

CRH Acquires U.S. Materials Company for US\$40 Million

DUBLIN, Ireland, Oct. 13 /PRNewswire/ -- CRH plc, the international building materials group, announces the purchase by the Oldcastle Materials Group of the assets of New York Trap Rock Corporation for a cash consideration of US\$40 million (27.4 million Irish pounds sterling). The consideration is fully asset-backed and no goodwill arises.

New York Trap Rock, which was founded in 1897, is a substantial aggregates supplier operating two major quarries in southern New York state with permitted aggregate reserves in excess of 330 million tons. The company services its local markets by truck and also ships aggregates along the Hudson river to the metropolitan New York/New Jersey, Connecticut and Long Island areas using an owned fleet of 116 barges. In 1996, New York Trap Rock sold 4.7 million tons of aggregates, and reported trading profit of US\$3.6 million (2.5 million pounds) on sales revenues of US\$48.2 million (33.0 million pounds).

The southern New York region is one of the most heavily traveled areas in the United States and this, in conjunction with severe winters, creates strong demand in the region for highway expenditures. New York Trap Rock is an ideal complement to Tilcon New York, Oldcastle Materials Group's existing operation in this region, which produces approximately 3 million tons of aggregates annually. Following acquisition, New York Trap Rock will be combined with Tilcon's New York division, reporting to Joe Abate, President and Chief Executive Officer of Tilcon, Inc. This combination will yield significant synergies for the enlarged New York division allowing for greater efficiency of production, transportation, selling and administration.

Commenting on the acquisition, Tom Hill, President of Oldcastle Materials Group, said: "With its excellently located reserves and its significant barging operations, New York Trap Rock represents an exciting opportunity for the Oldcastle Materials Group to expand its position in crushed stone in the important southern New York region, building on the strong base acquired with Tilcon in 1996. The combination of New York Trap Rock with Tilcon's existing operations in New York will achieve very sizable cost reductions through production and transport efficiencies and allow us to offer enhanced service to a broad customer base, thereby generating trading margins in the order of 10% to 12%.

The expanded Oldcastle Materials Group will have an annual output of 45 million tons of aggregates, 15 million tons of asphalt and 2.7 million cubic yards of ready-mixed concrete.

Liam O'Mahony, Chief Executive of Oldcastle, Inc., the holding company for CRH's North American operations, adds: "New York Trap Rock is the latest in a range of acquisitions completed in the United States over the last four weeks, representing significant additions to three of the five Oldcastle product groups. Total combined consideration for the eight separate deals announced amounts to almost US\$200 million."

SOURCE CRH plc
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