

Maintaining its reputation for producing high quality, reliable and value for money goods

McGrath Limestone Works Ltd

McGRATH LIMESTONE WORKS LTD IS A WELL ESTABLISHED, FAMILY RUN COMPANY, IN THE MARKET FOR NEARLY 60 YEARS. WE PRIDE OURSELVES ON PRODUCING HIGH-QUALITY AND VALUE- FOR-MONEY PRODUCTS AND BUILDING STRONG, LONG-TERM CUSTOMER RELATIONS.

Our employees hold a pivotal role in our success to date and are viewed as a valuable asset to the business. We currently employ 50 people. Our main market/customers are local county councils, building companies, local farmers, animal feed companies etc.

Unfortunately, like most companies in Ireland today, we have seen huge and unprecedented change in the past 18 months in the market, forcing us to re-evaluate the direction and strategy of the company. The past year has proven quite difficult and turnover decreased significantly on 2008 levels. The outlook for 2010 and 2011 is bleak and we anticipate similar or less turnover, with small growth.

All areas of the business and various departments had to be examined in a lateral- thinking manner so as to remain competitive and hold our current market position. To remain competitive we had to reduce prices of all our product lines (concrete, blocks, stone, flowscreed, aggregates, macadam etc.) over the past 12 months. Reducing outgoing costs and overheads was imperative. This was achieved by bargaining for better prices/services with suppliers but still maintaining quality.

After years of research and development of new products and expanding the company into new markets, a new limestone fines plant for the production of calcium carbonate powders was commissioned in 2009. We subsequently introduced our

new products Farmcal (www.farmcal.ie) & Congcal to the market. We are currently supplying the following industries: animal feed, asphalt filler, cubicle lime and feed grade lime (bagged products), renders, peat power stations for CO2 reduction (environmental), concrete industry (for flow screeds and self compacting concrete) and horticultural industry.

We are also currently in the process of extending into phase 2 of the operation which will see us produce all different grades of grits and granular products. These products can be exported abroad for glass production, plastics and pharmaceuticals and are used in the home market for chicken grits and by nutritional animal feed companies. This holds huge potential for the company, expanding the business both at home and abroad.

At the moment and in the current climate we are not buying new machinery/plant unless it is absolutely necessary (i.e. for new product development or expansion). And we always try to buy new machinery if possible, and not rent/lease.

In the current climate a lot of our reps/suppliers have changed their credit terms and are requesting payment a lot faster, but on the other side we are constantly negotiated new lower prices and better value for money from our suppliers.

The government could do a lot more to help the industry. Firstly they could reintroduce farm grants, home improvement



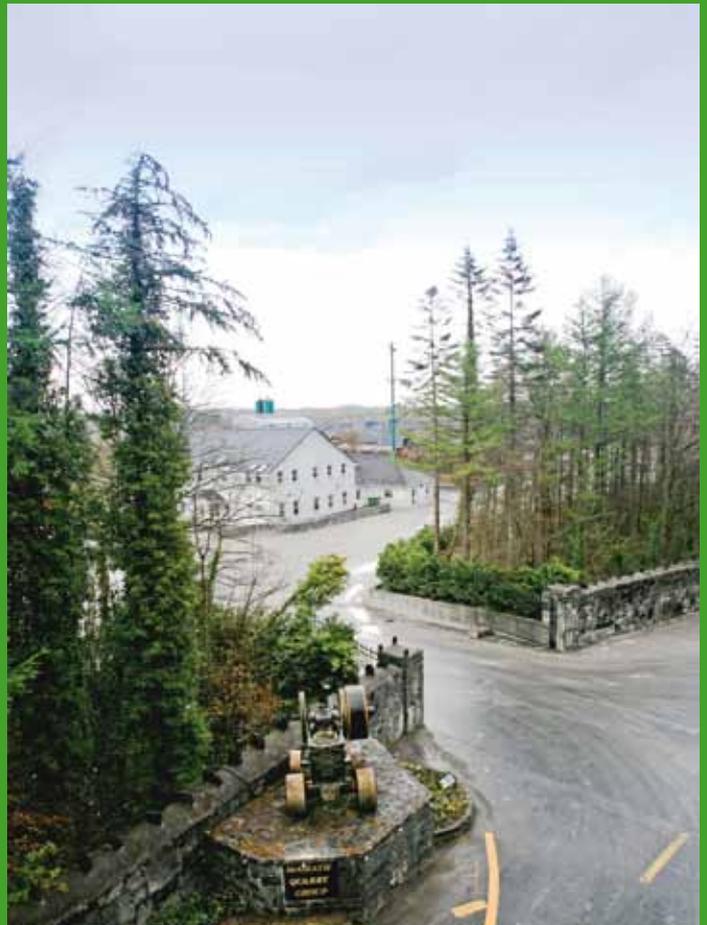
grants etc because we receive business through these schemes. To help the industry, the government should also introduce new legislation to protect businesses and supplier contractors; firstly by insuring all suppliers contractors are paid for government jobs because this is a major problem in Ireland, and secondly tougher laws/sentences for individuals/businesses with outstanding debt.

On a happier note, the company recently won a prestigious European UEPG award in Munich for "Environmental Best Practice, in recognition of its outstanding dedication as a family company in responsible quarrying in a highly sensitive area".

We also won the 2008 Irish Concrete Federation Quarry of the Year award and, as a result, the company was entered into the equivalent European competition for Sustainable Development. There were a total of 30 entries from 10 countries and all entries were assessed by an independent jury of internationally distinguished experts in the fields of biodiversity, conservation, health and safety and mining engineering.

The quarry in Cong, Co Mayo is located on an isthmus between Lough Mask and Lough Corrib, in a very sensitive ecosphere. Aware of our responsibility to the environment, we have addressed environmental issues by constructing a water treatment plant to ensure that only the highest quality, clean water is discharged. In addition, the company has planted a nursery in which many species of trees are growing and we are committed to the protection of all fauna on site by creating protected habitats through the increased depth of buffer zones around the quarry.

Speaking on behalf of McGrath's Limestone Works Ltd at the recent UEPG award, John Joe McGrath said that the award was the result of many years of continuous commitment to the highest standards of environmental management within the company. Mr McGrath added that he was particularly proud of the fact that the judges had taken account of the efforts of the company to carry out its activities in a responsible manner within a highly sensitive area.



Gerry Farrell, the Chief Executive of the Irish Concrete Federation, the national body that represents the aggregates and concrete industry in Ireland, said that the award was an outstanding achievement for McGrath's Limestone Works and said that it showed that the highest standards of environmental practice in Europe could be achieved by Irish companies with the necessary dedication and commitment.

Going forward, the company would hope to maintain its reputation for producing high quality, reliable and value for money goods - while also constantly striving and searching for new business opportunities and providing long-term employment in a rural area of Ireland.

