



## Oldcastle, Inc. Marks Its 30th Anniversary

**The year was 1978 and Jimmy Carter was President of the United States. The first “micro chip” was patented by Texas Instruments, the Camp David Accords were signed by Egypt and Israel, the average yearly income was just under \$17,000, and the average cost of a new house was just over \$50,000.**

In that same year Oldcastle, Inc. was incorporated. Over the next three decades Oldcastle would become the largest building materials company in North America with locations in 50 states, four Canadian provinces, and also with activities in Argentina and Chile.

During the rapid growth over the last thirty years there hasn't been much time to chronicle the many people, circumstances, stories, events and acquisitions that make up our colorful history. So this year as we celebrate thirty successful years, we take the time to reflect on some of those events and people that have shaped our formative years...

### Oldcastle Beginnings

Oldcastle's parent company, CRH plc (formerly Cement-Roadstone Holdings Ltd), was formed in 1970 by the merger of two major Irish building materials companies – Cement Ltd and Roadstone Ltd. Full of ambition for growth and development, the “big fish in a small pond” Irish company decided to diversify geographically. In 1973 they made their first acquisition in continental Europe. By 1977 the beachhead in Europe was well-established and, mindful of the close cultural ties and long-lasting business connections between Ireland and the US, CRH decided to look westwards – contrary to the advice of a well-known consulting company.



Don Godson

The founding father of Oldcastle was Don Godson who joined Roadstone in 1968 and became CRH's first head of Development. In 1977 Godson went to the U.S. in search of growth opportunities for CRH. He based himself in New York City and forged acquaintances and friendships with industry specialists in many of the Wall Street institutions, with business brokers, and with major building materials equipment manufacturers.

Michael Lynch was on standby in Dublin to help check acquisition prospects, of which there were several before the first deal in the US was closed. Lynch joined CRH in 1971, and other than a tour of duty in Holland (1975-76) with CRH's early-stage business on the Continent, he had mainly been a member of the CRH Finance team. Upon the closing of the first acquisition in the US Godson became Oldcastle's first CEO and Lynch joined him as its first CFO.

## Oldcastle Name and Logo Origins

While signing the first documents for certification of the new U.S. based company Lynch and Godson were charged with quickly naming the company. After discussions with Dublin and several iterations of names associated with Belgard – the location of the headquarters in Dublin – they agreed upon the simple but timeless name of Oldcastle. It also happened to be the name of a village in Ireland’s County Meath where Godson enjoyed fishing. Godson’s daughter, Suzi, designed later what was to become the Oldcastle logo.

## The First Acquisition

CRH’s first investment in North America was the November 1, 1978 purchase of Amcor, Inc. a producer of concrete products including pipe, masonry and precast with plants in Utah, Idaho and Colorado. The seller was a Los Angeles-based, publicly-traded conglomerate called Diversified Earth Sciences. Jim Culliton (CRH CEO at that time) joined Godson for the first Oldcastle acquisition signing ceremony.



Lloyd Jolley was Amcor’s President (his son Bob is the present head of Oldcastle Precast’s operations in Utah). Lynch and his pregnant wife moved from Dublin to Amcor’s headquarters in Utah. Doug Ward, Ray Rhees and Clint Brookhart from Amcor also played an important role in Oldcastle’s subsequent progress.

## Oldcastle Headquarters Established



Joe McCullough Tom Hill Michael O'Driscoll

With the closing of the Amcor deal Godson moved from New York to form the first Oldcastle headquarters in the west Los Angeles suburb of Brentwood. Godson’s Executive Assistant Patricia Gardiner ran the office in those early days. In May 1979 the headcount grew to three with the arrival of Joe McCullough who joined as Oldcastle’s first Vice President of Development. Belfast-born Joe was already a U.S. citizen and he and his wife took up residence in California.

In 1982 Lynch and family moved from Utah to the LA office. During the ‘80s the Oldcastle team was joined by Tom Hill, Michael O’Driscoll, Ted Hathaway, and Glenn Culpepper, and in the early ‘90s by Angela Dziubek, Paul Valentine, David Shedd and Alan Monaghan.

## First Company Car

An unexpected asset that came with the Amcor acquisition was, by CRH’s modest standards, an exotic car (a 1976 Mercedes 450 SLC) used by one of the senior executives of Diversified. The lease turned out to be “irrevocable” and Godson had no alternative but to use it. The Mercedes became an icon, known by its CA license



plates 905 RIM. Godson drove it until he returned to Ireland in 1994, at which point Lynch became its lucky heir and still drives it today (another 14 years later)!



John Schack

### Pipe and Precast Development

The next major focal point of Oldcastle's expansion efforts was Carder Concrete Products - a concrete pipe manufacturer with plants in Littleton, CO and Casper, WY. The patriarch, Jim Carder, was intrigued by the prospect of selling his business but found it difficult to commit to a deal. Meantime, in November 1979, Oldcastle acquired a small manholes producer in Colorado Springs called El Paso. Soon afterwards Carder reconsidered his position, and the deal was closed on April 11, 1980.

In the months that followed Lloyd Jolley introduced Godson to a talented and successful entrepreneur, John Schack. His business, Utility Vault Company (UVC), had upgraded the precast concrete production process from being labor-paced, making products of mediocre quality to a capital-intensive machine-paced environment consistently making high quality products at a lower cost. UVC had plants in the Seattle, Portland, San Francisco and Phoenix areas, and had a plant under construction in the LA area. Schack, then 71, sold the business to Oldcastle on January 31, 1981.

The purchase of UVC was a major milestone in Oldcastle's progress. Schack passed the torch to his son Jim, who presided over the growth of Oldcastle Precast until his retirement in 2006. Mark Schack, Jim's cousin, is continuing the family tradition as CEO of the Precast Group. The starting line-up at UVC included also Bob Quinn and Tom Solberg.

### First PC Purchase

Computers changed the way that business was done across all industries. For those readers who recall the pre-computer age, you will remember how financial spreadsheets were done by hand on a big columnar pad with calculators, and letters and memos were drafted on typewriters. Oldcastle's first PC was bought in 1984 and its \$5,000 purchase was very carefully considered. A debate ensued as to whether a five or ten MB hard drive was needed, and despite the \$250 extra cost, the latter was chosen. It was on this PC that Joe McCullough built the first acquisition model on LOTUS123.

### Materials Business Entry

Following the '80-82 economic downturn acquisition deals slowed considerably, but Oldcastle had become a ~\$100 million business, all in the western US.

In mid 1984, Godson was made aware of a possible new good deal from a Wall Street investment banker. The target was in the aggregates, asphalt and



prestressed concrete space, based in far-away Albany, NY.... Callanan Industries and its subsidiary, Spancrete Northeast.

The Callanan acquisition was closed on April, 1 1985. It was the largest Oldcastle deal at that time, the first acquisition in the materials business and the first acquisition east of the Mississippi. It was a milestone not only



Peter Callanan

for its significance to Oldcastle, but for the history associated with the Callanan story. Peter Callanan was a New York hay farmer and his vision in 1883 was to provide quarried stone products for road building. In 1889 Callanan published a 40-page treatise titled “Road and Road Making,” in which he described the state of American roads in the late 1800s as being “inferior to those of any other civilized country.” He left a legacy and the company has grown beyond just the Capital District to become one of the oldest companies of its kind in the country and one of the largest of its type in New York State. The survival and growth of Callanan Industries remains an example in the 21st Century.

It was at this pivotal point in the history of Oldcastle that Liam O'Mahony moved from Ireland to the US to assume leadership of the Callanan business. O'Mahony was originally hired by CRH in 1971 in the CRH Development function, reporting to Godson. Between 1971 and 1986 he had progressed through several senior management positions in Ireland.



Liam O'Mahony



### Into the Glass Business

Godson and John Schack maintained their close friendship in the years that followed the UVC acquisition. In the mid '80s Schack (now in his mid 70s) needed to replace the windshield of his power boat. The local supplier informed him that tempered glass products were in short supply and generally had little interest in his needs. As a result of this experience, Schack built his own glass fabrication plant in Everett, Washington. Godson watched his progress with close interest.

Meanwhile the US southeast became a target-rich environment for Oldcastle and in 1987 McCullough moved to Atlanta. The same year Ted Hathaway succeeded McCullough as Oldcastle's second VP Development. One of his early assignments was to “keep an eye on” Schack's glass fabrication business. By 1989 Oldcastle had purchased the business as a vantage point from which to do “action research” on that industry.

Some months later Hathaway presented Godson with an opportunity to become the largest glass fabricator in the US. Dallas-based HGP Industries, a roll-up of two predecessor businesses, had just come on the market. Oldcastle acquired HGP on April 4, 1990 with John Wittstock as its CEO, and the Oldcastle Glass Group was formed.

In 2000 Wittstock became CEO of Oldcastle Products & Distribution Division and Hathaway succeeded him as CEO of the Glass Group.



John Wittstock



## APG Formed

Oldcastle Architectural Products Group (APG) was organized in 1991 under the leadership of McCullough from existing operations including Amcor, Westile and Superlite. The Group has since expanded into pavers, clay brick, lawn and garden products, packaged cement mixes, lightweight aggregates and bagged decorative stone and lime. They manufacture products for commercial masonry, professional landscaping and the consumer DIY market.

## Reorganizing for Growth

In 1991 with sales close to \$500M the growing organization was changed from primarily a geographical structure to a product-based organization. O'Mahony became CEO of the Materials Group as well as COO of Oldcastle, Inc.; McCullough became CEO of the Architectural Products Group, Schack became CEO of the Precast Group, and Wittstock continued as CEO of the Glass Group. Upon O'Mahony's leaving for a new mission in Europe in 1991, Hill succeeded him as the Materials Group CEO.

Godson became CRH's CEO in 1994. He was succeeded in the Oldcastle CEO position by O'Mahony. Upon Godson's retirement on December 31, 1999, O'Mahony returned to Ireland as CRH CEO, from which he will retire at the end of 2008

It was also during the '90s that Oldcastle made key acquisitions in Canada, and CRH made its first acquisition in South America.

## Headquarters Relocated

In 1994, new CEOs in CRH and Oldcastle brought new ideas and further changes in the company. As most of Oldcastle's expansion in the late '80s and early '90s had been in the Eastern Time zone, O'Mahony decided it was time to move Oldcastle HQ to the east coast. The number of domestic and international destinations out of Atlanta airport as well as an earlier exploration of the southeast territory by McCullough, were important factors in choosing Atlanta for new HQ's location.

In 1995 O'Driscoll became Oldcastle's CFO, initially reporting to Lynch who also became responsible for the Development function. In that capacity Lynch recruited Doug Black as VP Development in 1995 who hired Keith Haas as his next-in-command.

Meanwhile the Materials Group had grown to the point that its Albany HQ location proved inconvenient; Hill established a new Materials HQ in Washington, DC.

## Distribution Group Emerges

Under Lynch's direction Black led the charge to find a fifth product group. Having researched several sectors (notably insulation and lumber yards) and studied possible targets, the Wall Street firm UBS brought to Black's attention a national roofing/siding distributor based in East Rutherford, NJ – Allied Building Products. Bob Feury, Sr. was Allied's President. He and Lynch bonded well and a deal was closed on July 3, 1996.



Lynch became CEO of Allied (Oldcastle Distribution) and has been serving in this position since that time. In 2001 Feury Sr. took the Chairman role, and his son, Bob Feury, Jr became Allied's COO.

## Full Acquisition Mode

By 1995, with a good economy and almost twenty years under its belt Oldcastle geared up for an aggressive acquisition plan under the management of its CEO O'Mahony.

The Materials Group pushed west of the Mississippi and entered the west coast market for the first time with the acquisition of Staker Paving and Construction in Utah with asphalt, aggregates and construction operations. Just a year later, CRH acquired the Jack B. Parson Company. As Callanan was a milestone in the east, Staker Parson was in the west and became the platform for bolt-on acquisitions.

CRH had by then a reputation as an organization that buys first-class family owned companies in their prime. Businesses such as Jack B. Parson approached Oldcastle with their interest in selling. They respected Oldcastle's approach to buying their company's goodwill and reputation as well as the assets which included reserves and equipment. Sellers benefited not only financially but knowing that there were first class management people in place who love the industry and would be able to provide the financial resources to allow the company to succeed well into the future. And conversely, Oldcastle benefited from the talent they inherited through the acquisition—people such as John and Scott Parson who now have key leadership roles at Oldcastle Materials.



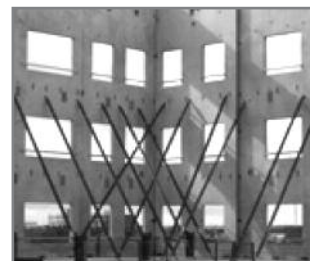
John, Jack and Scott Parson

The acquisition of Tilcon on the Materials side in 1996 was the largest to date at \$254M. Around this time, in 1997 Mark Towe joined Oldcastle as COO of the Materials Group. He became its President in 2000, and was promoted to the Materials Group CEO position in 2006. Bill Sandbrook joined Oldcastle as part of Tilcon, and in 2003 was appointed President of Oldcastle Materials' West Division; three years later he was promoted to CEO of Oldcastle APG. The Tilcon acquisition also set the stage for several other large acquisitions in 1999 and 2000 including a regional clay brick business, Glen-Gery, and Thompson-McCully and Shelly in the Materials Group.

Growth continued in 2005 with APG's purchase of Jolly Gardener, a leading U.S. producer of bagged soil and mulch products. Allied expanded its presence in Florida with the acquisition of Atlantic Building Materials. The Materials Group experienced a year of significant growth, including the purchase of Mountain Companies, an asphalt, aggregates, paving and construction company, with operations in Kentucky, Virginia and West Virginia.

### MMI - The Sixth Product Group

Following the lead of the Building Products Group in Europe, CRH decided to establish a similar platform in construction accessories in the US. In April 2006, Oldcastle acquired MMI Products, with operations in construction accessories, welded wire products, and fencing. John Wittstock returned from Europe to become the CEO of MMI, and the new Construction Accessories Group was formed.



Today, MMI is a leading manufacturer and distributor of wire-based building products used in the North American infrastructure, commercial and residential construction sectors. Upon Wittstock's retirement in 2008, Celeste Mastin became MMI's CEO.

### Oldcastle, Inc. Today

Oldcastle is today a \$14B business under the leadership of CEO, Mark Towe, with more than 1,900 locations and approx. 50,000 employees. The Oldcastle, Inc. offices in Atlanta are also home to the Products and Distribution Group, and the Materials Group will relocate to Atlanta in early 2009.



As CEO of the Materials Group, Doug Black oversees the aggregates, asphalt, ready mixed concrete and heavy highway construction businesses. Bill Sandbrook is CEO of the Products & Distribution Group which includes five Product Groups: Architectural Products, Precast, Glass, Distribution (Allied), and MMI.



Mark Schack, CEO Oldcastle Precast   Celeste Mastin, CEO Oldcastle MMI   Michael Lynch, CEO Oldcastle Distribution   Doug Black, CEO Oldcastle Materials   Mark Towe, CEO Oldcastle, Inc.   Bill Sandbrook, CEO Oldcastle P&D   Michael O'Driscoll, CFO Oldcastle, Inc.   Ted Hathaway, CEO Oldcastle Glass   Keith Haas, CEO Oldcastle APG

### Our Culture

CRH and Oldcastle's culture has always been one of a decentralized organization with leadership and support from the center. Over the last 30 years there has been a clear development strategy and maintenance of a balanced portfolio, always with the focus on delivering superior Performance and Growth as a responsible international leader in the building materials sector.



The sharing of best practices in the areas of health and safety, operations, and the environment has been important to the success of the company. Corporate Social Responsibility is embedded in our culture.

People are recognized as the key asset at all levels of the organization. Our strong team includes entrepreneurs, home-grown managers, skilled professionals, and employees at all levels who take pride in the work that we do to service the construction industry. Our strong work ethic unites us and will serve us well in the future, as it has in the past!