate levels. Taking account of these restructuring costs, Quester was loss-making at operating profit level in 2007.

Germany: Bauking, in which we have a 48% stake, operates primarily in the northwestern half of Germany. After a good start to the year due to mild winter weather, the expiry of home ownership grants and the increase in value added tax (VAT) effective 1st January 2007 began to impact from the second quarter. As a result, like-for-like sales were lower than in 2006. However, with relentless cost control, like-for-like operating profit was maintained and, with an active year on the development front, overall sales and operating profit advanced.

DIY

The DIY Europe platform has activities in five countries with 240 DIY stores. These stores are operated under five different brands: Gamma (The Netherlands and Belgium), Karwei (The Netherlands), Hagebau (Germany), Maxmat (Portugal) and BricoHouse (Spain).

The Netherlands: After some flat years, 2007 saw a healthy increase in the total DIY market underpinned by increasing consumer confidence. The mild winter and sunny spring period resulted in a very successful garden season, while good promotional campaigns and sharp formula management resulted in an increase in market share. Organic sales and profit advanced strongly. In addition, two stores were added from one acquisition, and three greenfield stores were opened.

Belgium: Gamma Belgium showed a healthy increase in both sales and profits but, in the absence of new greenfield store openings, market share declined.

Germany: Bauking operates 54 DIY stores under the brand name Hagebau. In a very competitive market which was depressed by the effect of the VAT increase, Bauking's Hagebau stores reported sales and profits in line with 2006. From two acquisitions Bauking added 14 Hagebau stores bringing its total network to 140 stores.

Portugal: Despite generally weak economic conditions, like-forlike sales at Maxmat remained at 2006 levels. With the lifting of legal limitations on new store openings, Maxmat greenfielded seven new stores in 2007 and introduced the Maxgarden concept. Start-up losses for the new openings resulted in lower profits than in 2006.

Spain: We entered the Spanish DIY market in May 2007 with the acquisition of a 60% interest in a small business in the Alicante/Valencia region.

Activities

Market leadership positions

Construction accessories
Benelux, France, Germany, Ireland, Italy, Norway, Poland, Spain, Switzerland, Sweden, UK

n/a

No.1 Western Europe

Professional builders merchants
Austria, France, Germany, Netherlands, Switzerland

448 branches

No.1: Netherlands; No.1: Burgundy, Rhône-Alps and Franche-Comté
No.1 Switzerland; No.1: Sachsen-Anwalt, Niedersachsen and northern Nord Rhein Westfalen; No.1: Austria; No.2: Ile-de-France

DIY stores
Benelux, Germany (48%), Portugal (50%)

240 stores

Member of Gamma franchise, No.1: Netherlands, No.2: Belgium
Member of Hagebau franchise, No.5: Germany; Joint No. 2: Portugal

*CRH share of annualised production volumes.

US

Leadership Positions

No.1 Asphalt – US
No.3 Aggregates – US
Top 5 Readymixed Concrete – US

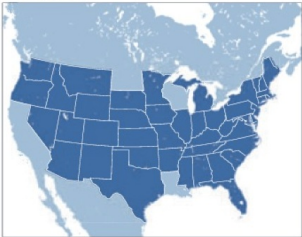
Leadership Positions

No.1 Precast Concrete Products – US
No.1 Architectural Concrete Products – Canada, US
No.1 Architectural Glass Fabrication – US
No.1 Engineered Aluminium Glazing Systems – US
No.2 Construction Accessories – US

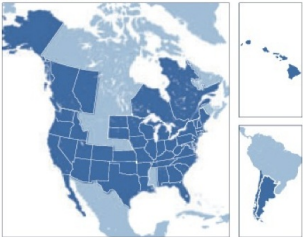
Leadership Positions

No.4 Roofing/Siding Distributor – US
No.4 Interior Products Distributor – US

Americas Materials



Americas Products & Distribution



American materials

The Americas Materials Division operates in 44 states in the United States through six regional business units. CRH is the third largest aggregates producer, the largest asphalt

producer and a top 10 readymixed concrete producer in the United States. It owns integrated aggregates and asphalt operations throughout the United States with strategically located long-term aggregates reserves. Integrated readymixed concrete operations are spread throughout many states, with particular concentration in the west. The Division is currently developing a greenfield joint venture cement plant in Florida. Americas Materials employs approximately 23,500 people at over 1,200 locations.

Activities

Market leadership positions

Aggregates
United States

174.0m tonnes*

No. 3 national producer

Asphalt
United States

51.4m tonnes*

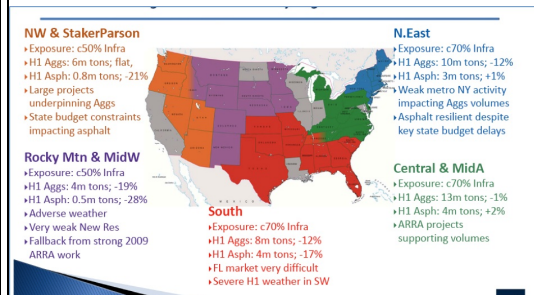
No. 1 national producer

Readymixed concrete
United States

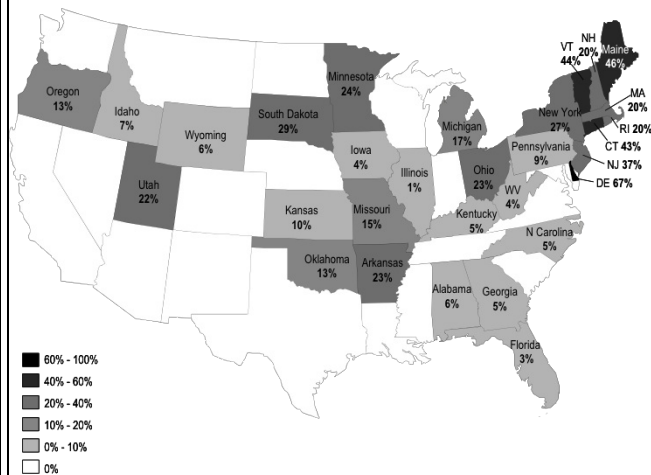
9.7m cubic metres*

Top 10 United States

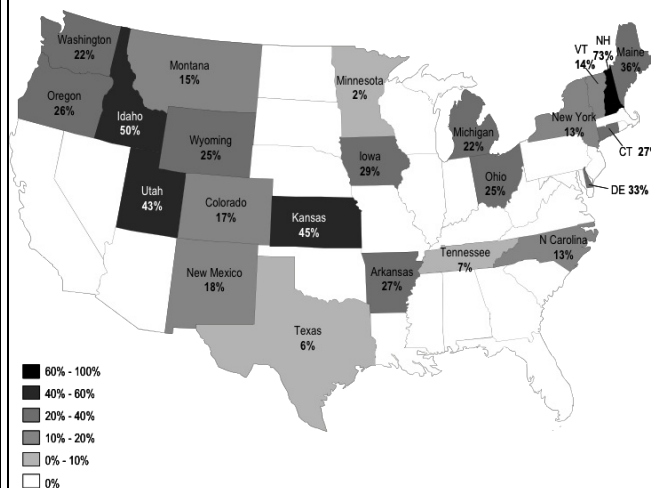
*CRH share of annualised production volumes.



Percentage of crushed rock quarries owned in each state in 2007



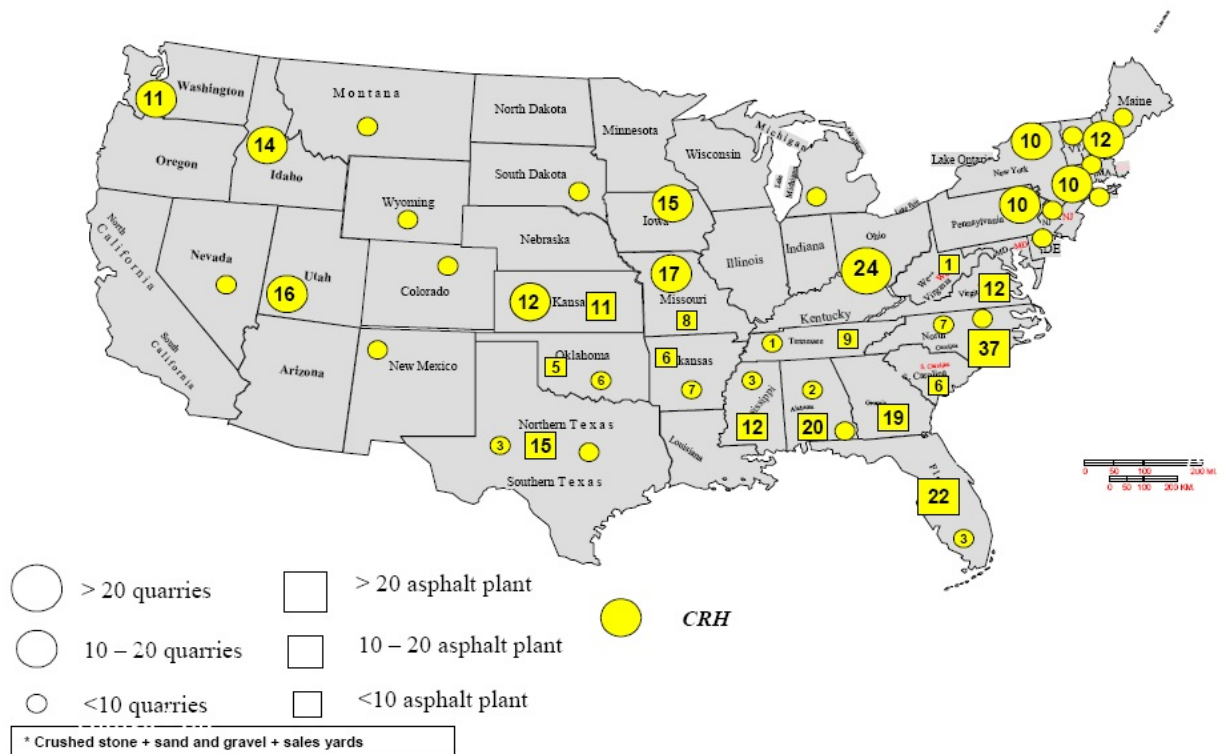
Percentage of sand & gravel pits owned in each state in 2007



new presentation of the US materials business:

Figure 16: CRH could also seize acquisition opportunities though the strategic fit is less compelling

CRH's position in the US in aggregates and asphalt



American products

The Americas Products & Distribution Division operates primarily in the United States and has a significant presence in Canada. Its product groups – Architectural Products, Precast, Glass, MMI and Distribution – all have leading positions in national and regional markets. The Division is also a leading producer of clay tile products in Argentina and operates glass fabrication businesses in Argentina and Chile. Employees total approximately 24,000 at almost 600 locations.

Activities

Market leadership positions

Concrete masonry, patio products, pavers and roof tiles
Canada

CRH Competition

Material

Table 19: Estimated split of companies 2007 EBITDA by type of building material

%	Cement	Aggregates	Concrete	Asphalt	gypsum	Other
Aggregates						
CFI	11%	10%	10%	14%	2%	48%
Maria Marieta	5%	50%	2%	2%	7%	3%
Vulcan	5%	70%	10%	7%		
Cement						
Portland	88%		12%			
Cement	83%	16%	14%			7%
Cement Portland	69%	4%	3%			1%
Heim	61%	6%	7%	2%		1%
Indocement	66%	6%	4%			1%
Large	66%	6%	3%	2%	4%	1%
Titan	66%	6%	6%			3%
Other building materials						
Edge Materials	59%	3%	4%		27%	9%
Carbide					10%	50%
Total	53%	11%	9%	3%	3%	24%

Source: Company reports and IPI/Morgan estimates.

1. Pre-forms, including Hards Rock.

2. Pre-forms including Pavers.

3. Y/E 31 March 2008.

Table 17: Aggregates companies ranked by 2007 production

Company	Country ¹	Sales
HeidelbergCement + Hanson	Germany	336
Cemex + Rinker	Mexico	277
CRH	Ireland	250
Lafarge	France	239
Vulcan + Florida Rock	United States	239
Holcim	Switzerland	188
Martin Marietta Materials	United States	165
Colas	France	117
Anglo American	United Kingdom	95
Vinci	France	81
Italcementi	Italy	56

Source: Company data.

1. Country in which based.

Table 19: Ready-mixed concrete companies ranked by 2007 production

Company	Country ¹	Sales
Cemex + Rinker	Mexico	80.5
HeidelbergCement + Hanson	Germany	46.7
Holcim	Switzerland	45.2
Lafarge	France	42.2
CRH	Ireland	25.8
Italcementi	Italy	20.5
Buzzi Unicem	Italy	17.1

Source: Company data.

1. Country in which based.

Table 130: CRH's cement market shares

Country	Market Share	Rank	Main Competitors
China ¹			
Ireland	81%	1	Cemex (10%)
India ²	61%	1	Shree Group (20%), Lafarge (10%), Lagan (10%), imports (9%)
Ireland	81%	1	Imports (18%)
Poland	17%	3	HeidelbergCement (21%), Lafarge (20%), Cemex (14%), Mieduch (10%), Tykocinski (8%)
Poland	37%	2	Cemex (60%)
Switzerland	25%	2	Holcim (80%), Vigier (16%)
Turkey	3%	11	Subsidiary HeidelbergCement (10%), Opak (18%), Nuh (10%), Set (8%), Cemex (7%), Vitol (6%), Cemex (6%)
Ukraine	17%	4	HeidelbergCement (20%), Pannocement (21%), Brest (17%), Lafarge (9%)

Source: Company data.

1. The data on market shares in China are not available (in view of the size of the country and the varying quality of the cement that is produced).

2. Not in the Indian Production with 21% of the market.

Table 18: Asphalt companies ranked by 2007 production

Company	Country ¹	Production 2007
CRH	Ireland	56.3
Colas	France	53.8
Vinci	France	40.0
Holcim	Switzerland	14.8
HeidelbergCement	Germany	13.0
Lafarge	France	10.9
Lafarge	France	9.6
Vulcan	United States	9.6

Source: Company data.

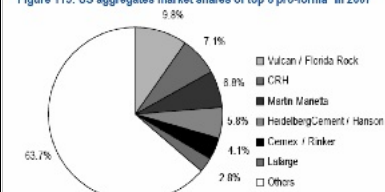
1. Country in which based.

Competition

In Europe, JPM estimate of CRH's Global rankings by 2007 production volumes (adjusted for subsequent consolidation):

- No.3 in aggregates
- No.5 in ready-mixed concrete
- No.13 in cement

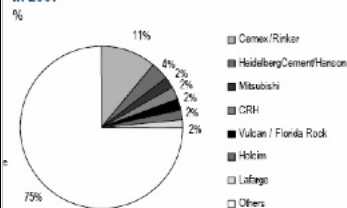
In the US :

Figure 115: US aggregates market shares of top 6 pro-forma¹ in 2007

Source: Company data, JPMorgan estimates.

1. Adjusted for the full year impact of the acquisitions of Rinker by Cemex, Florida Rock by Vulcan and Hanson by HeidelbergCement.

CRH MS in the US - a very fragmented business

Figure 243: US ready-mixed concrete market shares in 2007¹

Source: Company data, JPMorgan estimates.

1. On a pro-forma basis, adjusted for subsequent acquisitions/divestments.

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Management

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M.S. Towe

Chief Executive Officer
Oldcastle, Inc.

Mark Towe was appointed a CRH Board Director with effect from 31st July 2008. A United States citizen, he joined CRH in 1997. In 2000, he was appointed President of Oldcastle Materials, Inc. and became the Chief Executive Officer of this Division in 2006. He was appointed to his current position of Chief Executive Officer of Oldcastle, Inc. in July 2008. With 36 years of experience in the building materials industry, he has overall responsibility for the Group's aggregates, asphalt and readymixed concrete operations in the United States and its products and distribution businesses in the Americas. (Aged 60).

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D.N. O'Connor

BComm, FCA

Non-executive director

Dan O'Connor became a non-executive Director in June 2006. He was, until March 2006, President and Chief Executive Officer of GE Consumer Finance - Europe and a Senior Vice President of GE. He is Executive Chairman of Allied Irish Banks plc. (Aged 50).

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J.M.C. O'Connor

B.Soc. Sc., M.Soc. Sc., PhD

Non-executive director

Joyce O'Connor became a non-executive Director in June 2004. She is the founder President and President Emeritus of the National College of Ireland. She currently chairs the Dublin Inner City Partnership. She is a Board member of the Government Task Force on Active Citizenship and an Eisenhower Fellow. She is former chair of the Digital Hub Development Agency, the Expert Group on Mental Health Policy, the National Career Guidance Forum and the Further Education and Training Awards Council (FETAC). (Aged 62).

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J.M. de Jong

Non-executive director

Jan Maarten de Jong became a non-executive Director in January 2004. A Dutch national, he is Vice Chairman of the Supervisory Board of Heineken N.V. He is a former member of the Managing Board of ABN Amro Bank N.V. and continued to be a Special Advisor to the board of that company until April 2006. He is also a director of a number of European banking, insurance and industrial holding companies, including AON Groep Nederland B.V. and KBC Bank N.V. (Aged 64).

<!--[if gte vml 1]><v:shape id="Image_x0020_7" o:spid="_x0000_i1030" type="#_x0000_t75" alt="Description: Photograph of J.W. Kennedy M.Sc, BE, C.Eng, FIEE" style="width:79pt;height:90pt;visibility:visible;mso-wrap-style:square"> <v:imagedata src="ajaxfilemanager/uploaded/crh2/CRH%20Management_files/image013.gif" mce_src="ajaxfilemanager/uploaded/crh2/CRH%20Management_files/image013.gif" o:title="Photograph of J.W. Kennedy M.Sc, BE, C.Eng, FIEE" /> </v:shape><[endif]-><!--[if !vml]->



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J.W. Kennedy

M.Sc, BE, C.Eng, FIEE

Non-executive Director

John Kennedy became a non-executive Director in June 2009. He is Chairman of Wellstream Holdings plc, a company in the energy services field. In a 30 year career, he has served as Executive Vice President of Halliburton Company, President of Dresser Enterprises and Chief Operations Officer of Brown and Root Services. He is a director of the UK Atomic Energy Authority, Integra Group and is non-executive Chairman of Maxwell Drummond International Limited, Hydrasun Holdings Limited, Welltec A/S and BiFold Fluid Power Limited. (Aged 59).

<!--[if gte vml 1]><v:shape id="Image_x0020_8" o:spid="_x0000_i1029" type="#_x0000_t75" alt="Description: Photograph of K. McGowan" style="width:79pt; height:90pt;visibility:visible;mso-wrap-style:square"> <v:imagedata src="ajaxfilemanager/uploaded/crh2/CRH%20Management_files/image015.gif" mce_src="ajaxfilemanager/uploaded/crh2/CRH%20Management_files/image015.gif" o:title="Photograph of K. McGowan" /> </v:shape><[endif]-><!--[if !vml]->



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K. McGowan

Chairman

Kieran McGowan became Chairman of CRH in 2007 having been a non-executive Director since 1998. He is a director of Elan Corporation plc and Charles Schwab Worldwide Funds plc. He was Chief Executive of IDA Ireland (Ireland's inward investment promotion agency) from 1990 to 1998 and has served as President of the Irish Management Institute and as Chairman of the Governing Authority of University College Dublin. (Aged 66).

<!--[if gte vml 1]><v:shape id="Image_x0020_9" o:spid="_x0000_i1028" type="#_x0000_t75" alt="Description: Photograph of N. Hartery CEng, FIEI, MBA" style="width:79pt;height:90pt;visibility:visible;mso-wrap-style:square"> <v:imagedata src="ajaxfilemanager/uploaded/crh2/CRH%20Management_files/image017.gif" mce_src="ajaxfilemanager/uploaded/crh2/CRH%20Management_files/image017.gif" o:title="Photograph of N. Hartery CEng, FIEI, MBA" /> </v:shape><![endif]--><!--[if lvm]-->



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N. Hartery

CEng, FIEI, MBA

Non-executive director

Nicky Hartery became a non-executive Director in June 2004. He was, until October 2008, Vice President of Manufacturing, Business Operations and Customer Experience for Dell Europe, the Middle East and Africa. Prior to joining Dell, he was Executive Vice President at Eastman Kodak and previously held the position of President and CEO at Verbatim Corporation, based in the United States. He is a director of Musgrave Group plc and the Target Account Selling Group Limited and a former director of Eircom Limited. (Aged 58).

<!--[if gte vml 1]><v:shape id="Image_x0020_10" o:spid="_x0000_i1027" type="#_x0000_t75" alt="Description: Photograph of U-H. Felcht" style="width:79pt; height:90pt;visibility:visible;mso-wrap-style:square"> <v:imagedata src="ajaxfilemanager/uploaded/crh2/CRH%20Management_files/image019.jpg" mce_src="ajaxfilemanager/uploaded/crh2/CRH%20Management_files/image019.jpg" o:title="Photograph of U-H. Felcht" /> </v:shape><![endif]--><!--[if lvm]-->



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U-H. Felcht

Non-executive director

Utz-Hellmuth Felcht became a non-executive Director in July 2007. A German national, he was, until May 2006, Chief Executive of Degussa AG, Germany's third largest chemical company. He is a partner in the private equity group One Equity Partners Europe GmbH and a member of the Supervisory Boards of Jungbunzlauer Holding AG and Süd-Chemie Aktiengesellschaft. (Aged 62).

<!--[if gte vml 1]><v:shape id="Image_x0020_11" o:spid="_x0000_i1026" type="#_x0000_t75" alt="Description: Photograph of W.I. O'Mahony BE, BL, MBA, FIEI" style="width:79pt;height:90pt;visibility:visible;mso-wrap-style:square"> <v:imagedata src="ajaxfilemanager/uploaded/crh2/CRH%20Management_files/image021.gif" mce_src="ajaxfilemanager/uploaded/crh2/CRH%20Management_files/image021.gif" o:title="Photograph of W.I. O'Mahony BE, BL, MBA, FIEI" /> </v:shape><![endif]--><!--[if lvm]-->



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W.I. O'Mahony

BE, BL, MBA, FIEI

Non-executive director

Liam O'Mahony joined CRH in 1971 and was appointed a Board Director in 1992. He held various senior management positions in the Group, including Managing Director, Republic of Ireland and UK Group companies, Chief Executive of American operations and Group Chief Executive. He retired as an executive at the end of 2008 and continued as a Board member in a non-executive capacity. He is Chairman of Smurfit Kappa Group plc and IDA Ireland, a director of Project Management Limited and a member of The Irish Management Institute Council. (Aged 63).

<!--[if gte vml 1]><v:shape id="Image_x0020_12" o:spid="_x0000_i1025" type="#_x0000_t75" alt="Description: Photograph of W.P. Egan" style="width:79pt; height:90pt;visibility:visible;mso-wrap-style:square"> <v:imagedata src="ajaxfilemanager/uploaded/crh2/CRH%20Management_files/image023.jpg" mce_src="ajaxfilemanager/uploaded/crh2/CRH%20Management_files/image023.jpg" o:title="Photograph of W.P. Egan" /> </v:shape><![endif]--><!--[if lvm]-->



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W.P. Egan

Non-executive director

Bill Egan became a non-executive Director in January 2007. A United States citizen, he is founder and General Partner of Alta Communications and Marion Equity Partners LLC, Massachusetts-based venture capital firms. He is a director of Cephalon, Inc. and the Irish venture capital company Delta Partners Limited. He also serves on the boards of several communications, cable and information technology companies. He is Past President and Chairman of the National Venture Capital Association. (Aged 64).

Valorisation

Investment case

Investment case

Investment case

October 2010 - En prenant en compte des estimations pessimistes de développement du marché US 50% de la contribution EBITDA du groupe) nous nous rendons compte que la valorisation de CRH rentre dans notre cible d'investissement long. Nous estimons que la dégradation des chiffres est terminée (reprise du résidentiel aux US et en Europe, bottoming de l'activité non résidentiel avec démarrage en 2012 ?

	<p>1) A cette date, l'effet de levier du groupe jouera à plein avec un cost cutting massif aujourd'hui en attendant le retour des volumes marge EBIT 2011 5,11% vs 9.94% au pic. Nous pensons que les marges doivent aller plus haut dans le recovery</p> <p>2) Bilan solide avec possibilité de M&A relatif ? Oui compte tenu du track record du management</p>
Investment risk macro	<p>1) Surcapacité chronique dans le secteur avec seul le RMI qui se maintient i.e 40% de l'EBIT contributif seulement</p> <p>2) Stagnation de pays développés durables. L'expo aux pays émergents est aujourd'hui très faible 15% EBIT contribution incluant la CEE. Risque de M&A cher et dilutif en emerging ?</p> <p>3) Budget étatique se réduit sur une période longue 10 ans ? le business d'infrastructure se réduit fortement i.e 30% des ventes en 2009</p>
Investment risk micro	<p>1) Exposition forte aux zones économiques sur les frontières de l'UE. 25% EBIT 2009. Crise financière qui « ferme » ces marchés pour longtemps ex : Espagne et Irlande.</p> <p>2) Départ vers un fonds de PE US d'un certain nombre de dirigeants (notamment ex CFO) en 2009. Ce nouveau fonds lance un modèle à la CRH sur les US avec du small M&A. nouvelle concurrence sur le M&A sur des zones stratégiques des US ?</p> <p>3) Prix du pétrole en forte hausse. L'impact sur les marges de l'asphalte pourrait être très négatif sur 2011. 14% EBITDA 2008 contribution.</p>

Show/Hide contacts

Contacts

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Show/Hide discussions

BDL Discussions

Date	29/11/2010
BDL Position	Neutral
Stock price	14.31
BDL View	Post investor day rien de nouveau sauf que le marché US ne rebondit pas en 2011 selon le management avec un risque sur les dépenses infrastructures et sur les marges dans l'asphalte. Le marché anticipe une recovery trop rapide ? possible après le run du SP nous pensons qu'il faut sortir avec des meilleurs points d'entrées courant 2011. A surveiller en long autour de 12,5€. Gain 16.2%

Date	22/11/2010
BDL Position	Long
Stock price	13.81
BDL View	Le stock a bien monté on en rajoute ? non attendons l'investor day s'il y a du nouveau.

Date	05/10/2010
BDL Position	Long
Stock price	12.31
BDL View	Après le profit warning et le décalage du SP il faut regarder en long. Compte tenu des chiffres du potentiel et de la qualité du management. On rentre Long sur le long terme. La pause doit grossir dans les mois à venir. Good business au good price.

Show/Hide meetings

Meetings results

Type	Results
Date	01/03/2011
Contact	FY 2010
BDL Contact	Jean Duchein
Subject	
	<p>Le bottom est atteint sur tous les marchés. En conséquence 2011 sera en croissance vs 2010 en organique. Une hausse de la top line améliorée par l'apport du M&A réalisé en 2010 pour un impact 2011. Aucun chiffre sur l'apport M&A pour la top line.</p> <p>La marge sera par conséquence en hausse grâce à a) effet de levier volume b) hausse des prix (compensant la hausse des matières premières ?) (les coûts énergétiques sont hedgés en Europe pour les années à venir et aux US sur l'asphalte on est passé au gaz naturel peu cher en Amérique du Nord (effet shale gas) c) plein effet des costs cutting d) fin des one offs ? => hausse massive de la marge ? JE DOIS MONTER MES CHIFFRES</p> <p>Sur le marché US de l'infrastructure les commentaires sont les suivants:</p>

Note	<p>a) the outlook for state spending (ie 55% of highways spend ex stimulus) is very uncertain and changes almost weekly. The latest forecasts are for a small single digit decline (ie -2-3%), although CRH think the outcome could be a bit worse</p> <p>b) there are big regional differences in the US. States in the North East seem to be in a stronger position than those in the South (esp Arizona, Florida) and California</p> <p>c) the extension of SAFETEA ends this Friday. The group thinks that it will be extended by 2 weeks to 18 March, to allow time for a proper debate. The central scenario assumes it is then extended again to end September 2011 and, if progress on a longer bill isn't forthcoming, into 2012. The group sees federal SAFETEA spend of \$42bn in 2011</p> <p>d) the White House is very vocal about using infrastructure as a way to kick start the economy. Despite a tense political scene in Washington, there is some agreement that cuts should focus on non infrastructure related areas. This suggests that a deal could get done that protects federal highways spend, even with a Republican controlled House</p> <p>e) proposals for a new \$556bn 6 year transport spending plan are being supported by the White House and would imply a +48% increase in highways spend vs SAFETEA. The group thinks it is unlikely that the entire bill will pass in current form (especially the proposals relating to high speed rail) but that a new bill could front-load spending</p>
Conclusion	BDI doit monter ses chiffres. attendre les 14€ pour etre BUY ??

Type	Analyst meeting
Date	04/12/2010
Contact	Davy building material reasearch - Flor O'Donoghue
BDL Contact	Hughes Beuzelin
Subject	
Note	<p>Point sur l'activité US d CRH</p> <ul style="list-style-type: none"> • La presence de CRH est pratiquement homogène sur l'ensemble du territoire avec un focus sur l'est du pays • La marge alsphate devrait se réduire en 2011 vs 2010. Pas de chiffres? • Les dépenses d'infrastructures seront au même niveau que 2010 en 2011 mais quid de 2012 et après avec l'absence de nouveaux budgets votés par le gouvernement. Inquiétude à ce niveau là.
Conclusion	Les craintes sur les US sont confirmées. L'exposition à l'ensemble du marché US est confirmée.

Type	Management meeting
Date	22/11/2010
Contact	Investor day all management
BDL Contact	Jean Duchein
Subject	
Note	<p>Presentation de toute l'activité du groupe division par division avec un focus sur la stratégie emerging market notamment en Chine en partant de leur base existante au nord est de la chine. Points principaux :</p> <ul style="list-style-type: none"> • Les Us seront au mieux flat sur les volumes en 2011 tous business confondus • Le développement des emerging passera par du M&A et de l'intégration verticale cf le développement en Pologne où CRH est désormais n°1.
Conclusion	Rien de nouveaux sur le M&A pas de décision arrêtée sur la reprise du tuck in M&A dans les pays matures. Le développement dans les emergings doit faire ses preuves. Investor day peu convaincant et peu rassurant sur les US.