THIS DOCUMENT AND ANY ACCOMPANYING DOCUMENTS ARE IMPORTANT AND REQUIRE YOUR IMMEDIATE ATTENTION. If you are in any doubt as to what action you should take, you are recommended to consult immediately your stockbroker, bank manager, solicitor, accountant, fund manager or other appropriate independent financial adviser being, if you are resident in Ireland, an organisation or firm authorised or exempted pursuant to the European Communities (Markets in Financial Instruments) Regulations (Nos. 1 to 3) 2007 or the Investment Intermediaries Act 1995 (as amended) and, if you are resident in the United Kingdom, a firm authorised under the Financial Services and Markets Act 2000 or from another appropriately authorised adviser if you are in a territory outside Ireland or the United Kingdom.

If you sell or have sold or have otherwise transferred all of your Existing Ordinary Shares (other than ex-rights) in certificated form before 8.00 a.m. on 4 March 2009 (the "**Ex-Rights Date**") please send this Prospectus and any other documents issued by the Company in connection with the Rights Issue, if and when received, at once to the purchaser or transferee or to the bank, stockbroker or other agent through whom the sale or transfer was effected for delivery to the purchaser or transferee except that such documents should not be sent to any jurisdiction where to do so might constitute a violation of local securities laws or regulations, including but not limited to any Excluded Territories. If you sell or have sold or have otherwise transferred all or some of your Existing Ordinary Shares (other than ex-rights) held in uncertificated form before the Ex-Rights Date, a claim transaction will automatically be generated by Euroclear which, on settlement, will transfer the appropriate number of Nil Paid Rights to the purchaser or transferee. If you sell or have sold or have otherwise transferred only some of your Existing Ordinary Shares (other than ex-rights) held in certificated form before the Ex-Rights Date, you should refer to the instruction regarding split applications in Part IX (*Terms and Conditions of the Rights Issue*) and in the Provisional Allotment Letter.

The distribution of this Prospectus or any other documents issued by the Company in connection with the Rights Issue and the transfer of Nil Paid Rights, Fully Paid Rights and New Ordinary Shares into jurisdictions other than Ireland and the United Kingdom may be restricted by law and therefore persons into whose possession this Prospectus, or any other documents issued by the Company in connection with the Rights Issue, comes should inform themselves about and observe such restrictions. Any failure to comply with any such restrictions may constitute a violation of the securities laws or regulations of such jurisdictions. In particular, subject to certain exceptions, this Prospectus or any other documents issued by the Company in connection with the Rights Issue should not be distributed, forwarded to or transmitted in any Excluded Territories. All Overseas Shareholders and any person (including, without limitation, agents, custodians, nominees or trustees) who has a contractual or other legal obligation to forward this Prospectus or any other documents issued by the Company in connection with the Rights Issue, if and when received, to a jurisdiction outside Ireland or the United Kingdom should read section 3 of Part IX (*Terms and Conditions of the Rights Issue*).

This Prospectus has been drawn up in accordance with Part 5 of the Investment Funds, Companies and Miscellaneous Provisions Act 2005 of Ireland, the Irish Prospectus Regulations, and the EU Prospectus Regulation. This Prospectus has been approved by the Irish Financial Services Regulatory Authority (the "Financial Regulator"), as competent authority under the Prospectus Directive 2003/71/EC. The Financial Regulator only approves this Prospectus as meeting the requirements imposed under Irish and EU law pursuant to the Prospectus Directive 2003/71/EC. Such approval relates only to the New Ordinary Shares which are to be admitted to trading on the regulated market of the Irish Stock Exchange or other regulated markets for the purposes of Directive 2004/39/EC or which are to be offered to the public in any member state of the European Economic Area. This Prospectus has been made available to the public in Ireland in accordance with Part 8 of the Irish Prospectus Regulations by the same being made available, free of charge, in electronic form on the Company's website www.crh.com and in printed format until 11.00 a.m. on 18 March 2009 at the Company's registered office, at the registered office of Capita Registrars and at the registered offices of the Underwriters, details of which are set out in Part VI (*Directors, Company Secretary, Registered Office and Advisers*). Copies of this Prospectus can also be obtained by Qualifying Shareholders by calling the Shareholder Helpline to request a copy. The Company has requested that the Financial Regulator provides a certificate of approval and a copy of this Prospectus to the competent authority, for the purposes of Prospectus Directive 2003/71/EC, in the United Kingdom.

The Ordinary Shares are listed on the Official Lists and are traded on the regulated markets for listed securities of the Irish Stock Exchange and the London Stock Exchange. Application has been made to the Irish Stock Exchange and the UK Listing Authority for 152,087,952 New Ordinary Shares, nil paid and fully paid, to be admitted to the Official Lists and application has been made to the Irish Stock Exchange and the London Stock Exchange for such New Ordinary Shares, nil paid and fully paid, to be admitted to trading on their respective regulated markets for listed securities. It is expected that such admission will become effective and that dealings will commence in the New Ordinary Shares, nil paid, at 8.00 a.m. on 4 March 2009.

CRH plc

(incorporated in Ireland under the Companies Acts with registered number 12965)

2 for 7 Rights Issue of 152,087,952 New Ordinary Shares at €8.40 each

UBS Investment Bank **Davy**

Joint Global Co-ordinators, Joint Bookrunners and Joint Sponsors

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Your attention is drawn to the letter from your Chairman which is set out in Part VII (*Letter from the Chairman of CRH*). You should read the whole of this Prospectus and any documents incorporated herein by reference (a list is set out in Part XVI (*Documents Incorporated by Reference*)). Qualifying Shareholders and any other persons contemplating a purchase of Nil Paid Rights, Fully Paid Rights or New Ordinary Shares should review the risk factors set out in Part II (*Risk Factors*) for a discussion of certain factors that should be considered when deciding on what action to take in relation to the Rights Issue and deciding whether or not to purchase Nil Paid Rights, Fully Paid Rights or New Ordinary Shares.

This Prospectus is intended for use in connection with offers and sales of the Nil Paid Rights, the Fully Paid Rights, the Provisional Allotment Letters and the New Ordinary Shares outside the United States and any other Excluded Territory and must not be sent or given to any person within the United States or any other Excluded Territory. The Nil Paid Rights, the Fully Paid Rights, the Provisional Allotment Letters and the New Ordinary Shares have not been and will not be registered under the US Securities Act or under any securities laws of any state or other jurisdiction of the United States, or any other Excluded Territory, and may not be offered, sold, taken up, exercised, resold, renounced, transferred or delivered, directly or indirectly, within the United States or any other Excluded Territory, except pursuant to an applicable exemption from the registration requirements of the US Securities Act (in the case of the United States) and in compliance with any applicable securities laws of any state or other jurisdiction of the United States or any other Excluded Territory. There will be no public offer in the United States or in any other Excluded Territory.

UBS Limited is acting exclusively for CRH, as joint sponsor for the purposes of the Listing Rules of the Irish Stock Exchange, sole sponsor for the purposes of the Listing Rules made by the FSA, joint global co-ordinator and joint bookrunner, and no one else in connection with the Rights Issue and will not regard any other person (including the recipients of this Prospectus) as a client in relation to the Rights Issue and will not be responsible to anyone other than the Company for providing the protections afforded to its customers or for providing advice in relation to the Rights Issue or any other matters referred to in this Prospectus. Apart from the responsibilities and liabilities, if any, which may be imposed by the FSMA, the Financial Regulator or any applicable Irish law, UBS Limited makes no representation, express or implied, with respect to the accuracy, verification or completeness of any information contained in this Prospectus and accepts no responsibility for, nor does it authorise, the contents of this Prospectus or its publication, including without limitation under section 41 of the Investment Funds, Companies and Miscellaneous Provisions Act 2005 or Regulation 31 of the Irish Prospectus Regulations, or any other statement made or purported to be made by the Company, or on its behalf, in connection with the Rights Issue, Admission, the New Ordinary Shares or any of the other arrangements described in this Prospectus, and accordingly disclaims all and any liability whatsoever whether arising out of tort, contract or otherwise which it might otherwise have to any person other than CRH in respect of this Prospectus or any other statement.

Davy (which is regulated in Ireland by the Financial Regulator) is acting exclusively for CRH, as joint sponsor for the purposes of the Listing Rules of the Irish Stock Exchange, joint global co-ordinator and joint bookrunner, and no one else in connection with the Rights Issue and will not regard any other person (including the recipients of this Prospectus) as a client in relation to the Rights Issue and will not be responsible to anyone other than the Company for providing the protections afforded to its customers or for providing advice in relation to the Rights Issue or any other matters referred to in this Prospectus. Apart from the responsibilities and liabilities, if any, which may be imposed by the Financial Regulator or any applicable Irish law, Davy makes no representation, express or implied, with respect to the accuracy, verification or completeness of any information contained in the Prospectus and accepts no responsibility for, nor does it authorise, the contents of this Prospectus or its publication, including without limitation under section 41 of the Investment Funds, Companies and Miscellaneous Provisions Act 2005, or Regulation 31 of the Irish Prospectus Regulations, or any other statement made or purported to be made by the Company, or on its behalf, in connection with the Rights Issue, Admission, the New Ordinary Shares or any of the other arrangements described in this Prospectus, and accordingly disclaims all and any liability whatsoever whether arising out of tort, contract or otherwise which it might otherwise have to any person other than CRH in respect of this Prospectus or any other statement.

Barclays (which is authorised and regulated by the FSA), BNPP and RBS Hoare Govett (which is authorised and regulated by the FSA) are acting exclusively for CRH, as co-bookrunners, and no one else in connection with the Rights Issue and will not regard any other person (including the recipients of this Prospectus) as a client in relation to the Rights Issue and will not be responsible to anyone other than the Company for providing the protections afforded to their customers or for providing advice in relation to the Rights Issue or any other matters referred to in this Prospectus. Apart from the responsibilities and liabilities, if any, which may be imposed by the FSMA, the Financial Regulator or any applicable Irish law, Barclays, BNPP and RBS Hoare Govett each make no representation, express or implied, with respect to the accuracy, verification or completeness of any information contained in this Prospectus and accepts no responsibility for, nor do they authorise, the contents of this Prospectus or its publication, including without limitation under section 41 of the Investment Funds, Companies and Miscellaneous Provisions Act 2005 or Regulation 31 of the Irish Prospectus Regulations, or any other statement made or purported to be made by the Company, or on its behalf, in connection with the Rights Issue, Admission, the New Ordinary Shares or any of the other arrangements described in this Prospectus, and accordingly disclaim all and any liability whatsoever whether arising out of tort, contract or otherwise which they might otherwise have to any person other than CRH in respect of this Prospectus or any other statement.

The Underwriters may, in accordance with applicable legal and regulatory provisions and subject to the Underwriting Agreement, engage in transactions in relation to the Nil Paid Rights, the Fully Paid Rights, the New Ordinary Shares and/or related instruments for their own account for the purpose of hedging their underwriting exposure or otherwise. Except as required by applicable law or regulation, the Underwriters do not propose to make any public disclosure in relation to such transactions.

SUBJECT TO CERTAIN EXCEPTIONS, THE RIGHTS ISSUE DESCRIBED IN THIS PROSPECTUS IS NOT BEING MADE TO CRH SHAREHOLDERS OR INVESTORS IN THE UNITED STATES OR ANY OTHER EXCLUDED TERRITORY AND NO DOCUMENT ISSUED BY THE COMPANY IN CONNECTION WITH THE RIGHTS ISSUE IS OR CONSTITUTES AN INVITATION OR OFFER OF SECURITIES FOR SUBSCRIPTION, SALE OR PURCHASE TO ANY PERSON WITH A REGISTERED ADDRESS, OR WHO IS RESIDENT OR LOCATED IN THE UNITED STATES OR ANY OTHER EXCLUDED TERRITORY.

The Nil Paid Rights, the Fully Paid Rights, the Provisional Allotment Letters and the New Ordinary Shares have not been approved or disapproved by the SEC, any state securities commission in the United States or any other US regulatory authority, nor have any of the foregoing authorities passed upon or endorsed the merits of the offering of the Nil Paid Rights, the Fully Paid Rights, the Provisional Allotment Letters and the New Ordinary Shares or the accuracy or adequacy of this Prospectus. Any representation to the contrary is a criminal offence in the United States. The Nil Paid Rights, the Fully Paid Rights and the New Ordinary Shares offered outside the United States are being offered in reliance on Regulation S under the US Securities Act. In addition, until 40 days after the commencement of the Rights Issue, an offer, sale or transfer of the Nil Paid Rights, the Fully Paid Rights, the Provisional Allotment Letters and the New Ordinary Shares within the United States by a dealer (whether or not participating in the Rights Issue) may violate the registration requirements of the US Securities Act.

Capitalised terms have the meanings ascribed to them in Part XVII (*Definitions*).

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PART I – SUMMARY

The following summary information should be read as an introduction to the more detailed information appearing elsewhere in this Prospectus. Any investment decision relating to the Rights Issue should be based on the consideration of this Prospectus as a whole. Where a claim relating to the information contained in this Prospectus is brought before a court in a member state of the EEA, a plaintiff investor may, under the national legislation of that member state, be required to bear the costs of translating this Prospectus before legal proceedings are initiated. Civil liability attaches to those persons who have tabled this summary, including any translation of this summary, and applied for its notification, but only if this summary is misleading, inaccurate or inconsistent when read together with the other parts of this Prospectus.

1. Background to and reasons for the Rights Issue

Today the Board announced its intention to undertake a Rights Issue which is expected to raise approximately €1.238bn, net of expenses.

€500m of the net proceeds from the Rights Issue will be used to make an early repayment of borrowings under existing facilities. The remaining €738m of the net proceeds of the Rights Issue will, together with the extension of maturity of debt totalling €670m, provide increased headroom to fund strategically important and value-enhancing acquisitions and be used for general corporate purposes. Acquisitions are sought which meet the Company's criteria for cash flow, return on investment and profitability, with the objective of delivering strong and sustained shareholder returns. Acquisitions are made where they strengthen CRH's position in specific markets or product areas, or add to existing capabilities.

2. Principal terms of the Rights Issue

The Company is offering 152,087,952 New Ordinary Shares by way of rights to Qualifying Shareholders at €8.40 per New Ordinary Share. The Rights Issue is expected to raise approximately €1.238bn, net of expenses. The Rights Issue will be on the basis of 2 New Ordinary Shares for every 7 Existing Ordinary Shares held by each Qualifying Shareholder. The Issue Price represents a 39.3 per cent. discount to the theoretical ex-rights price based on the Closing Price of an Ordinary Share of €15.40 on 2 March 2009 (being the last Business Day before the publication of this Prospectus). The Rights Issue will be made to all Qualifying Shareholders.

The Rights Issue is fully underwritten by the Underwriters pursuant to the Underwriting Agreement, the principal terms of which are summarised in paragraph 14.1 of Part XV (*Additional Information*). The Rights Issue is conditional, *inter alia,* upon:

2.1 the Underwriting Agreement having become unconditional in all respects, (save for the condition relating to Admission) and not having been terminated in accordance with its terms; and

2.2 Admission becoming effective by not later than 8.00 a.m. on 4 March 2009 (or such later time and date as the parties to the Underwriting Agreement may agree).

It is expected that Admission will become effective and that dealings will commence in the New Ordinary Shares, nil paid, at 8.00 a.m. on 4 March 2009.

The latest time and date for acceptance and payment in full under the Rights Issue is expected to be 11.00 a.m. on 18 March 2009.

3. Current trading and prospects

Building materials is an inherently cyclical business linked primarily to GDP growth in local economies. CRH's balance across regions, products and building and construction sectors is one of the key drivers of the Group's strategy. CRH's relentless focus on performance, with multiple growth platforms from which to pursue value-creating opportunities and dedicated people with the ambition to achieve, operating in an environment which values strong governance and prudent policies, underpin CRH's ability and intention to deliver consistent performance and returns over the long term. CRH has delivered a robust set of results in 2008, in a challenging business climate with full year profits before tax of €1.6bn, a decrease of 14 per cent. compared to the record result in 2007.

The outlook for 2009 is extremely challenging. January and February have seen the most severe winter for many years in both Europe and North America and this will exacerbate the impact of already weak markets on the outcome for the first half of the year, which in 2008 benefited from a relatively mild winter and a generally positive trading backdrop across Europe. The first half of 2009 is therefore expected to be sharply lower than 2008. However, lower energy costs, ongoing interest rate reductions and the recently agreed infrastructure stimulus

package in the United States should encourage activity as the year progresses. Consequently, given the weaker relative performance in the second half of 2008, the underperformance anticipated in the first half of 2009 is expected to moderate in the seasonally more important second half of 2009. Management's attention and efforts are resolutely focused on commercial delivery and on ensuring that CRH's businesses are strongly positioned, through cost reduction and cash generation measures, to deal with whatever trading circumstances may evolve. In addition, CRH continues to strengthen its financial flexibility in order to ensure that the Group is well positioned to take advantage, in its traditional long-established disciplined manner, of a likely increased flow of development opportunities as the year progresses.

A final dividend of 48.5c per Ordinary Share for the financial year ended 31 December 2008 (2007: 48c per Ordinary Share) is now being recommended by the Board. This, if approved by the Annual General Meeting on 6 May 2009, will result in a total dividend for 2008 of 69c, an increase of 1.5 per cent. over 2007, and representing 2008 dividend cover of 3.4 times. This would constitute CRH's 25th consecutive year of dividend increase at a compound annual rate of 14 per cent. Holders of New Ordinary Shares issued pursuant to the Rights Issue will not be entitled to receive, in respect of those New Ordinary Shares, the 2008 final dividend.

4. Selected Financial Information on CRH

The consolidated financial statements of CRH and its subsidiaries together with the audit reports thereon, as set out in the 2006 Financial Statements and the 2007 Financial Statements, are incorporated by reference into this Prospectus. The 2008 Financial Statements (including the audit report thereon) are set out at section 3 of Part XII (*Financial Information on CRH*).

The consolidated annual financial statements of CRH have been audited by Ernst & Young, independent auditors, a firm of chartered accountants registered with the Institute of Chartered Accountants in Ireland. Ernst & Young has issued an unqualified audit opinion on the consolidated financial statements of the Group for each of the financial years ended 31 December 2006, 2007 and 2008.

The selected historical financial information and other historical financial information in relation to CRH in this Part I has, unless otherwise stated, been extracted without material adjustment from, and should be read together with the 2006 Financial Statements, the 2007 Financial Statements and the 2008 Financial Statements.

(a) Consolidated statements of income

	Year ended 31 December		
	2008	2007	2006
	€m	€m	€m
Continuing operations			
Revenue	20,887	20,992	18,737
Cost of sales	(14,738)	(14,715)	(13,123)
Gross profit	6,149	6,277	5,614
Operating costs	(4,308)	(4,191)	(3,847)
Group operating income	1,841	2,086	1,767
Gain on sale of investments and property, plant and equipment	69	57	40
Income before finance costs	1,910	2,143	1,807
Finance costs	(503)	(473)	(407)
Finance revenue	160	170	155
Group share of associates' income after tax	61	64	47
Income before tax	1,628	1,904	1,602
Income tax expense	(366)	(466)	(378)
Group net income for the financial year	1,262	1,438	1,224
Net income attributable to:			
Equity holders of the Company	1,248	1,430	1,210
Minority interest	14	8	14
Group net income for the financial year	1,262	1,438	1,224
Basic earnings per Ordinary Share	233.1c	262.7c	224.3c
Diluted earnings per Ordinary Share	231.8c	260.4c	222.4c

(b) Consolidated balance sheets

	As at 31 December		
	2008	2007	2006
	€m	€m	€m
ASSETS			
Non-current assets			
Property, plant and equipment	8,888	8,226	7,480
Intangible assets	4,108	3,692	2,966
Investments in associates	743	574	554
Other financial assets	127	78	97
Derivative financial instruments	416	124	74
Deferred income tax assets	333	336	489
Total non-current assets	14,615	13,030	11,660
Current assets			
Inventories	2,473	2,226	2,036
Accounts receivable and prepayments	3,096	3,199	3,172
Derivative financial instruments	10	9	5
Liquid investments	128	318	370
Cash and cash equivalents	799	1,006	1,102
Total current assets	6,506	6,758	6,685
Total assets	21,121	19,788	18,345
EQUITY			
Share capital	187	187	185
Additional paid-in capital	2,448	2,420	2,318
Own shares	(378)	(19)	(14)
Other reserves	87	70	52
Foreign currency translation reserve	(644)	(547)	(137)
Accumulated income	6,387	5,843	4,659
Shareholders' equity	8,087	7,954	7,063
Minority interest	70	66	41
Total equity	8,157	8,020	7,104
LIABILITIES			
Non-current liabilities			
Interest-bearing loans and borrowings	6,277	5,928	5,313
Derivative financial instruments	84	52	47
Deferred income tax liabilities	1,461	1,312	1,301
Accounts payable and accrued liabilities	137	141	160
Retirement benefit obligations	414	95	262
Provisions for liabilities	253	248	320
Capital grants	14	11	10
Total non-current liabilities	8,640	7,787	7,413
Current liabilities			
Accounts payable and accrued liabilities	2,919	2,956	2,788
Current income tax liabilities	186	244	216
Interest-bearing loans and borrowings	1,021	570	645
Derivative financial instruments	62	70	38
Provisions for liabilities	136	141	141
Total current liabilities	4,324	3,981	3,828
Total liabilities	12,964	11,768	11,241
Total equity and liabilities	21,121	19,788	18,345

(c) Consolidated statements of cash flows

	Year ended 31 December		
	2008	2007	2006
	€m	€m	€m
Cash flows from operating activities			
Income before tax	1,628	1,904	1,602
Finance costs (net)	343	303	252
Group share of associates' income after tax	(61)	(64)	(47)
Gain on sale of investments and property, plant and equipment	(69)	(57)	(40)
Group operating income	1,841	2,086	1,767
Depreciation charge	781	739	664
Share-based payments	24	23	16
Amortisation of intangible assets	43	35	25
Amortisation of capital grants	(3)	(3)	(2)
Net movement on provisions	(28)	(49)	11
Other non-cash movements	(15)	(2)	10
Decrease/(increase) in working capital	(57)	261	(132)
Cash generated from operations	2,586	3,090	2,359
Interest paid (including finance leases)	(371)	(352)	(253)
Irish corporation tax paid	(18)	(18)	(20)
Overseas corporation tax paid	(304)	(370)	(358)
Net cash inflow from operating activities	1,893	2,350	1,728
Cash flows from investing activities			
Inflows			
Proceeds from sale of investments and property, plant and equipment	168	156	252
Interest received	51	64	46
Capital grants received	4	3	—
Dividends received from associates	42	30	22
	265	253	320
Outflows			
Purchase of property, plant and equipment	(1,039)	(1,028)	(832)
Acquisition of subsidiaries and joint ventures	(777)	(1,858)	(1,978)
Investments in and advances to associates	(156)	—	(7)
Advances to joint ventures and purchase of trade investments	(50)	(40)	(13)
Deferred and contingent acquisition consideration paid	(34)	(107)	(74)
	(2,056)	(3,033)	(2,904)
Net cash outflow from investing activities	(1,791)	(2,780)	(2,584)
Cash flows from financing activities			
Inflows			
Proceeds from issue of shares	6	36	87
Shares issued to minority interests	—	—	3
Decrease in liquid investments	175	29	—
Increase in interest-bearing loans and borrowings	1,379	1,481	1,708
Increase in finance lease liabilities	3	2	3
	1,563	1,548	1,801
Outflows			
Ordinary Shares purchased (treasury and own shares), net	(383)	(31)	(15)
Increase in liquid investments	—	—	(35)
Repayment of interest-bearing loans and borrowings	(1,008)	(753)	(656)
Repayment of finance lease liabilities	(16)	(27)	(13)
Net cash movement in derivative financial instruments	(100)	(113)	(29)
Dividends paid to equity holders of the Company	(347)	(250)	(197)
Dividends paid to minority interests	(5)	(5)	(12)
	(1,859)	(1,179)	(957)
Net cash (outflow)/inflow from financing activities	(296)	369	844
Decrease in cash and cash equivalents	(194)	(61)	(12)

	Year ended 31 December		
	2008	2007	2006
	€m	€m	€m
Reconciliation of opening to closing cash and cash equivalents			
Cash and cash equivalents at 1 January	1,006	1,102	1,149
Translation adjustment	(13)	(35)	(35)
Decrease in cash and cash equivalents	(194)	(61)	(12)
Cash and cash equivalents at 31 December	799	1,006	1,102

As at 31 December 2008, the total indebtedness of the Group was €6.1bn, and the capital and other reserves (total equity) of the Group was €8.2bn.

5. Significant Change

Save for the adverse impact of severe weather in January and February 2009, as described in Part VII (*Letter from the Chairman of CRH*), there has been no significant change in the trading or financial position of the Group since 31 December 2008 (the date to which the latest published financial information of CRH was prepared).

6. Working Capital

CRH is, and the Directors are, of the opinion that, after taking into account existing available bank and other facilities, cash and liquid investments and the net proceeds of the Rights Issue, the Group has sufficient working capital for its present requirements, that is for a period of at least 12 months following the date of this Prospectus.

7. Summary of Risk Factors

The following factors could result in an adverse impact on the Group's financial condition and results of operations and should be carefully considered by CRH Shareholders:

7.1 Risks related to CRH

(a) Current global economic conditions have negatively impacted and may continue to impact CRH's business, results of operations and financial condition.

(b) CRH may suffer from decreased customer demand as a consequence of reduced construction activity.

(c) CRH's business may be affected by the default of counterparties in respect of money owed to CRH.

(d) CRH operates in cyclical industries which are affected by factors beyond Group control such as the level of construction activity, fuel and raw material prices, which are in turn affected by the performance of national economies, the implementation of economic policies by sovereign governments and political developments.

(e) CRH pursues a strategy of growth through acquisitions. CRH may not be able to continue to grow as contemplated in its business plan if CRH is unable to identify attractive targets, raise funds on acceptable terms, complete such acquisition transactions and integrate the operations of acquired businesses.

(f) CRH faces strong competition in its various markets, and if CRH fails to compete successfully its market share will decline.

(g) Existing products may be replaced by substitute products which CRH does not produce and, as a result, CRH may lose market share in the markets for these products.

(h) Severe weather can reduce construction activity and lead to a decrease in demand for Group products in areas affected by adverse weather conditions.

(i) CRH is subject to stringent and evolving environmental and health and safety laws, regulations and standards which could result in costs related to compliance and remediation efforts that may adversely affect Group results of operations and financial condition.

(j) CRH may be adversely affected by governmental regulations.

(k) Economic, political and local business risks associated with international revenue and operations could adversely affect CRH's business.

(l) A write-down of goodwill could have a significant impact on the Group's income and equity.

(m) CRH does not have a controlling interest in certain of the businesses in which it has invested and in the future may invest in businesses in which there will not be a controlling interest. In addition, CRH is subject to restrictions due to minority interests in certain of its subsidiaries.

(n) Financial institution failures may cause CRH to incur increased expenses or make it more difficult either to utilise CRH's existing debt capacity or otherwise obtain financing for CRH's operations or financing activities.

(o) A downgrade in CRH's credit ratings may increase its costs of funding.

(p) CRH has incurred and will continue to incur debt, which could result in increased financing costs and could constrain CRH's business activities.

(q) Many of the Group's subsidiaries operate in a currency other than the euro, and adverse changes in foreign exchange rates relative to the euro could adversely affect Group reported earnings and cash flow.

(r) CRH is exposed to interest rate fluctuations.

7.2 Risks relating to the New Ordinary Shares and the Rights Issue

(a) CRH's share price will fluctuate.

(b) An active trading market in the Nil Paid Rights or Fully Paid Rights may not develop.

(c) CRH's ability to continue to pay dividends will depend on the level of profits and cash flows generated by the Group.

(d) CRH Shareholders who do not acquire New Ordinary Shares in the Rights Issue will experience dilution in their ownership of CRH.

(e) It may be more costly or more complex for investors outside Ireland to serve process on or enforce foreign judgements against CRH in connection with the Rights Issue.

8. Additional Information

8.1 Details of the significant shareholders in the Company are set out in section 9 of Part XV (*Additional Information*).

8.2 Details of the principal related party transactions involving the Company are set out in section 15 of Part XV (*Additional Information*).

8.3 The auditors of the Company are Ernst & Young.

9. Directors

Details of the Executive Directors and Non-Executive Directors of the Company are set out in paragraph 5.1 of Part XV (*Additional Information*).

The Directors intend to subscribe for no less than the number of New Ordinary Shares as can be funded by the sale, nil paid, of their entitlements, to the extent that they are Qualifying Shareholders.

PART II – RISK FACTORS

The following risks should be considered carefully before making any investment decision in respect of taking up rights in the Rights Issue.

The risks set out below are those which the Directors currently believe to be material to the Group and to the securities being offered under the Rights Issue. Some risks are not yet known and some that are not currently deemed material could later turn out to be material. The risks set out below are not presented in any order of priority. All of these risks could materially affect CRH, its reputation, business, results of operations and overall financial condition. In any such case, the market price of Ordinary Shares may decline and the shareholders of CRH could lose all or part of their investment. CRH Shareholders should read this section in conjunction with Part VII (Letter from the Chairman of CRH).

RISKS RELATED TO CRH

Current global economic conditions have negatively impacted and may continue to impact CRH's business, results of operations and financial condition.

CRH's operating and financial performance is influenced by the economic conditions of the countries in which it operates, particularly in Ireland, the European Union and North America. A continuation or worsening of the current strained global economic conditions and the volatility of international markets could result in a further general reduction in business activity and consequent loss of income for CRH. Economic uncertainty exacerbates negative trends in construction activity and may cause certain CRH customers to push out, cancel or refrain from placing orders. Difficulties in obtaining capital and deteriorating market conditions may also lead to the inability of some customers to obtain affordable financing, resulting in lower sales for CRH. These conditions and uncertainty about future economic conditions make it challenging for CRH to forecast its operating results and identify the risks that may affect its business, results of operations and financial condition. If CRH is not able to adapt in sufficient time and appropriately to changes resulting from the difficult environment, CRH's business, results of operations and financial condition may be materially and adversely affected. To the extent government funding through governmental infrastructure programmes is decreased or terminated as a result of these macroeconomic developments or significant change in government policy, Group revenues will be adversely affected because CRH will supply fewer products, or none at all, to such programmes. In addition, a prolonged period of instability in the financial markets would have an adverse impact on the valuations of CRH's pension plan assets and could result in the need for CRH to make additional contributions to its defined benefit plans.

CRH may suffer from decreased customer demand as a consequence of reduced construction activity.

Some of the Group's customers may be reluctant to embark on construction projects in the current market due to the general view that property values will continue to decrease or due to the increased cost or unavailability of debt financing, low investor confidence and concern that the economic downturn will adversely affect occupational demand and rental growth. These factors could result in the possible disruption or curtailment of construction activity which in turn could reduce demand for CRH's products and materials and have a material adverse effect on Group operations, financial performance or prospects.

CRH's business may be affected by the default of counterparties in respect of money owed to CRH.

As a consequence of its normal operations, CRH is often owed significant amounts by contract counterparties (particularly in construction) which amounted to €552m as at 31 December 2008. In addition, CRH often holds significant cash balances on deposit with financial institutions or invested on a short-term basis, which amounted to €927m as at 31 December 2008. These contractual arrangements, deposits and other financial instruments give rise to credit risk on amounts due from counterparties. In the current business environment, there is an increased exposure to the default of counterparties, including financial institutions and customers with bad debts, if the economic conditions continue to worsen, which may among other things, reduce CRH's cashflows.

CRH operates in cyclical industries which are affected by factors beyond Group control such as the level of construction activity, fuel and raw material prices, which are in turn affected by the performance of national economies, the implementation of economic policies by sovereign governments and political developments.

Group financial performance is closely tied to the performance of the residential, industrial and commercial construction markets and to general levels of infrastructural activity. These markets are cyclical and are affected by many factors that are beyond Group control, including:

- the price of fuel and principal raw materials such as bitumen, steel and polystyrene bead (which in 2008, accounted for approximately 11* per cent. of annual Group sales revenues);
- the performance of national economies in the 35 countries in which CRH operates;
- monetary policies in the countries in which CRH operates – for example, the tightening of interest rates usually reduces mortgage financing, which impacts on residential construction activity;
- the allocation of government funding for public infrastructure programs, such as the development of highways in the United States under the "Safe, Accountable, Flexible, Efficient Transportation Equity Act: A Legacy for Users" (SAFETEA-LU) and the National Development Plan in Ireland; and
- the level of demand for construction materials and services.

Each of the above factors could have a material adverse effect on Group operating results and the market price of CRH's securities.

CRH pursues a strategy of growth through acquisitions. CRH may not be able to continue to grow as contemplated in its business plan if CRH is unable to identify attractive targets, raise funds on acceptable terms, complete such acquisition transactions and integrate the operations of acquired businesses.

A key element of the Group's growth strategy is to continue its acquisition strategy mainly through value-enhancing mid-sized deals and occasionally larger strategic acquisitions. With a challenging trading backdrop to many of CRH's businesses, management's focus is limited to acquisition opportunities that offer compelling value and exceptional strategic fit. This strategy depends on the ability to identify and acquire suitable assets at acceptable prices, which meet its stringent cash flow and return on investment criteria, which require new investments to give returns well in excess of CRH's cost of capital. CRH may not be able to identify suitable companies which meet its stringent cash flow and return on investment criteria, and, even if identified, may not be able to acquire them. The current global credit market conditions mean financial institutions are applying more stringent lending criteria and the availability of debt is low by historical comparison. If these conditions worsen further it may be more costly, or impossible, for CRH to raise funds to take advantage of opportunities. At the same time, the Group's competitors also strive to expand through acquisitions and may bid for companies that CRH views as potential acquisition targets. In addition, acquisitions may require competition law approval, the assimilation of new operations, products, services and personnel and may cause dissipation of Group management resources, as management may have to divert attention from day-to-day business operations to focus on addressing such issues. The Group's ability to realise the expected benefits from future acquisitions depends, in large part, on its ability to integrate the new operations with existing operations in a timely and effective manner. Even if CRH is able to acquire suitable companies, it still may not be able to incorporate them successfully into its business and, accordingly, may be deprived of the expected benefits of the acquisitions.

CRH faces strong competition in its various markets, and if CRH fails to compete successfully its market share will decline.

CRH continually faces competition in the markets in which Group companies operate. The competitive environment in which the Group operates can be significantly affected by local factors, such as the number of competitors, production capacity, economic conditions and product demand in the local market. In several markets, downward pricing pressures are experienced from time to time as a result of competitive pressures and the Group is not always able to recover quickly increased operating expenses (caused by factors such as increased fuel and raw material prices) through higher selling prices. If CRH is consistently unable to recover increased operating expenses through higher selling prices, the Group's results of operations could be adversely affected.

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* Source: Unaudited management accounts and internal financial and operating reporting systems

Existing products may be replaced by substitute products which CRH does not produce and, as a result, CRH may lose market share in the markets for these products.

A number of Group products compete with other forms of building products that CRH does not produce. Any significant replacement of the Group's building products by substitute products, which CRH does not produce, could adversely impact market share and results of operations in these markets.

Severe weather can reduce construction activity and lead to a decrease in demand for Group products in areas affected by adverse weather conditions.

Group operations and the demand for a number of Group products are affected by weather conditions in the markets CRH serves. Sustained adverse weather conditions such as rain, extreme cold or snow could disrupt or curtail outdoor construction activity which in turn could reduce demand for CRH's products and have a material adverse effect on Group operations, financial performance or prospects.

CRH is subject to stringent and evolving environmental and health and safety laws, regulations and standards which could result in costs related to compliance and remediation efforts that may adversely affect Group results of operations and financial condition.

CRH is subject to a broad and increasingly stringent range of environmental and health and safety laws, regulations and standards in each of the jurisdictions in which the Group operates. This results in significant compliance costs and could expose the Group to legal liability or place limitations on the development of the Group's operations. The current and evolving laws, regulations and standards relate to, among other things, air (including greenhouse gases, such as the European Union's proposed National Allocation Plan (Phase III) for emissions standards set to begin in 2012) and noise emissions, wastewater discharges, avoidance of soil and groundwater contamination, the use and handling of hazardous materials and waste disposal practices.

Environmental and health and safety laws, regulations and standards also may expose CRH to the risk of substantial costs and liabilities, including liabilities associated with assets that have been sold and activities that have been discontinued. In addition, many of CRH's manufacturing sites have a history of industrial use and, while CRH applies strict environmental operating standards and undertakes extensive environmental due diligence in relation to acquisitions, some soil and groundwater contamination has occurred in the past at a limited number of sites, although to date the remediation costs have not been material to CRH. Currently, a total of 22* sites have reported soil or groundwater contamination issues, mainly due to historical hydrocarbon contamination, which require ongoing monitoring and may require future remediation. Some heavy metal and solvent contamination is present at a small number of these 22 sites. Such contamination might occur or be discovered at other sites in the future. Consistent with the past practice of its business, CRH continues to monitor or remediate soil and groundwater contamination at certain of these sites. Despite CRH's policy and efforts to comply with all applicable environmental laws, CRH may face remediation liabilities and legal proceedings concerning environmental matters.

Based on information currently available, CRH has budgeted capital and revenue expenditures for environmental improvement projects and has established reserves for known environmental remediation liabilities that are probable and reasonably capable of estimation. However, CRH cannot predict environmental matters with certainty, and Group budgeted amounts and established reserves may not be adequate for all purposes. In addition, the development or discovery of new facts, events, circumstances or conditions, including future decisions to close plants, which may trigger remediation liabilities, and other developments such as changes in law or increasingly strict enforcement by governmental authorities, could result in increased costs and liabilities or prevent or restrict some of the Group's operations, which in turn could have a material adverse effect on CRH's reputation, business, results of operations and overall financial condition.

CRH may be adversely affected by governmental regulations.

CRH is subject to various statutes, regulations and laws applicable to businesses generally in the countries and markets in which it operates. These include statutes, regulations and laws affecting land usage, zoning, labour and employment practices, competition, financial reporting, taxation and other matters.

CRH expects its employees to comply with a code of conduct that involves best practice in relation to regulatory matters but cannot guarantee that its operating units will at all times be successful in complying with all demands of

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* Source: Unaudited internal financial and operating reporting systems

regulatory agencies in a manner which will not materially adversely affect its business, financial condition or results of operations.

Economic, political and local business risks associated with international revenue and operations could adversely affect CRH's business.

CRH operates mainly in Western Europe and North America as well as, to a lesser degree, in developing markets in Eastern Europe, South America, Turkey, China and India. The economies of these countries are at different stages of socio-economic development. Consequently, CRH's future results could be harmed by a variety of factors, including:

- changes in the specific country's or region's political or economic conditions, particularly in the emerging markets in which CRH operates;
- trade protection measures and import or export licensing requirements;
- potentially negative consequences from changes in tax laws;
- differing labour regulations;
- unexpected changes in regulatory requirements; and
- state-imposed restrictions on repatriation of funds.

CRH's overall success as a global business depends, in part, upon its ability to succeed in differing and sometimes fast-changing economic, social and political conditions.

A write-down of goodwill could have a significant impact on the Group's income and equity.

An acquisition generates goodwill to the extent that the price paid by CRH exceeds the fair value of the net assets acquired. Acquisitions in recent years have generated substantial goodwill. Additional goodwill may arise as a result of further acquisitions.

Under IFRS, goodwill and indefinite-lived intangible assets are not amortised but are subject to annual impairment tests. Other intangible assets deemed separable from goodwill arising on acquisitions are amortised.

Impairment tests conducted during the 2007 and 2008 financial years indicated that no impairment had occurred. Testing in 2006 identified an impairment in respect of the Group's 45 per cent. share of goodwill in the Cementbouw BV joint venture which was established in 2003 in a leveraged buyout of Cementbouw's materials trading and readymixed concrete operations in the Netherlands, undertaken in conjunction with CRH's 100 per cent. purchase of Cementbouw's distribution, concrete and clay products activities. An impairment loss of €50m was recognised in the consolidated statements of income of CRH for the year ended 31 December 2006 and was reflected in the segment result for Europe Products in that year.

Goodwill does not affect cash flow. However, a full write-down of goodwill at 31 December 2008 would have resulted in a charge to income and reduction in equity of approximately €3.9bn.

CRH does not have a controlling interest in certain of the businesses in which it has invested and in the future may invest in businesses in which there will not be a controlling interest. In addition, CRH is subject to restrictions due to minority interests in certain of its subsidiaries.

CRH has a significant but not controlling interest in certain operations. Some important decisions such as the approval of business plans and decisions as to the timing and amount of cash distributions may require the consent of CRH's partners or may be approved without CRH's consent. These limitations could make it difficult for CRH to pursue corporate objectives in the future.

CRH conducts its business through subsidiary companies. In some cases, minority shareholders hold significant interests in these subsidiaries. Various disadvantages may result from the participation of minority shareholders whose interests may not always align with those of CRH. The presence of minority interests may, among other things, impede CRH's ability to implement organisational efficiencies and transfer cash and assets from one subsidiary to another in order to allocate assets most effectively.

Financial institution failures may cause CRH to incur increased expenses or make it more difficult either to utilise CRH's existing debt capacity or otherwise obtain financing for CRH's operations or financing activities.

CRH's ability to access sources of liquidity during periods of liquidity stress (such as have been experienced in recent months) may be constrained as a result of current and future market conditions. If CRH is unable to fund future operations by way of financing, its business, financial condition and results of operations will be adversely impacted. No statement contained in this risk factor should be taken as qualifying the statements made as to sufficiency of working capital in section 16 of Part XV (*Additional Information*).

A downgrade in CRH's credit ratings may increase its costs of funding.

CRH's credit ratings of Baa1/BBB+ are on negative outlook with Moody's Investors Services and Standard & Poor's, respectively, and may be downgraded from current levels. A downgrade may result from specific factors relevant to CRH or from other factors (such as general economic weakness or sovereign credit rating ceilings).

Any material deterioration in CRH's existing credit ratings may significantly reduce its access to the debt markets and increase its borrowing costs including interest rates payable on existing and future debt. Any of these factors could have a material adverse effect on CRH's businesses, results of operations and overall financial condition.

CRH has incurred and will continue to incur debt, which could result in increased financing costs and could constrain CRH's business activities.

CRH has incurred and will continue to incur significant amounts of debt in order to finance its business and ongoing acquisition programme. As of 31 December 2008, CRH had outstanding net indebtedness of approximately €6.1bn. A significant portion of CRH's cash generated from operations is dedicated to the payment of principal and interest on its indebtedness and will not be available for other purposes. In 2008, this portion was 22 per cent. (2007: 17 per cent., 2006: 29 per cent.). If CRH's earnings were to decline significantly, it could experience difficulty in servicing its debt instruments.

CRH has entered into certain financing agreements containing restrictive covenants, which could limit its operating and financial flexibility. Such covenants require CRH to maintain a certain minimum interest cover ratio, a certain minimum ratio of current assets to current liabilities, a certain maximum ratio of net debt to EBITDA and a minimum net worth, and place a maximum limit on the ratio of net debt to net worth. These restrictions could limit CRH's flexibility in planning for, and reacting to, competitive pressures and changes in its business, industry and general economic conditions and limit its ability to make strategic acquisitions and capitalise on business opportunities.

Many of the Group's subsidiaries operate in a currency other than the euro, and adverse changes in foreign exchange rates relative to the euro could adversely affect Group reported earnings and cash flow.

A significant portion of Group revenues and expenses originates in currencies other than the euro, primarily in US dollars, pounds sterling, Swiss francs and Polish zloty. As at 31 December 2008, approximately 72 per cent. of Group shareholders' funds were denominated in currencies other than the euro, predominantly the US dollar (41 per cent.). As a result, from year to year, adverse changes in the exchange rates used to translate foreign currencies into euro, such as the weakening of the US dollar against the euro, has impacted and may continue to impact the Group's reported results. It is the Group's policy to hedge partially its investment in foreign currencies by ensuring that net worth, net debt and net interest are spread across the currencies in which the Group operates, but otherwise CRH does not generally engage in hedging transactions to reduce Group exposure to foreign exchange translation risk.

CRH is exposed to interest rate fluctuations.

CRH is exposed to movements in interest rates which affect the amount of interest paid on borrowings and the return on its cash investments. As at 31 December 2008, 52 per cent. of CRH's net debt was at floating interest rates. Any increase in relevant floating interest rates would reduce CRH's profits.

RISKS RELATING TO THE NEW ORDINARY SHARES AND THE RIGHTS ISSUE

CRH's share price will fluctuate.

The market price of the New Ordinary Shares (including the Nil Paid Rights and the Fully Paid Rights) and/or the Existing Ordinary Shares could be subject to significant fluctuations due to a change in sentiment in the market regarding the New Ordinary Shares (including the Nil Paid Rights and the Fully Paid Rights) and/or the Existing Ordinary Shares. Such risks depend on the market's perception of the likelihood of completion of the Rights Issue,

and/or in response to various facts and events, including, but not limited to, any regulatory changes affecting the Group's operations, variations in the Group's operating results and business developments of the Group and/or its competitors. Stock markets have, from time to time, experienced significant price and volume fluctuations that have affected the market prices for securities and which may be unrelated to the Group's operating performance or prospects. Furthermore, the Group's operating results and prospects from time to time may be below the expectations of market analysts and investors. Any of these events could result in a decline in the market price of the Nil Paid Rights, the Fully Paid Rights and/or the Existing Ordinary Shares.

An active trading market in the Nil Paid Rights or Fully Paid Rights may not develop.

An active trading market in the Nil Paid Rights or Fully Paid Rights may not develop on the Irish Stock Exchange and/or the London Stock Exchange, respectively, during the trading period. In addition, because the trading price of the Nil Paid Rights and the Fully Paid Rights depends on the trading price of the Ordinary Shares, the price of Nil Paid Rights and Fully Paid Rights may be volatile and subject to the same risks as noted elsewhere herein.

CRH's ability to continue to pay dividends will depend on the level of profits and cash flows generated by the Group.

Under Irish company law, a company can only pay cash dividends to the extent that it has distributable reserves and cash available for this purpose. As a holding company, CRH's ability to pay dividends in the future is affected by a number of factors, principally its ability to receive sufficient dividends from subsidiaries. The payment of dividends to CRH by its subsidiaries is, in turn, subject to restrictions, including certain regulatory requirements and the existence of sufficient distributable reserves and cash in CRH's subsidiaries.

The ability of these subsidiaries to pay dividends and CRH's ability to receive distributions from its investments in other entities are subject to applicable local laws and regulatory requirements and other restrictions, including, but not limited to, applicable tax laws and covenants in some of CRH's debt facilities. These laws and restrictions could limit the payment of dividends and distributions to CRH by its subsidiaries, which could in the future restrict CRH's ability to fund other operations or to pay a dividend to holders of the Existing Ordinary Shares or the New Ordinary Shares.

CRH Shareholders who do not acquire New Ordinary Shares in the Rights Issue will experience dilution in their ownership of CRH.

If CRH Shareholders, including CRH Shareholders in the United States and other jurisdictions where their participation is restricted for legal, regulatory and other reasons, do not take up the offer of New Ordinary Shares under the Rights Issue, their proportionate ownership and voting interests in CRH will be reduced and the percentage of the total share capital of the Company that their Existing Ordinary Shares will represent will be reduced accordingly. Even if a CRH Shareholder elects to sell his unexercised Nil Paid Rights, or such Nil Paid Rights are sold on his behalf, the consideration he receives may not be sufficient to compensate him fully for the dilution of his percentage ownership of the Company's share capital that may be caused as a result of the Rights Issue.

It may be more costly or more complex for investors outside Ireland to serve process on or enforce foreign judgements against CRH in connection with the Rights Issue.

CRH is a public limited company incorporated in Ireland. The rights of CRH Shareholders are governed by Irish law and by the Memorandum and Articles of Association. These rights may differ from the rights of shareholders in typical US corporations and some other non-Irish corporations. Most of the Directors are resident in Ireland. As a result it may be more complex or more costly for investors outside Ireland to serve process on or enforce foreign judgements against CRH or its Directors in connection with the Rights Issue.

PART III – IMPORTANT INFORMATION

SHAREHOLDER HELPLINE

Part VIII (*Some Questions and Answers about the Rights Issue*) answers some of the questions most often asked by shareholders about rights issues. If Qualifying CREST Shareholders or Qualifying Non-CREST Shareholders have any further queries regarding the procedure for acceptance and payment, they should contact the Shareholder Helpline on (01) 810 2465 (if calling from Ireland) or +353 1 810 2465 (if calling from outside Ireland) between 9.00 a.m. and 5.00 p.m. on any Business Day.

Please note that, for legal reasons, the Shareholder Helpline will only be able to provide information contained in this Prospectus and information relating to CRH's register of members and will be unable to give advice on the merits of the Rights Issue or provide legal, financial, tax or investment advice.

HOW TO PARTICIPATE IN THE RIGHTS ISSUE

It is expected that Qualifying Non-CREST Shareholders will be sent Provisional Allotment Letters on 3 March 2009, and that Qualifying CREST Shareholders will receive a credit to their appropriate stock accounts in CREST in respect of the Nil Paid Rights to which they are entitled, as soon as practicable after 8.00 a.m. on 4 March 2009. The Nil Paid Rights so credited are expected to be enabled for settlement by Euroclear as soon as practicable after Admission.

The action to be taken in respect of the New Ordinary Shares depends on whether, at the relevant time, the Nil Paid Rights or the Fully Paid Rights in respect of which action is to be taken are in certificated form (that is, are represented by a Provisional Allotment Letter) or are in uncertificated form (that is, are in CREST):

- Qualifying Non-CREST Shareholders should refer to paragraphs 1 and 2.1 and paragraphs 2.3 to 6 of Part IX (*Terms and Conditions of the Rights Issue*).
- Qualifying CREST Shareholders should refer to paragraphs 1 and 2.2 to 6 of Part IX (*Terms and Conditions of the Rights Issue*) and to the CREST Manual for further information on the CREST procedures referred to in this Prospectus.

All Overseas Shareholders and any person (including, without limitation, agents, custodians, nominees or trustees) who has a contractual or other legal obligation to forward this Prospectus or any other documents issued by the Company in connection with the Rights Issue, if and when received, to a jurisdiction outside Ireland and the United Kingdom should read section 3 of Part IX (*Terms and Conditions of the Rights Issue*).

CREST sponsored members should refer to their CREST sponsors, as only their CREST sponsors will be able to take the actions necessary to take up the entitlements or otherwise to deal with the Nil Paid Rights or Fully Paid Rights of CREST sponsored members.

The latest time and date for acceptance and payment in full for the New Ordinary Shares by holders of the Nil Paid Rights is 11.00 a.m. on 18 March 2009.

DELIVERY OF DOCUMENTS TO CAPITA REGISTRARS

Any documents to be returned, posted or delivered to Capita Registrars in connection with the Rights Issue (including any Provisional Allotment Letters, cheques or banker's drafts) should be addressed in the following ways:

(a) BY POST:

To: Capita Registrars
PO Box 7117
Dublin 2
Ireland

(b) BY HAND (during normal business hours only):

To: Capita Registrars
Unit 5
Manor Street Business Park
Manor Street
Dublin 7
Ireland

DISTRIBUTION AND CONTENTS OF THIS PROSPECTUS

Any reproduction or distribution of this Prospectus, or any other documents issued by the Company in connection with the Rights Issue, in whole or in part, and any disclosure of their contents or use of any information contained in any such documents for any purpose other than considering an investment in the Nil Paid Rights, the Fully Paid Rights or the New Ordinary Shares is prohibited. By accepting delivery of this Prospectus, or any other documents issued by the Company in connection with the Rights Issue, each offeree of the Nil Paid Rights, the Fully Paid Rights and/or the New Ordinary Shares agrees to the foregoing.

The distribution of this Prospectus, or any other documents issued by the Company in connection with the Rights Issue and/or the transfer of the Nil Paid Rights, the Fully Paid Rights and/or the New Ordinary Shares into jurisdictions other than Ireland and the United Kingdom may be restricted by law. Persons into whose possession these documents come should inform themselves about and observe any such restrictions. Any failure to comply with these restrictions may constitute a violation of the securities laws of any such jurisdiction. In particular, such documents should not be distributed, forwarded to or transmitted in or into any Excluded Territories. The Nil Paid Rights, the Fully Paid Rights, the Provisional Allotment Letters and the New Ordinary Shares are not transferable, except in accordance with, and the distribution of this Prospectus or any other documents issued by the Company in connection with the Rights Issue is subject to, the restrictions set out in section 3 of Part IX (*Terms and Conditions of the Rights Issue*). No action has been taken by CRH or by the Underwriters that would permit an offer of the New Ordinary Shares or rights thereto or possession or distribution of this Prospectus or any other documents issued by the Company in connection with the Rights Issue, the Nil Paid Rights, or the Fully Paid Rights in any jurisdiction where action for that purpose is required, other than in Ireland and the United Kingdom.

No person has been authorised to give any information or make any representations other than those contained in this Prospectus and, if given or made, such information or representations must not be relied upon as having been authorised by CRH or by the Underwriters. Neither the publication of this Prospectus nor any subscription or sale made hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of CRH since the date of this Prospectus or that the information in this Prospectus is correct as at any time subsequent to its date.

Nothing contained in this Prospectus is intended to constitute investment, legal, tax, accounting or other professional advice. This document is for information only and nothing in this Prospectus is intended to endorse or recommend a particular course of action. Recipients of this Prospectus should consult with an appropriate professional for specific advice rendered on the basis of their individual situation. In making an investment decision, each investor must rely on their own examination, analysis and enquiry in relation to the Company and the terms of the Rights Issue.

Without limitation, the contents of the websites of the Group do not form part of this Prospectus.

PRESENTATION OF FINANCIAL INFORMATION

The Company publishes its financial statements in euro ("**€**" or "**euro**"). The abbreviations "**€m**" and "**€bn**" represent millions and thousands of millions of euro, respectively, while references to "**cent**" or "**c**" represent the monetary unit that represents one-hundredth of a euro.

References to "**£**" or "**sterling**" are to pounds sterling. The abbreviations "**£m**" and **"£m**" represent millions and thousands of millions of pounds, respectively.

References to "**USD**", "**dollars**" or "**$**" are to US dollars. The abbreviations "**$m**" and "**$bn**" represent millions and thousands of millions of dollars, respectively.

The financial information presented in a number of places in this Prospectus has been rounded to the nearest whole number or the nearest decimal place. Therefore, the sum of the numbers may not conform exactly to the total figure given. In addition, certain percentages presented in this Prospectus reflect calculations based upon the underlying information prior to rounding and, accordingly, may not conform exactly to the percentages that would be derived if the relevant calculations were based upon the rounded numbers.

Unless otherwise stated the financial information contained herein was derived without material adjustment from the Group's audited financial statements.

EXCHANGE RATES

Indicative exchange rates of euro against pounds sterling and the US dollar, comprising the average rate used for income statements and the period-end rate used for balance sheet information, which have been sourced from the daily reference rates set by the European Central Bank, are shown below:

pound sterling: one euro

Period	Average Rate	Period End Rate
Year ended 31 December 2006	0.6817	0.6715
Year ended 31 December 2007	0.6843	0.7334
Year ended 31 December 2008	0.7963	0.9525

On 27 February 2009, being the latest practicable date prior to the publication of this Prospectus, the pound sterling : euro exchange rate was 0.8931, being the daily reference rate set by the European Central Bank for such date.

US dollar: one euro

Period	Average Rate	Period End Rate
Year ended 31 December 2006	1.2556	1.3170
Year ended 31 December 2007	1.3705	1.4721
Year ended 31 December 2008	1.4708	1.3917

On 27 February 2009, being the latest practicable date prior to the publication of this Prospectus, the US dollar : euro exchange rate was 1.2644, being the daily reference rate set by the European Central Bank for such date.

INTERNATIONAL FINANCIAL REPORTING STANDARDS

As required by the Companies Acts and the European Union IAS Regulation (EC) 1126/2008, the consolidated financial statements of CRH have been prepared in accordance with International Financial Reporting Standards ("**IFRS**") as adopted by the European Union and as issued by the International Accounting Standards Board ("**IASB**"). IFRS as adopted by the European Union differ in certain respects from IFRS as issued by the IASB. However, the consolidated financial statements for the financial years presented would be no different had IFRS as issued by the IASB been applied. References to IFRS hereafter should be construed as references to IFRS as adopted by the European Union.

FORWARD-LOOKING STATEMENTS

This document contains or incorporates by reference certain "forward-looking statements" regarding the belief or current expectations of CRH, the Directors and other members of its senior management about CRH's financial condition, results of operations and business and the transactions described in this Prospectus. Generally, but not always, words such as "may", "could", "should", "will", "expect", "intend", "estimate", "anticipate", "assume", "believe", "plan", "seek", "continue", "target". "goal", "would" or their negative variations or similar expressions identify forward-looking statements.

Such forward-looking statements are not guarantees of future performance. Rather, they are based on current views and assumptions and involve known and unknown risks, uncertainties and other factors, many of which are outside the control of CRH and are difficult to predict, that may cause the actual results, performance, achievements or developments of the Group or the industries in which it operates to differ materially from any future results, performance, achievements or developments expressed or implied from the forward-looking statements. A number of material factors could cause actual results to differ materially from those contemplated by the forward-looking statements including, among other factors, the following:

- the ability of CRH to access sufficient funding to meet its liquidity needs;
- developments in the current crisis in the global financial markets, and their impact on the building materials industry in general and CRH in particular;
- the potential exposure of CRH to various types of market risks, such as interest rate risk, foreign exchange rate risk, credit risk and commodity price risk;
- changes in CRH's credit ratings;

- general economic conditions in Ireland, the United States and countries in Europe and other jurisdictions in which CRH has business activities;
- changes in the pricing environment;
- the effects of competition and consolidation in the markets in which CRH operates;
- changes in applicable laws, regulations and taxes in jurisdictions in which CRH operates;
- the inability of CRH to hedge certain risks economically;
- the results of the Rights Issue; and
- the success of CRH in managing the risks involved in the foregoing.

See the risk factors described in Part II (*Risk Factors*) for more information in this regard.

It is strongly recommended that investors read Part II (*Risk Factors*), Part X (*Information on CRH*) and Part XI (*Operating and Financial Review of CRH*) for a more complete discussion of the factors which could affect the Group's future performance and the industries in which it operates. In light of these risks, uncertainties and assumptions, the forward-looking events described in this Prospectus may not occur. Due to such uncertainties and risks, investors should not place undue reliance on such forward-looking statements, which speak only to belief or current expectations as at the date of this Prospectus.

Except as required by the Financial Regulator, the Irish Stock Exchange, the FSA, the London Stock Exchange, or applicable law, CRH does not have any obligation to update or revise publicly any forward-looking statement, whether as a result of new information, further events or otherwise. Except as required by the Financial Regulator, the Irish Stock Exchange, the FSA, the London Stock Exchange, or applicable law, CRH expressly disclaims any obligation or undertaking to release publicly any updates or revisions to any forward-looking statement contained herein to reflect any change in CRH's expectations with regard thereto or any change in events, conditions or circumstances on which any such statement is based.

NOTICE TO EUROPEAN ECONOMIC AREA INVESTORS

In relation to each member state of the European Economic Area which has implemented the Prospectus Directive (each, a "**relevant member state**") (except for Ireland and the United Kingdom), no New Ordinary Shares, Nil Paid Rights or Fully Paid Rights have been offered or will be offered pursuant to the Rights Issue to the public in that relevant member state prior to the publication of a prospectus in relation to the New Ordinary Shares, Nil Paid Rights and Fully Paid Rights which has been approved by the competent authority in that relevant member state or, where appropriate, approved in another relevant member state and notified to the competent authority in the relevant member state, all in accordance with the Prospectus Directive, except that offers of New Ordinary Shares, Nil Paid Rights or Fully Paid Rights may be made to the public in that relevant member state at any time:

(a) to legal entities which are authorised or regulated to operate in the financial markets or, if not so authorised or regulated, whose corporate purpose is solely to invest in securities;

(b) to any legal entity which has two or more of:

  (i) an average of at least 250 employees during the last financial year;

  (ii) a total balance sheet of more than €43m; and

  (iii) an annual turnover of more than €50m, as shown in its last annual or consolidated accounts; or

(c) in any other circumstances falling within Article 3(2) of the Prospectus Directive, provided that no such offer of New Ordinary Shares, Nil Paid Rights or Fully Paid Rights shall result in a requirement for the publication by CRH or any Underwriter of a prospectus pursuant to Article 3 of the Prospectus Directive.

For this purpose, the expression "an offer of any New Ordinary Shares, Nil Paid Rights or Fully Paid Rights to the public" in relation to any New Ordinary Shares, Nil Paid Rights and Fully Paid Rights in any relevant member state means the communication in any form and by any means of sufficient information on the terms of the Rights Issue and any New Ordinary Shares, Nil Paid Rights and Fully Paid Rights to be offered so as to enable an investor to decide to acquire any New Ordinary Shares, Nil Paid Rights or Fully Paid Rights, as the same may be varied in that relevant member state by any measure implementing the Prospectus Directive in that relevant member state.

In the case of any New Ordinary Shares, Nil Paid Rights or Fully Paid Rights being offered to a financial intermediary as that term is used in Article 3(2) of the Prospectus Directive, such financial intermediary will also be

deemed to have represented, acknowledged and agreed that the New Ordinary Shares, Nil Paid Rights and Fully Paid Rights acquired by it in the Rights Issue have not been acquired on a non-discretionary basis on behalf of, nor have they been acquired with a view to their offer or resale to, persons in circumstances which may give rise to an offer of any New Ordinary Shares, Nil Paid Rights or Fully Paid Rights to the public other than their offer or resale in a relevant member state to qualified investors as so defined or in circumstances in which the prior consent of the Company and each of the Underwriters has been obtained to each such proposed offer or resale.

NOTICE TO SWISS INVESTORS

This Prospectus is being communicated in or from Switzerland to a small number of selected investors only. Each copy of this document is addressed to a specifically named recipient and may not be passed on to third parties. The Nil Paid Rights, Fully Paid Rights or New Ordinary Shares, are not being offered to the public in or from Switzerland, and neither this Prospectus, nor any other offering material in relation to the New Ordinary Shares may be distributed in connection with any such public offering.

PART IV – RIGHTS ISSUE STATISTICS

Price per New Ordinary Share	€8.40
Basis of Rights Issue	2 New Ordinary Shares for every 7 Existing Ordinary Shares
Number of Existing Ordinary Shares in issue at 27 February 2009, the latest practicable date prior to publication of this Prospectus[(1)]	532,307,835
Number of New Ordinary Shares to be issued by the Company pursuant to the Rights Issue	152,087,952
Number of Ordinary Shares in issue immediately following completion of the Rights Issue [(1)(2)]	684,395,787
New Ordinary Shares as a percentage of enlarged issued share capital of the Company immediately following completion of the Rights Issue [(1)(2)]	22.22 per cent.
Estimated net proceeds of the Rights Issue receivable by the Company after expenses	€1.238bn
Estimated expenses of the Rights Issue (inclusive of VAT)	€40m

Note:

(1) For these purposes, treasury shares have been disregarded.

(2). On the assumption that no further Ordinary Shares are issued as a result of the exercise of any options under any CRH Share Schemes or otherwise between 27 February 2009, being the latest practicable date prior to the publication of this Prospectus, and the closing of the Rights Issue.

PART V – EXPECTED TIMETABLE OF PRINCIPAL EVENTS

Each of the times and dates in the table below is indicative only and may be subject to change. The times and dates mentioned throughout this Prospectus may be adjusted by CRH, in which event details of the new times and dates will be notified to the Irish Stock Exchange, the UK Listing Authority, the London Stock Exchange and, where appropriate, Qualifying Shareholders. References to times in this Prospectus are to Dublin times unless otherwise stated.

Record Date for entitlement under the Rights Issue for Qualifying Shareholders[(1)]	6.00 p.m. on 25 February 2009
Despatch of Provisional Allotment Letters (to Qualifying Non-CREST Shareholders only)[(1)]	3 March 2009
Nil Paid Rights and Fully Paid Rights enabled in CREST	by 8.00 a.m. on 4 March 2009
Dealings in New Ordinary Shares, nil paid, commence	**8.00 a.m. on 4 March 2009**
Ex-Rights Date	8.00 a.m. on 4 March 2009
Nil Paid Rights credited to stock accounts in CREST (Qualifying CREST Shareholders only)[(1)]	as soon as practicable after 8.00 a.m. on 4 March 2009
Recommended latest time and date for requesting withdrawal of Nil Paid Rights from CREST[(2)]	4.30 p.m. on 9 March 2009
Recommended latest time and date for depositing renounced Provisional Allotment Letters, nil paid, into CREST or for dematerialising Nil Paid Rights into a CREST account[(3)]	3.00 p.m. on 12 March 2009
Latest time and date for splitting Provisional Allotment Letters, nil paid	3.00 p.m. on 13 March 2009
St. Patrick's Day, public holiday	**17 March 2009**
Latest time and date for acceptance and payment in full	**11.00 a.m. on 18 March 2009**
Recommended latest time and date for requesting withdrawal of Fully Paid Rights from CREST[(2)]	4.30 p.m. on 2 April 2009
Latest time and date for depositing renounced Provisional Allotment Letters, fully paid, into CREST or for dematerialising Fully Paid Rights into a CREST account[(3)]	3.00 p.m. on 3 April 2009
Latest time and date for splitting Provisional Allotment Letters, fully paid	3.00 p.m. on 6 April 2009
Latest time and date for registration of renunciation of Provisional Allotment Letters	3.00 p.m. on 8 April 2009
New Ordinary Shares, in uncertificated form, credited to CREST accounts	by no later than 9 April 2009
Despatch of definitive share certificates for New Ordinary Shares in certificated form	by no later than 22 April 2009

Notes:

(1) The ability to participate in the Rights Issue is subject to certain restrictions relating to CRH Shareholders or persons (respectively) with a registered address, or who are resident or located, in jurisdictions outside Ireland or the United Kingdom, details of which are set out in section 3 of Part IX (*Terms and Conditions of the Rights Issue*).

(2) Applicable where Nil Paid Rights or Fully Paid Rights are held through CREST and a Qualifying CREST Shareholder wishes to convert them into certificated form. **In particular, this will be necessary where Qualifying CREST Shareholders do not hold a euro -denominated Cash Memorandum Account and wish to make payment in euro by means of a cheque or banker's draft in respect of their Nil Paid Rights.**

(3) Applicable where Nil Paid Rights or, as the case may be, Fully Paid Rights are represented by a Provisional Allotment Letter and a Qualifying Shareholder wishes to convert them into uncertificated form.

PART VI – DIRECTORS, COMPANY SECRETARY, REGISTERED OFFICE AND ADVISERS

Directors

M. Lee	Chief Executive
G.A. Culpepper	Finance Director
A. Manifold	Chief Operating Officer
M.S. Towe	Chief Executive Officer, Oldcastle Inc

K. McGowan	Chairman
W.P. Egan	Non- Executive Director
U-H. Felcht	Non- Executive Director
N. Hartery	Non- Executive Director
J.M. de Jong	Non- Executive Director
T.V. Neill	Non- Executive Director
D.N. O'Connor	Non- Executive Director
J.M.C. O'Connor	Non- Executive Director
W.I. O'Mahony	Non- Executive Director

Company Secretary
A. Malone

Registered Office
42 Fitzwilliam Square
Dublin 2
Ireland

Principal Office
Belgard Castle,
Clondalkin
Dublin 22
Ireland

Joint Global Co-ordinators, Joint Bookrunners and Joint Sponsors

UBS Limited
1 Finsbury Avenue
London EC2M 2PP
England

J&E Davy
Davy House
49 Dawson Street
Dublin 2
Ireland

Co-bookrunners

BNP Paribas
16, boulevard des Italiens
75009 Paris
France

RBS Hoare Govett Limited
250 Bishopsgate
London EC2M 4AA
England

Barclays Bank PLC
5 The North Colonnade
Canary Wharf
London E14 4BB
England

Legal Advisers to CRH
as to Irish law
Arthur Cox
Earlsfort Centre
Earlsfort Terrace
Dublin 2
Ireland

Legal Advisers to CRH
as to English law
Linklaters LLP
One Silk Street
London EC2Y 8HQ
England

Legal Advisers to CRH
as to US law
Sullivan & Cromwell LLP
One New Fetter Lane
London EC4A 1AN
England

Legal Advisers to the Joint Bookrunners
as to Irish law
A&L Goodbody
International Financial Services Centre
North Wall Quay
Dublin 1
Ireland

Legal Advisers to the Underwriters
as to English and US law
Herbert Smith LLP
Exchange House
Primrose Street
London EC2A 2HS
England

Registered Auditors
Ernst & Young
Harcourt Centre
Harcourt Street
Dublin 2
Ireland

Registrar, Receiving Agent and Paying Agent
Capita Registrars (Ireland) Limited
Unit 5, Manor Street Business Park
Manor Street
Dublin 7
Ireland

Reporting Accountants
Ernst & Young LLP
1 More London Place
London SE1 2AF
England

CRH PLC
(Registered in Ireland with registered number 12965)

Directors:
K. McGowan (Chairman)
M. Lee (Chief Executive)
G.A. Culpepper (USA)
W.P. Egan (USA)
U-H. Felcht (German)
N. Hartery
J.M. de Jong (Dutch)
A. Manifold
T.V. Neill
D.N. O'Connor
J.M.C. O'Connor
W.I. O'Mahony
M.S. Towe (USA)

Registered Office:
42 Fitzwilliam Square
Dublin 2
Ireland

3 March 2009

Dear Shareholder,

1. 2 for 7 Rights Issue at €8.40 per New Ordinary Share to Qualifying Shareholders

Your Board announced today that CRH is raising approximately €1.238bn, net of expenses, by the issue of 152,087,952 New Ordinary Shares at a price of €8.40 per New Ordinary Share. The Rights Issue is being made by way of a rights issue to Qualifying Shareholders on the basis of 2 New Ordinary Shares for every 7 Existing Ordinary Shares held at 6.00 p.m. on 25 February 2009. This letter explains the reasons for, and provides details of, the Rights Issue. The Rights Issue has been fully underwritten by UBS, Davy, BNPP, RBS Hoare Govett, and Barclays.

This document also contains, in section 3 of Part XII (*Financial Information on CRH*), CRH's 2008 Financial Statements.

2. Background to and Reasons for the Rights Issue

CRH was formed through a merger in 1970 of two Irish companies, Cement Limited and Roadstone Limited. Following the merger, the Group was the sole producer of cement and the principal producer of aggregates, concrete products and asphalt in Ireland, with annual turnover equivalent to approximately €26m, the vast majority generated in Ireland.

After the merger, the Board set out a clear strategy for the development of the Group: to seek new geographic platforms in its core businesses and to take advantage of complementary product opportunities in order to achieve strategic balance and to establish multiple platforms from which to deliver performance and growth. Recognising the variability that cyclicality brings, CRH's strategy is to build a balanced business with exposure to multiple demand drivers. Geographic and product balance serve to smooth some of the effects of changing economic conditions, while sectoral and end-use balance reduces some of the effects of varying demand patterns across building and construction activity. In delivering on this strategy, CRH focuses on core businesses in building materials; develops regional market leadership positions; reinvests in existing assets and people; and acquires new development opportunities in order to maintain and develop a balanced portfolio, while creating platforms for future growth.

Today, CRH is a leading diversified international building materials group with operations in 35 countries, predominantly in the European Union and North America, with more recent entry into the emerging economic regions of the Mediterranean Basin, China and India.

It is now eight years since CRH's last equity funding which raised €1.1bn by means of a rights issue in March 2001. The period 2001 to 2008 has seen a significant expansion of CRH's operations through a combination of organic growth and strategic value-enhancing acquisitions. Organic growth has been delivered through a relentless focus on operational excellence complemented by a significant programme of capital expenditure, which over the period has

seen approximately €5bn invested in expansion and efficiency projects. A further €11.5bn has been spent on value-enhancing acquisitions and investments, sourced and negotiated by CRH's internal development teams, at an average of approximately 7 times* the EBITDA (earnings before interest, tax, depreciation and amortisation) of the entity being acquired. The combined expenditure of approximately €16.5bn has been substantially funded by CRH's strong internal cash flow and increased use of its debt capacity.

Since 2000, CRH's annual turnover has increased from €8.7bn to €20.9bn in 2008, profit before tax from €697m to €1,628m and profit after tax from €503m to €1,262m. Earnings per share in the same period saw compound annual growth of 9 per cent. The proposed annual dividend for 2008 has increased from 20.8c paid in respect of 2000 to 69c, which represents a compound annual growth rate of 16 per cent., with cumulative dividends for the period 2001 to 2008 of €1.7bn. Despite the current challenging economic conditions CRH has been able to increase its 2008 dividend, the final element of which is subject to shareholder approval, by 1.5 per cent., which would constitute CRH's 25th consecutive year of dividend increase.

Maintenance of a prudent and strong balance sheet and a disciplined and rigorous approach to acquisition activity have long been core CRH financial principles and it is this conservative approach to balance sheet management and development which has resulted in CRH's current strong financial position.

The Board believes that CRH is well positioned to benefit from the attractive acquisition opportunities which are beginning to emerge within its industry. It is now appropriate to strengthen CRH's financial flexibility to ensure that the Company can take advantage, in its traditional long-established disciplined manner, of the likely increased flow of such development opportunities. CRH has therefore decided to raise €1.238bn, net of expenses, of new equity via the Rights Issue to help fund its ongoing expansion.

€500m of the net proceeds from the Rights Issue will be used to make an early repayment of borrowings under existing facilities provided by lenders, which include some of the Underwriters or their affiliates. The remaining €738m of the net proceeds of the Rights Issue will, together with the extension of maturity of debt totalling €670m, provide increased headroom to fund strategically important and value-enhancing acquisitions and be used for general corporate purposes. Acquisitions are sought which meet the Company's criteria for cash flow, return on investment and profitability, with the objective of delivering strong and sustained shareholder returns. Acquisitions are made where they strengthen CRH's position in specific markets or product areas, or add to existing capabilities.

3. Principal Terms of the Rights Issue

The Company is offering 152,087,952 New Ordinary Shares by way of rights to Qualifying Shareholders at €8.40 per New Ordinary Share, payable in full on acceptance by no later than 11.00 a.m. on 18 March 2009. The Rights Issue is expected to raise approximately €1.238bn, net of expenses. The Issue Price represents a 39.3 per cent. discount to the theoretical ex-rights price based on the Closing Price of an Ordinary Share of €15.40 on 2 March 2009 (being the last Business Day before the publication of this Prospectus).

The Rights Issue will be made to Qualifying Shareholders on the basis of:

2 New Ordinary Shares for every 7 Existing Ordinary Shares at €8.40 per New Ordinary Share

and otherwise in accordance with the terms and conditions as set out in this Prospectus and also, where relevant, in the Provisional Allotment Letters.

Entitlements to New Ordinary Shares will be rounded down to the nearest whole number and fractional entitlements will not be allotted to Qualifying Shareholders but will be aggregated and sold in the market for the benefit of the Company. Holdings of Existing Ordinary Shares in certificated and uncertificated form will be treated as separate holdings for the purpose of calculating entitlements under the Rights Issue.

The Rights Issue is fully underwritten by the Underwriters pursuant to the Underwriting Agreement, the principal terms of which are summarised in paragraph 14.1 of Part XV (*Additional Information*).

The Rights Issue will result in 152,087,952 New Ordinary Shares being issued, representing approximately 28.57 per cent. of the existing issued share capital (as at close of business on 27 February 2009, the latest practicable date prior to publication of this Prospectus) and 22.22 per cent. of the enlarged issued share capital immediately following completion of the Rights Issue (on the assumption that no further Ordinary Shares are issued as a result of the exercise of any options under any CRH Share Schemes or otherwise in the intervening period).

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* Source: Unaudited management accounts and internal financial and operating reporting systems

The Rights Issue is conditional, *inter alia,* upon:

(i) the Underwriting Agreement having become unconditional in all respects (save for the condition relating to Admission) and not having been terminated in accordance with its terms; and

(ii) Admission becoming effective by not later than 8.00 a.m. on 4 March 2009 (or such later time and date as the parties to the Underwriting Agreement may agree).

The New Ordinary Shares, when issued and fully paid, will rank *pari passu* in all respects with the Existing Ordinary Shares including the right to receive dividends or distributions made, paid or declared after the date of this Prospectus, except holders of New Ordinary Shares issued pursuant to the Rights Issue will not be entitled to receive, in respect of those New Ordinary Shares, the 2008 final dividend. Application has been made to the Irish Stock Exchange and the UK Listing Authority for 152,087,952 New Ordinary Shares, nil paid and fully paid, to be admitted to the Official Lists and application has been made to the Irish Stock Exchange and the London Stock Exchange for such New Ordinary Shares, nil paid and fully paid, to be admitted to trading on their respective regulated markets for listed securities. It is expected that such admission will become effective and that dealings will commence in the New Ordinary Shares, nil paid, at 8.00 a.m. on 4 March 2009. Applications have been made for the Nil Paid Rights and Fully Paid Rights to be admitted to CREST.

Details of the further terms and conditions of the Rights Issue, including the procedure for acceptance and payment and the procedure in respect of rights not taken up, are set out in Part IX (*Terms and Conditions of the Rights Issue*) and, where relevant, will also be set out in the Provisional Allotment Letter. Part VIII (*Some Questions and Answers about the Rights Issue*) contains some answers to questions about the Rights Issue that CRH Shareholders may find useful.

Overseas Shareholders should refer to section 3 of Part IX (*Terms and Conditions of the Rights Issue*) for further information on their ability to participate in the Rights Issue.

4. Financial Effect of the Rights Issue

An unaudited pro forma statement of the consolidated net assets of the Group, prepared for illustrative purposes only, is included in Part XIII (*Unaudited Pro Forma Financial Information*). This illustrates the effect of the Rights Issue on the consolidated net assets of the Group, had it been effected on 31 December 2008.

The earnings of the Group will initially benefit from the reduction in net debt resulting from the injection of new equity. Earnings per share will be adjusted for the increased number of shares in issue, including the bonus element of the Rights Issue.

5. Dividends

The Company has paid dividends on its Ordinary Shares in respect of each fiscal year since the formation of the Group in 1970. Dividends are paid to CRH Shareholders as of record dates, which are determined by the Board. An interim dividend is normally declared by the Board in August of each year and is generally paid in November. A final dividend is normally recommended by the Board following the end of the fiscal year to which it relates and, if approved by the CRH Shareholders at an Annual General Meeting, is generally paid in May of that year. The payment of future cash dividends will be dependent upon future earnings, the financial condition of the Group and other factors.

	2008	2007	2006
Total Dividend per Ordinary Share (c)	69*	68	52

In early 2007 the Board decided to move towards a higher payout ratio and reduced level of dividend cover for the three financial years 2006 to 2008, with the aim of achieving dividend cover of the order of 3.5 times for the 2008 financial year. Accordingly, a final dividend of 48.5c per Ordinary Share for the financial year ended 31 December 2008 (2007: 48c per Ordinary Share) is now being recommended by the Board. This, if approved by the Annual General Meeting on 6 May 2009, will result in a total dividend for 2008 of 69c, an increase of 1.5 per cent. over 2007, and representing 2008 dividend cover of 3.4 times. This would constitute CRH's 25th consecutive year of dividend increase at a compound annual rate of 14 per cent. Holders of New Ordinary Shares issued pursuant to the Rights Issue will not be entitled to receive, in respect of those New Ordinary Shares, the 2008 final dividend.

A total dividend for 2008 of 69c would give 2008 dividend cover of 3.4 times which allows for significant flexibility in enabling CRH to continue its progressive dividend policy. Based on CRH's record in previous market downturns

* 48.5c of the total dividend for 2008 is subject to shareholder approval.

the Board believes that CRH has the ability to accommodate dividend cover levels in the range 2.5 times to 3.0 times. Following completion of the Rights Issue, CRH intends to maintain its progressive dividend policy with future dividend payments per Ordinary Share (which, for the avoidance of doubt, shall not include payment of the 2008 final dividend) taking account of the bonus element of the Rights Issue.

Fluctuations in the exchange rate between the euro and the US dollar will affect the US dollar amounts received by holders of ADSs upon conversion by the Depositary of cash dividends paid in euro on the Ordinary Shares represented by the ADSs. Furthermore, fluctuations in the exchange rates between the euro and the US dollar may affect the relative market prices of the ADSs in the United States and of the Ordinary Shares in Ireland.

6. Current Trading and Prospects

Building materials is an inherently cyclical business linked primarily to GDP growth in local economies. Recognising the variability that cyclicality brings, CRH's strategy is to sustain and build a balanced business with exposure to multiple demand drivers that can deliver CRH's strategic vision to "be a responsible international leader in building materials delivering superior performance and growth". Geographic and product diversity serve to smooth some of the effects of changing economic conditions and to provide multiple opportunities for growth. Sectoral and end-use diversity reduce some of the effects of varying demand patterns across building and construction activity by maintaining a balanced portfolio of products, serving a broad customer base.

CRH's balance across regions, products and building and construction sectors is one of the key drivers of the Group's strategy. CRH's relentless focus on performance, with multiple growth platforms from which to pursue value-creating opportunities and dedicated people with ambition to achieve, operating in an environment which values strong governance and prudent policies, underpin CRH's ability and intention to deliver consistent performance and returns over the long term. CRH has delivered a robust set of results in 2008, in a challenging business climate, with full year profits before tax of €1.6bn, a decrease of 14 per cent. compared to the record result in 2007.

In 2008, CRH's operations were evenly balanced between the geographies of Western Europe and North America with a growing component of activity in the emerging regions of Central and Eastern Europe, the Mediterranean, North Africa, South and Central America and Asia. While product balance remained, in 2008, weighted towards heavyside with approximately 75* per cent. in materials and concrete products and 25* per cent. in lightside products and distribution, each of these businesses delivered strong returns on capital through the cycle. Sectoral balance remains stable and end-use balance, which tends to trend towards Repair, Maintenance & Improvement (**"RMI"**) in developed economies, is counter-balanced by significant new build demand in developing economies.

The outlook for 2009 is extremely challenging. January and February have seen the most severe winter for many years in both Europe and North America and this will exacerbate the impact of already weak markets on the outcome for the first half of the year, which in 2008 benefited from a relatively mild winter and a generally positive trading backdrop across Europe. The first half of 2009 is therefore expected to be sharply lower than 2008. However, lower energy costs, ongoing interest rate reductions and the recently agreed infrastructure stimulus package in the United States should encourage activity as the year progresses. Consequently, given the weaker relative performance in the second half of 2008, the underperformance anticipated in the first half of 2009 is expected to moderate in the seasonally more important second half of 2009.

Management's attention and efforts are resolutely focused on commercial delivery and on ensuring that CRH's businesses are strongly positioned, through cost reduction and cash generation measures, to deal with whatever trading circumstances may evolve. In addition, CRH continues to strengthen its financial flexibility in order to ensure that the Group is well positioned to take advantage, in its traditional long-established disciplined manner, of a likely increased flow of development opportunities as the year progresses.

7. Further Information

Your attention is drawn to the further information set out in Parts VIII to XVI of this Prospectus. CRH Shareholders should read the whole of this Prospectus and not rely solely on the information set out in this letter. In addition, you should consider the risk factors described in Part II (*Risk Factors*).

8. Overseas Shareholders

All Overseas Shareholders and any person (including, without limitation, agents, custodians, nominees or trustees) who has a contractual or other legal obligation to forward this Prospectus or any other documents issued by the

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* Source: Unaudited management accounts and internal financial and operating reporting systems

Company in connection with the Rights Issue, if and when received, to a jurisdiction outside Ireland or the United Kingdom should read section 3 of Part IX (*Terms and Conditions of the Rights Issue*).

9. Irish and UK Taxation

Certain information about Irish and UK taxation in relation to the Rights Issue is set out in Part XIV (*Taxation*). If you are in any doubt as to your tax position, or you are subject to tax in a jurisdiction other than Ireland or the United Kingdom, you should consult your own independent tax adviser without delay.

10. Action to be taken in respect of the Rights Issue

If you are a Qualifying Non-CREST Shareholder, you will be sent by post a Provisional Allotment Letter giving you details of your Nil Paid Rights on 3 March 2009.

If you are a Qualifying CREST Shareholder, you will not be sent a Provisional Allotment Letter. Instead, you will receive a credit to your appropriate stock account in CREST in respect of the Nil Paid Rights as soon as practicable after 8.00 a.m. on 4 March 2009.

If you sell or have sold or otherwise transferred all of your Existing Ordinary Shares (other than ex-rights) in certificated form before 8.00 a.m. on 4 March 2009, please forward this Prospectus and any other documents issued by the Company in connection with the Rights Issue, if and when received, at once to the purchaser or transferee or the bank, stockbroker or other agent through whom the sale or transfer was effected for delivery to the purchaser or transferee, except that such documents should not be sent to any jurisdiction where to do so might constitute a violation of local securities laws or regulations, including but not limited to any Excluded Territories.

If you sell or have sold or otherwise transferred all or some of your Existing Ordinary Shares (other than ex-rights) held in uncertificated form before the Ex-Rights Date, a claim transaction will automatically be generated by Euroclear which, on settlement, will transfer the appropriate number of Nil Paid Rights to the purchaser or transferee.

If you sell or have sold or otherwise transferred only some of your holding of Existing Ordinary Shares (other than ex-rights) held in certificated form before the Ex-Rights Date, you should refer to the instructions regarding split applications in Part IX (*Terms and Conditions of the Rights Issue*) and in the Provisional Allotment Letter.

The latest time and date for acceptance and payment in full in respect of the Rights Issue is expected to be 11.00 a.m. on 18 March 2009, unless otherwise announced by the Company. Details of the further terms and conditions of the Rights Issue, including the procedure for acceptance and payment and the procedure in respect of rights not taken up, are set out in Part IX (*Terms and Conditions of the Rights Issue*) of this Prospectus and, where relevant, will also be set out in the Provisional Allotment Letter.

For Qualifying Non-CREST Shareholders, the New Ordinary Shares will be issued in certificated form and will be represented by definitive share certificates, which are expected to be despatched by no later than 22 April 2009 to the registered address of the person(s) entitled to them.

For Qualifying CREST Shareholders, the Receiving Agent will instruct Euroclear to credit the stock accounts of the Qualifying CREST Shareholders with their New Ordinary Shares. It is expected that this will take place by no later than 9 April 2009.

Qualifying CREST Shareholders who are CREST sponsored members should refer to their CREST sponsor regarding the action to be taken in connection with the Rights Issue.

If you are in any doubt as to what action you should take, you are recommended to consult immediately your stockbroker, bank manager, solicitor, accountant, fund manager or other appropriate independent financial adviser being, if you are resident in Ireland, an organisation or firm authorised or exempted pursuant to the European Communities (Markets in Financial Instruments) Regulations (Nos. 1 to 3) 2007 or the Investment Intermediaries Act 1995 (as amended) and, if you are resident in the United Kingdom, a firm authorised under the FSMA or from another appropriately authorised adviser if you are in a territory outside Ireland or the United Kingdom.

If you have any further queries regarding the Rights Issue, please call the Shareholder Helpline (01) 810 2465 (from Ireland) or +353 1 810 2465 (from outside Ireland) between 9.00 a.m. and 5.00 p.m. on any Business Day. Please note that, for legal reasons, the Shareholder Helpline will only be able to provide information contained in this Prospectus and information relating to CRH's register of members and will be unable to give advice on the merits of the Rights Issue or provide legal, financial, tax or investment advice.

11. Directors' Intentions

The Directors intend to subscribe for no less than the number of New Ordinary Shares as can be funded by the sale, nil paid, of their entitlements, to the extent that they are Qualifying Shareholders.

Yours sincerely,

K. McGowan
Chairman

PART VIII – SOME QUESTIONS AND ANSWERS ABOUT THE RIGHTS ISSUE

The questions and answers set out in this Part VIII are intended to be in general terms only. You should read Part IX (Terms and Conditions of the Rights Issue) for full details of what action you should take. If you are in any doubt as to what action you should take, you are recommended to consult immediately your stockbroker, bank manager, solicitor, accountant, fund manager or other appropriate independent financial adviser being, if you are resident in Ireland, an organisation or firm authorised or exempted pursuant to the European Communities (Markets in Financial Instruments) Regulations (Nos. 1 to 3) 2007 or the Investment Intermediaries Act 1995 (as amended) and, if you are resident in the United Kingdom, a firm authorised under the FSMA or from another appropriately authorised adviser if you are in a territory outside Ireland or the United Kingdom.

This Part VIII deals with general questions relating to the Rights Issue and more specific questions relating to Existing Ordinary Shares held by persons resident in Ireland and the United Kingdom and who hold their Existing Ordinary Shares in certificated form only, with the exception of question 17 which is specifically addressed to persons who hold their Existing Ordinary Shares in uncertificated form (that is, through CREST). If you are an Overseas Shareholder, you should read section 3 of Part IX (Terms and Conditions of the Rights Issue) and you should take professional advice as to whether you are eligible and/or you need to observe any formalities to enable you to take up your rights. If you hold your Existing Ordinary Shares in uncertificated form (that is, through CREST) you should read Part IX (Terms and Conditions of the Rights Issue) of this Prospectus for full details of what action you should take. If you are a CREST sponsored member, you should also consult your CREST sponsor. If you do not know whether your Existing Ordinary Shares are in certificated or uncertificated form, please call the Shareholder Helpline (01) 810 2465 (from Ireland) or +353 1 810 2465 (from outside Ireland) between 9.00 a.m. and 5.00 p.m. on any Business Day. Please note that, for legal reasons, the Shareholder Helpline will only be able to provide information contained in this Prospectus and information relating to CRH's register of members and will be unable to give advice on the merits of the Rights Issue or provide legal, financial, tax or investment advice.

1. What is a rights issue?

A rights issue is a way for companies to raise money. Companies do this by giving their existing shareholders a right to buy further shares in proportion to their existing shareholdings.

This Rights Issue is an offer by CRH of 152,087,952 New Ordinary Shares at a price of €8.40 per New Ordinary Share. If you hold Existing Ordinary Shares on the Record Date, other than those CRH Shareholders who are not Qualifying Shareholders, you will be entitled to buy New Ordinary Shares under the Rights Issue. If you hold your Existing Ordinary Shares in certificated form, your Rights will be set out in your Provisional Allotment Letter.

The Issue Price of €8.40 per New Ordinary Share represents a 39.3 per cent. discount to the theoretical ex-rights price based on the Closing Price of an Ordinary Share of €15.40 on 2 March 2009 (the last Business Day before the publication of this Prospectus). Because of this discount and while the market value of the Existing Ordinary Shares exceeds the Issue Price, the right to buy the New Ordinary Shares is potentially valuable. The Rights Issue is on the basis of 2 New Ordinary Shares for every 7 Existing Ordinary Shares held by Qualifying Shareholders on the Record Date.

If you are a Qualifying Shareholder and you do not want to buy the New Ordinary Shares to which you are entitled, you can instead sell or transfer your rights (called Nil Paid Rights) to those New Ordinary Shares and receive the net proceeds, if any, of the sale or transfer in cash. This is referred to as dealing "nil paid".

2. I hold my Existing Ordinary Shares in certificated form. How do I know if I am able to acquire New Ordinary Shares under the Rights Issue?

If you receive a Provisional Allotment Letter and are a Qualifying Shareholder, then you should be able to acquire New Ordinary Shares under the Rights Issue as long as you have not sold all of your Existing Ordinary Shares before 8.00 a.m. on 4 March 2009 (the time when the Existing Ordinary Shares are expected to be marked "ex-rights" by the Irish Stock Exchange and the London Stock Exchange).

3. I hold my Existing Ordinary Shares in certificated form. What do I need to do in relation to the Rights Issue?

If you hold your Existing Ordinary Shares in certificated form and you are a Qualifying Shareholder, you will be sent a Provisional Allotment Letter that shows:

- how many Existing Ordinary Shares you held at 6.00 p.m. on 25 February 2009 (the Record Date for the Rights Issue);

- how many New Ordinary Shares you are entitled to buy; and
- how much you need to pay if you want to take up your right to buy all the New Ordinary Shares provisionally allotted to you.

If you are not a Qualifying Shareholder, who holds Existing Ordinary Shares in certificated form, you will not receive a Provisional Allotment Letter.

4. I am a Qualifying Shareholder with a registered address in Ireland or the United Kingdom and I hold my Existing Ordinary Shares in certificated form. What are my choices and what should I do with the Provisional Allotment Letter?

4.1 If you want to take up all of your Rights

If you want to take up all of your Rights to subscribe for the New Ordinary Shares to which you are entitled, all you need to do is send the Provisional Allotment Letter, together with payment for the full amount payable on acceptance, in accordance with the provisions of paragraph 2.1.2(iv) of Part IX (*Terms and Conditions of the Rights Issue*), by post (using the reply-paid envelope enclosed with each Provisional Allotment Letter) or by hand to Capita Registrars (at the relevant address set out on page 13 of this Prospectus) to arrive by no later than 11.00 a.m. on 18 March 2009, being the latest time and date for acceptance and payment in full. Full instructions are set out in Part IX *(Terms and Conditions of the Rights Issue)* and in the Provisional Allotment Letter. A definitive share certificate will then be sent to you for the New Ordinary Shares that you take up. Your definitive share certificate for the New Ordinary Shares is expected to be despatched to you by no later than 22 April 2009. You will need your Provisional Allotment Letter to be returned to you if you want to deal in your Fully Paid Rights. Your Provisional Allotment Letter will not be returned to you unless you tick the appropriate box on the Provisional Allotment Letter.

4.2 If you do not want to take up your Rights at all

If you do not want to take up your Rights, you do not need to do anything. If you do not return your Provisional Allotment Letter subscribing for the New Ordinary Shares to which you are entitled by 11.00 a.m. on 18 March 2009, CRH has made arrangements under which the Underwriters will try to find investors to take up your Rights and the Rights of others who have not taken them up. If the Underwriters do find investors who agree to pay a premium above the Issue Price and the related expenses of procuring those investors (including any applicable brokerage and commissions and amounts in respect of value added tax), you will be sent a cheque for your share of the amount of that premium provided that this is €5.00 or more. Cheques are expected to be despatched on or around 1 April 2009 and will be sent to your address appearing on CRH's register of members (or to the first-named holder if you hold your Existing Ordinary Shares jointly). If the Underwriters cannot find investors who agree to pay a premium over the Issue Price and related expenses so that your entitlement would be €5.00 or more, you will not receive any payment. Alternatively, if you do not want to take up your Rights, you can sell or transfer your Nil Paid Rights (see paragraph 4.4 of this Part VIII).

4.3 If you want to take up some but not all of your Rights

If you want to take up some but not all of your Rights and wish to sell some or all of those you do not want to take up, you should first apply to have your Provisional Allotment Letter split by completing Form X on the Provisional Allotment Letter, and returning it by post or by hand to Capita Registrars (at the relevant address set out on page 13 of this Prospectus) to be received by 3.00 p.m. on 13 March 2009 (nil paid) together with a covering letter stating the number of split Provisional Allotment Letters required and the number of Nil Paid Rights to be comprised in each split Provisional Allotment Letter. You should then deliver the split Provisional Allotment Letter representing the New Ordinary Shares that you wish to accept together with payment for the amount payable on acceptance of such Rights, in accordance with the provisions of paragraph 2.1.2(iv) of Part IX (*Terms and Conditions of the Rights Issue*), to Capita Registrars (see paragraph 4.1 of this Part VIII) to be received by no later than 11.00 a.m. on 18 March 2009, being the latest time and date for acceptance and payment in full. You should consult your bank, stockbroker or other agent through whom you are selling part of your Nil Paid Rights as to their cut-off times for accepting sale instructions and receiving split Provisional Allotment Letters.

Alternatively, if you only want to take up some of your Rights (but not sell some or all of the rest), you should complete Form X on the Provisional Allotment Letter and return it together with payment for the amount payable on acceptance of such Rights, in accordance with the provisions of paragraph 2.1.2(iv) of Part IX (*Terms and Conditions of the Rights Issue*), with an accompanying letter indicating the number of Nil Paid Rights that you wish to take up, in accordance with the provisions set out in the Provisional Allotment Letter. Further details are set out in Part IX *(Terms and Conditions of the Rights Issue)* and will be set out in the Provisional Allotment Letter.

4.4 If you want to sell all of your Rights

If you want to sell all of your Rights, you should complete and sign Form X on the Provisional Allotment Letter (if it is not already marked "Original Duly Renounced") and pass the entire Provisional Allotment Letter to your stockbroker, bank or other appropriate financial adviser or to the transferee (provided they are not in any of the Excluded Territories).

If you intend to sell some or all of your Rights, please bear in mind that the latest time for any transferee to take up their entitlement is 11.00 a.m. on 18 March 2009. You should contact your stockbroker, bank or other appropriate financial adviser who will be able to advise you of any deadlines they may have in relation to dealings in Rights.

5. I acquired my Existing Ordinary Shares prior to the Record Date and hold my Existing Ordinary Shares in certificated form. What if I do not receive a Provisional Allotment Letter?

If you do not receive a Provisional Allotment Letter, this probably means that you are not eligible to participate in the Rights Issue. Some Qualifying Non-CREST Shareholders, however, will not receive Provisional Allotment Letters but may still be eligible to participate in the Rights Issue, namely:

- Qualifying CREST Shareholders who held their Existing Ordinary Shares in uncertificated form on 25 February 2009 and who have converted them to certificated form;
- Qualifying Non-CREST Shareholders who bought Existing Ordinary Shares before 25 February 2009 but were not registered as the holders of those Existing Ordinary Shares at 6.00 p.m. on 25 February 2009; and
- certain Overseas Shareholders.

If you do not receive a Provisional Allotment Letter but think that you should have received one, please contact the Shareholder Helpline on (01) 810 2465 (from Ireland) or +353 1 810 2465 (from outside Ireland) between 9.00 a.m. and 5.00 p.m. on any Business Day. Please note that, for legal reasons, the Shareholder Helpline will only be able to provide information contained in this Prospectus and information relating to CRH's register of members and will be unable to give advice on the merits of the Rights Issue or provide legal, financial, tax or investment advice.

6. If I buy Ordinary Shares after the Record Date will I be eligible to participate in the Rights Issue?

If you bought Ordinary Shares after the Record Date but prior to 8.00 a.m. on 4 March 2009 (the time when the Existing Ordinary Shares are expected to start trading ex-rights on the Irish Stock Exchange and the London Stock Exchange) you may be eligible to participate in the Rights Issue.

If you are in any doubt, please consult your stockbroker, bank or other appropriate financial adviser, or whoever arranged your share purchase, to claim your Rights.

If you buy Ordinary Shares at or after 8.00 a.m. on 4 March 2009, you will not be eligible to participate in the Rights Issue in respect of those Ordinary Shares.

7. I hold my Existing Ordinary Shares in certificated form. If I take up my Rights, when will I receive my New Ordinary Share certificate?

If you take up your Rights under the Rights Issue, your share certificate for the New Ordinary Shares is expected to be despatched no later than 22 April 2009.

8. What if the number of New Ordinary Shares to which I am entitled is not a whole number: am I entitled to fractions of shares?

Your entitlement to New Ordinary Shares will be calculated by dividing your shareholding at the Record Date by 7 and multiplying by 2. If the result is not a whole number, you will not receive an entitlement in respect of the fraction of a share and your entitlement will be rounded down to the nearest whole number. The New Ordinary Shares representing the aggregated fractions that would otherwise be allotted to Qualifying Shareholders will be sold in the market nil paid for the benefit of the Company.

9. Will I be taxed if I take up or sell my Rights or if my Rights are sold on my behalf?

Please see Part XIV (*Taxation*) for information about Irish and UK taxation in relation to the Rights Issue. If you are in any doubt as to your tax position, or you are subject to tax in a jurisdiction other than Ireland or the United Kingdom, you should consult your own independent tax adviser without delay. Please note that the Shareholder Helpline will not be able to assist you with taxation issues.

10. I understand that there is a period when there is trading in the Nil Paid Rights. What does this mean?

If you are a Qualifying Shareholder but do not want to buy the New Ordinary Shares being offered to you under the Rights Issue, you can instead sell or transfer your rights (called "**Nil Paid Rights**") to those New Ordinary Shares and receive the net proceeds of the sale or transfer in cash. This is referred to as dealing "nil paid". This means that, during the Rights Issue offer period (i.e. between 4 March 2009 and 18 March 2009), you can either purchase Ordinary Shares (which will not carry any entitlement to participate in the Rights Issue) or you can trade in the Nil Paid Rights.

11. I hold my Existing Ordinary Shares in certificated form. What if I want to sell the New Ordinary Shares for which I have paid?

Provided the New Ordinary Shares have been paid for and you have requested the return of the receipted Provisional Allotment Letter, you can transfer the Fully Paid Rights by completing Form X (the form of renunciation) on the receipted Provisional Allotment Letter in accordance with the instructions set out in the Provisional Allotment Letter until 3.00 p.m. on 8 April 2009. After that time, you will be able to sell your New Ordinary Shares in the normal way. The share certificate relating to your New Ordinary Shares is expected to be despatched to you by no later than 22 April 2009. Pending despatch of the share certificate, instruments of transfer will be certified by Capita Registrars against the register. Further details are set out in Part IX *(Terms and Conditions of the Rights Issue)*.

12. What if I hold options and awards under the CRH Share Schemes?

The options and awards granted under the CRH Share Schemes may be adjusted in such a way as the Directors consider appropriate as a result of the Rights Issue. Such adjustments, if any, will be subject to approval by the Company's auditors and, where appropriate, the Revenue Commissioners in Ireland or Her Majesty's Revenue & Customs in the United Kingdom. Participants will be contacted separately with further information on how their options and awards may be affected by the Rights Issue.

13. What should I do if I live outside Ireland or the United Kingdom?

Your ability to take up rights to New Ordinary Shares may be affected by the laws of the country in which you live and you should take professional advice as to whether you require any governmental or other consents or need to observe any other formalities to enable you to take up your Rights. CRH Shareholders who are not Qualifying Shareholders are, subject to certain exceptions, not eligible to participate in the Rights Issue. Your attention is drawn to the information in section 3 of Part IX (*Terms and Conditions of the Rights Issue*).

CRH has made arrangements under which the Underwriters will try to find investors to take up your Rights and those of other CRH Shareholders who have not taken up their Rights. If the Underwriters do find investors who agree to pay a premium above the Issue Price and the related expenses of procuring those investors (including any applicable brokerage and commissions and amounts in respect of value added tax), you will be sent a cheque for your share of the amount of that premium provided that this is €5.00 or more. Cheques are expected to be despatched on or around 1 April 2009 and will be sent to your address appearing on CRH's register of members (or to the first-named holder if you hold your Existing Ordinary Shares jointly). If the Underwriters cannot find investors who agree to pay a premium over the Issue Price and related expenses so that your entitlement would be €5.00 or more, you will not receive any payment.

14. Will I be entitled to the 2008 final dividend in respect of my New Ordinary Shares?

Holders of New Ordinary Shares issued pursuant to the Rights Issue will not be entitled to receive, in respect of those New Ordinary Shares, the proposed 2008 final dividend of 48.5c per Existing Ordinary Share announced by CRH today.

15. How do I transfer my Rights into the CREST system?

If you are a Qualifying Non-CREST Shareholder, but are a CREST member and want your New Ordinary Shares to be in uncertificated form, you should complete Form X and the CREST Deposit Form (both on the Provisional Allotment Letter), and ensure they are deposited with the CCSS by 3.00 p.m. on 12 March 2009 (nil paid) or 3.00 p.m. on 3 April 2009 (fully paid). CREST sponsored members should arrange for their CREST sponsors to do this.

If you have transferred your Nil Paid Rights into the CREST system, you should refer to paragraph 2.2 of Part IX (*Terms and Conditions of the Rights Issue*) for details on how to pay for the New Ordinary Shares.

16. What should I do if I think my holding of Existing Ordinary Shares is incorrect?

If you have bought or sold Existing Ordinary Shares shortly before 25 February 2009, your transaction may not have been entered on the register of members in time to appear on the register at the Record Date. If you are concerned about the figure in the Provisional Allotment Letter or otherwise concerned that your holding of Existing Ordinary Shares is incorrect, please contact the Shareholder Helpline on (01) 810 2465 (if calling from Ireland) or +353 1 810 2465 (if calling from outside Ireland) between 9.00 a.m. and 5.00 p.m. on any Business Day. Please note that, for legal reasons, the Shareholder Helpline will only be able to provide information contained in this Prospectus and information relating to CRH's register of members and will be unable to give advice on the merits of the Rights Issue or provide legal, financial, tax or investment advice.

17. I am a Qualifying CREST Shareholder but I do not have a euro-denominated Cash Memorandum Account. How can I participate in the Rights Issue?

If you hold your Existing Ordinary Shares in CREST, but you do not have a euro-denominated Cash Memorandum Account, you will not be able to pay for your New Ordinary Shares through CREST. To make payment in respect of your New Ordinary Shares you will be required to withdraw your Nil Paid Rights from CREST before 4.30 p.m. on 9 March 2009 and proceed with your application in accordance with paragraph 2.1 of Part IX (*Terms and Conditions of the Rights Issue*).

PART IX – TERMS AND CONDITIONS OF THE RIGHTS ISSUE

1. Introduction

The Company expects to raise proceeds of approximately €1.238bn (net of expenses) by way of a rights issue of 152,087,952 New Ordinary Shares. Subject to the fulfilment of the conditions of the Underwriting Agreement, the New Ordinary Shares will be offered by way of rights at €8.40 per New Ordinary Share, payable in full on acceptance by Qualifying Shareholders, on the basis of:

2 New Ordinary Shares for every 7 Existing Ordinary Shares

held on the Record Date and otherwise on the terms and conditions as set out in this Prospectus and, also, where relevant, the Provisional Allotment Letters.

Qualifying Shareholders who do not take up their entitlements to New Ordinary Shares, or CRH Shareholders who are not Qualifying Shareholders, will have their proportionate shareholdings in CRH diluted by approximately 22.2 per cent. Those Qualifying Shareholders who take up all the New Ordinary Shares provisionally allotted to them in full will, subject to fractions, have the same proportionate voting and distribution rights as held by them on the Record Date.

The Nil Paid Rights (also described as New Ordinary Shares, nil paid) are entitlements to acquire the New Ordinary Shares subject to payment of the Issue Price. The Fully Paid Rights are entitlements to receive the New Ordinary Shares, for which a subscription and payment has already been made.

Holdings of Existing Ordinary Shares in certificated and uncertificated form will be treated as separate holdings for the purpose of calculating entitlements under the Rights Issue. Entitlements to New Ordinary Shares will be rounded down to the nearest whole number and fractions of New Ordinary Shares will not be allotted to Qualifying Shareholders. Such fractions will be aggregated and, if possible, sold as soon as practicable after the commencement of dealings in the New Ordinary Shares, nil paid. The net proceeds of such sales (after deduction of expenses) will be aggregated and will ultimately accrue for the benefit of CRH.

All Overseas Shareholders and any person (including, without limitation, agents, custodians, nominees or trustees) who has a contractual or other legal obligation to forward this Prospectus or any other documents issued by the Company in connection with the Rights Issue, if and when received, to a jurisdiction outside Ireland and the United Kingdom should read section 3 of this Part IX. The offer of New Ordinary Shares and the Rights Issue will not be made into certain territories. Subject to the provisions of section 3 of this Part IX, CRH Shareholders with a registered address, or who are resident or located, in any Excluded Territory are not being sent this Prospectus or any other documents issued by the Company in connection with the Rights Issue and will not have their CREST accounts credited with Nil Paid Rights.

Application has been made to the Irish Stock Exchange and the UK Listing Authority for 152,087,952 New Ordinary Shares, nil paid and fully paid, to be admitted to the Official Lists and application has been made to the Irish Stock Exchange and the London Stock Exchange for such New Ordinary Shares, nil paid and fully paid, to be admitted to trading on their respective regulated markets for listed securities. It is expected that such admission will become effective and that dealings will commence in the New Ordinary Shares, nil paid, at 8.00 a.m. on 4 March 2009. The New Ordinary Shares and the Existing Ordinary Shares are in registered form and can be held in certificated form or in uncertificated form in CREST.

The Existing Ordinary Shares are already admitted to CREST. No further application for admission to CREST is required for the New Ordinary Shares and all of the New Ordinary Shares when issued and fully paid may be held and transferred by means of CREST.

Applications have been made for the Nil Paid Rights and the Fully Paid Rights to be admitted to CREST. Euroclear requires the Company to confirm to it that certain conditions (imposed by the CREST Manual) have been satisfied before Euroclear will admit any security to CREST. It is expected that these conditions will be satisfied, in respect of the Nil Paid Rights and the Fully Paid Rights, before Admission. As soon as practicable after satisfaction of the conditions, the Company will confirm this to Euroclear.

The ISIN for the New Ordinary Shares will be the same as that of the Existing Ordinary Shares, being IE0001827041. The ISIN for the Nil Paid Rights is IE00B55PBC33 and for the Fully Paid Rights is IE00B55PBD40.

The New Ordinary Shares were created under the Companies Acts. None of the New Ordinary Shares are being made available to the public other than pursuant to the Rights Issue. The Rights Issue has been fully underwritten by the Underwriters and is conditional, *inter alia,* upon:

(i) the Underwriting Agreement having become unconditional in all respects (save for the condition relating to Admission) and not having been terminated in accordance with its terms; and

(ii) Admission becoming effective by not later than 8.00 a.m. on 4 March 2009 (or such later time and date as the parties to the Underwriting Agreement may agree).

The Underwriting Agreement is conditional upon certain matters being satisfied or not breached prior to Admission and may be terminated by the Underwriters prior to Admission upon the occurrence of certain specified events (as further detailed in paragraph 14.1 of Part XV (*Additional Information*)), in which case the Rights Issue will not proceed. The Underwriting Agreement is not capable of termination following Admission. The Underwriters may arrange sub-underwriting for some, all or none of the New Ordinary Shares. A summary of certain terms and conditions of the Underwriting Agreement is contained in paragraph 14.1 of Part XV (*Additional Information*).

Subject to the terms of the Underwriting Agreement, the Underwriters and any of their respective affiliates may engage in trading activity in connection with their roles under the Underwriting Agreement and, in that capacity, may retain, purchase, sell, offer to sell or otherwise deal for their own account in securities of the Company and related or other securities and instruments (including New Ordinary Shares, Nil Paid Rights and Fully Paid Rights).

CRH reserves the right to decide not to proceed with the Rights Issue at any time prior to Admission and commencement of dealings in the Nil Paid Rights. Following Admission and commencement of dealings in the Nil Paid Rights, CRH will not be entitled to revoke any offers made in connection with the Rights Issue.

Subject, *inter alia,* to the conditions referred to above being satisfied (other than the condition relating to Admission) and save as provided in section 3 of this Part IX, it is intended that:

(i) Provisional Allotment Letters in respect of Nil Paid Rights will be despatched to Qualifying Non-CREST Shareholders on 3 March 2009;

(ii) Capita Registrars will instruct Euroclear to credit the appropriate stock accounts of Qualifying CREST Shareholders with such Qualifying CREST Shareholders' entitlements to Nil Paid Rights as soon as practicable after 8.00 a.m. on 4 March 2009;

(iii) the Nil Paid Rights and the Fully Paid Rights will be enabled for settlement by Euroclear as soon as practicable after CRH has confirmed to Euroclear that all the conditions for admission of such rights to CREST have been satisfied, which is expected to be by 8.00 a.m. on 4 March 2009;

(iv) New Ordinary Shares will be credited to the appropriate stock accounts of the Qualifying CREST Shareholders who validly take up their rights by no later than 9 April 2009; and

(vii) share certificates for the New Ordinary Shares will be despatched to Qualifying Non-CREST Shareholders by no later than 22 April 2009.

The offer will be made to Qualifying Non-CREST Shareholders by way of the Provisional Allotment Letters (as described in step (i) above) and to Qualifying CREST Shareholders by way of the enablement of the Nil Paid Rights and the Fully Paid Rights in CREST (as described in step (iii) above) (such Qualifying CREST Shareholders' stock accounts having been credited as described in step (ii) above).

The New Ordinary Shares will, when issued and fully paid, rank *pari passu* in all respects with the Existing Ordinary Shares, including the right to receive all dividends or other distributions made, paid or declared after the date of this Prospectus, except holders of New Ordinary Shares issued pursuant to the Rights Issue will not be entitled to receive, in respect of those New Ordinary Shares, the proposed 2008 final dividend to be paid on 11 May 2009 to holders of Existing Ordinary Shares on the register of members of CRH at the close of business on 13 March 2009.

Each New Ordinary Share issued pursuant to the Rights Issue will be issued together with one unlisted Income Share. Further information about the Income Shares is set out in paragraph 3.3 of Part XV (*Additional Information*).

All documents including Provisional Allotment Letters (which constitute temporary documents of title) and cheques and certificates posted to, by or from Qualifying Shareholders and/or their transferees or renouncees (or their agents, as appropriate) will be posted at their own risk. Qualifying Shareholders taking up their Rights by

completing a Provisional Allotment Letter or by sending an MTM instruction to Euroclear will, unless the requirement is waived by CRH, be deemed to have given the following representations and warranties:

(a) Qualifying Non-CREST Shareholders

Any person accepting and/or renouncing a Provisional Allotment Letter, requesting registration of the New Ordinary Shares comprised therein, making or accepting an offer to subscribe for New Ordinary Shares, trading in Nil Paid Rights or Fully Paid Rights or acquiring New Ordinary Shares, Nil Paid Rights or Fully Paid Rights represents and warrants to the Company and the Underwriters that, except where proof has been provided to the Company's satisfaction that such person's use of the Provisional Allotment Letter will not result in the contravention of any applicable regulatory or legal requirement in any jurisdiction, (I) such person is not accepting and/or renouncing the Provisional Allotment Letter, or requesting registration of the relevant New Ordinary Shares, from within any of the Excluded Territories; (II) such person is not in any territory in which it is unlawful to make or accept an offer to subscribe for New Ordinary Shares or to use the Provisional Allotment Letter in any manner in which such person has used or will use it; (III) such person is not acting on a non-discretionary basis on behalf of, or for the account or benefit of, a person located within any Excluded Territory or any territory referred to in (II) above at the time the instruction to accept or renounce was given; and (IV) such person is not acquiring New Ordinary Shares, Nil Paid Rights or Fully Paid Rights with a view to the offer, sale, resale, transfer, delivery or distribution, directly or indirectly, of any such New Ordinary Shares, Nil Paid Rights or Fully Paid Rights in any Excluded Territory or any territory referred to in (II) above; and

(b) Qualifying CREST Shareholders

A CREST member or CREST sponsored member who makes a valid acceptance in accordance with the procedures set out in this Part IX represents and warrants to the Company and the Underwriters that, except where proof has been provided to the Company's satisfaction that such person's acceptance will not result in the contravention of any applicable regulatory or legal requirement in any jurisdiction, (I) such person is not within any of the Excluded Territories; (II) such person is not in any territory in which it is unlawful to make or accept an offer to subscribe for New Ordinary Shares; (III) such person is not acting on a non-discretionary basis on behalf of, or for the account or benefit of, a person located within any Excluded Territory or any territory referred to in (II) above at the time the instruction to accept was given; and (IV) such person is not acquiring New Ordinary Shares, Nil Paid Rights or Fully Paid Rights with a view to the offer, sale, resale, transfer, delivery or distribution, directly or indirectly, of any such New Ordinary Shares, Nil Paid Rights or Fully Paid Rights into any Excluded Territory or any territory referred to in (II) above.

2. Action to be Taken

The action to be taken in respect of the New Ordinary Shares depends on whether, at the relevant time, the Nil Paid Rights or the Fully Paid Rights in respect of which action is to be taken are in certificated form (that is, are represented by Provisional Allotment Letters) or are in uncertificated form (that is, are in CREST).

If you are a Qualifying Non-CREST Shareholder, please refer to paragraph 2.1 and paragraphs 2.3 to 6 of this Part IX.

If you are a Qualifying CREST Shareholder, please refer to paragraphs 2.2 to 6 of this Part IX and to the CREST Manual for further information on the CREST procedures referred to below.

If you are an Overseas Shareholder, please refer to section 3 of this Part 1X.

If you are a Qualifying Shareholder holding Existing Ordinary Shares on a non-discretionary basis on behalf of, or for the benefit of, any person who is in the United States or any state of the United States, please refer to section 3 of this Part IX.

CREST sponsored members should refer to their CREST sponsors, as only their CREST sponsors will be able to take the necessary actions specified below to take up the entitlements or otherwise to deal with the Nil Paid Rights or Fully Paid Rights of CREST sponsored members.

All enquiries in relation to the Provisional Allotment Letters should be addressed to the Shareholder Helpline on (01) 810 2465 (if calling from Ireland) or +353 1 810 2465 (if calling from outside Ireland) between 9.00 a.m. and 5.00 p.m. on any Business Day. Please note that, for legal reasons, the Shareholder Helpline will only be able to provide information contained in the Prospectus and information relating to CRH's register of members and will be unable to give advice on the merits of the Rights Issue or provide legal, financial, tax or investment advice.

2.1 Action to be taken by Qualifying Non-CREST Shareholders in relation to the Nil Paid Rights represented by Provisional Allotment Letters

2.1.1 General

Provisional Allotment Letters are expected to be despatched to Qualifying Non-CREST Shareholders on 3 March 2009. Each Provisional Allotment Letter will set out:

(i) the holding at the Record Date of Existing Ordinary Shares in certificated form on which a Qualifying Non-CREST Shareholder's entitlement to New Ordinary Shares has been based;

(ii) the aggregate number and cost of New Ordinary Shares in certificated form which have been provisionally allotted to that Qualifying Non-CREST Shareholder;

(iii) the procedures to be followed if a Qualifying Non-CREST Shareholder wishes to dispose of all or part of his entitlement under the Rights Issue or to convert all or part of his entitlement under the Rights Issue into uncertificated form; and

(iv) instructions regarding acceptance and payment, consolidation, splitting and registration of renunciation.

On the basis that Provisional Allotment Letters are despatched on 3 March 2009 and that dealings in Nil Paid Rights commence at 8.00 a.m. on 4 March 2009, the latest time and date for acceptance and payment in full will be 11.00 a.m. on 18 March 2009.

If the Rights Issue is delayed so that Provisional Allotment Letters cannot be despatched on 3 March 2009, the expected timetable, as set out at the front of this Prospectus, will be adjusted accordingly and the revised dates will be set out in the Provisional Allotment Letters and announced through a Regulatory Information Service. All references in this Part IX should be read as being subject to such adjustment.

2.1.2 Procedure for acceptance and payment

(i) Qualifying Non-CREST Shareholders who wish to accept in full

Holders of Provisional Allotment Letters who wish to take up all of their Rights must return the Provisional Allotment Letters, together with payment of the full amount payable on acceptance, in accordance with the provisions of paragraph 2.1.2(iv) of this Part IX and in accordance with the instructions printed on the Provisional Allotment Letters, by post (using the reply-paid envelope enclosed with each Provisional Allotment Letter) or by hand to Capita Registrars (at the relevant address set out on page 13 of this Prospectus) so as to arrive as soon as possible and in any event so as to be received by not later than 11.00 a.m. on 18 March 2009, the latest time and date for acceptance and payment in full. If your Provisional Allotment Letter is posted, it is recommended to allow sufficient time for delivery.

(ii) Qualifying Non-CREST Shareholders who wish to accept in part

Holders of Provisional Allotment Letters who wish to take up some but not all of their Rights and wish to sell some or all of those rights which they do not want to take up should first apply for split Provisional Allotment Letters by completing Form X on the Provisional Allotment Letter and returning it, together with a covering letter stating the number of split Provisional Allotment Letters required and the number of Nil Paid Rights or Fully Paid Rights (if appropriate) to be comprised in each split Provisional Allotment Letter, by post or by hand to Capita Registrars (at the relevant address set out on page 13 of this Prospectus) by 3.00 p.m. on 13 March 2009, the last date and time for splitting Nil Paid Rights or by 3.00 p.m. on 6 April 2009, the last date and time for splitting Fully Paid Rights.

The original Provisional Allotment Letter will then be cancelled and exchanged for the split Provisional Allotment Letters required. Such holders of Provisional Allotment Letters should then deliver the split Provisional Allotment Letter representing the Rights they wish to take up together with payment for the amount payable on acceptance of such Rights, in accordance with the provisions of paragraph 2.1.2(iv) of this Part IX, by not later than 11.00 a.m. on 18 March 2009, the last time and date for acceptance and payment in full. The further split Provisional Allotment Letters (representing the New Ordinary Shares the Qualifying Non-CREST Shareholder does not wish to take up) will be required in order to sell those rights not being taken up.

Alternatively, Qualifying Non-CREST Shareholders who wish to take up some of their Rights, without selling or transferring the remainder, should complete Form X on the original Provisional Allotment Letter and return it, together with a covering letter confirming the number of such Rights to be taken up together with payment for the amount payable on acceptance of such Rights, in accordance with the provisions of paragraph 2.1.2(iv) of this Part IX, by post or by hand to Capita Registrars (at the relevant address set out on page 13 of this Prospectus). In this

case, the Provisional Allotment Letter and payment must be received by Capita Registrars by 11.00 a.m. on 18 March 2009, the last time and date for acceptance and payment in full.

(iii) Company's discretion as to validity of acceptances

If payment is not received in full by 11.00 a.m. on 18 March 2009, the provisional allotment will be deemed to have been declined and will lapse. The Company may elect, with the agreement of the Underwriters, but shall not be obliged, to treat as valid Provisional Allotment Letters and accompanying remittances for the full amount due which are received through the post prior to 5.00 p.m. on 18 March 2009.

The Company may also (in its sole discretion) treat any Provisional Allotment Letter as valid and binding on the person(s) by whom or on whose behalf it is lodged even if it is not completed in accordance with the relevant instructions or is not accompanied by a valid power of attorney where required.

Qualifying Non-CREST Shareholders are referred to section 4 of this Part IX in relation to the Company's discretion to treat any acceptance or purported acceptance of the offer for New Ordinary Shares as invalid.

A Qualifying Non-CREST Shareholder who makes a valid acceptance and payment in accordance with this section 2 is deemed to request that the New Ordinary Shares to which they will become entitled be issued to them on the terms set out in this Prospectus and subject to the Memorandum and Articles of Association.

(iv) Payments

All payments must be in euro and made by cheque or banker's draft made payable to "Capita Registrars (Ireland) Limited Re: CRH Rights Issue" and crossed "A/C payee only". Cheques must be drawn on a licensed bank or building society or branch of a licensed bank or building society in Ireland. Banker's drafts (or equivalent instruments) may be drawn on any licensed credit institution or branch of a licensed credit institution within the Eurozone or the United Kingdom. Third party cheques will not be accepted with the exception of building society cheques or banker's drafts where the building society or bank, respectively, has confirmed the name of the account holder by stamping or endorsing the cheque or draft to such effect. The account name should be the same as that shown on the application. Post-dated cheques will not be accepted. Cheques or banker's drafts will be presented for payment upon receipt. Qualifying Non-CREST Shareholders should write their name and allotment number on the reverse of the cheque or banker's draft and attach it to their Provisional Allotment Letter. The Company reserves the right to instruct the Receiving Agent to seek special clearance of cheques and banker's drafts to allow the Company to obtain value for remittances at the earliest opportunity. No interest will be paid on payments made before they are due. The return of a Provisional Allotment Letter with the appropriate remittance will constitute a warranty that the remittance will be honoured on first presentation. It is a term of the Rights Issue that cheques or banker's drafts shall be honoured on first presentation and the Company may elect to treat as invalid acceptances in respect of which cheques or banker's drafts are not so honoured. All documents, cheques and banker's drafts sent through the post will be sent at the risk of the sender. Payments via electronic transfer will not be accepted.

If the New Ordinary Shares have already been allotted to a Qualifying Non-CREST Shareholder prior to any payment not being so honoured upon first presentation or such acceptances being treated as invalid, the Company may (in its absolute discretion as to manner, timing and terms) make arrangements for the sale of such New Ordinary Shares on behalf of such Qualifying Non-CREST Shareholder and hold the proceeds of sale (net of the Company's reasonable estimate of any loss it has suffered as a result of the same and of the expenses of the sale, including, without limitation, any stamp duty payable on the transfer of such New Ordinary Shares, and of all amounts payable by such Qualifying Non-CREST Shareholder pursuant to the terms of the Rights Issue in respect of the acquisition of such New Ordinary Shares) on behalf of such Qualifying Non-CREST Shareholder. Neither the Company nor the Underwriters nor any other person shall be responsible for, or have any liability for, any loss, expense or damage suffered by such Qualifying Non-CREST Shareholder as a result.

(v) Representations and Warranties

Holders of Provisional Allotment Letters who wish to take up any of their entitlements must make the representations and warranties set out in paragraph 1(a) of this Part IX.

2.1.3 Money Laundering Legislation

It is a term of the Rights Issue that, to ensure compliance with the Money Laundering Legislation, the Receiving Agent may require verification of the identity of the person by whom or on whose behalf a Provisional Allotment Letter is lodged with payment (which requirements are referred to below as the "**verification of identity requirements**"). The person(s) (the "**acceptor**") who, by lodging a Provisional Allotment Letter with payment,

as described above, accept(s) the allotment of New Ordinary Shares (the "**relevant shares**") comprised in such Provisional Allotment Letter (being the provisional allottee or, in the case of renunciation, the person named in such Provisional Allotment Letter) shall thereby be deemed to agree to provide the Receiving Agent and/or the Company with such information and other evidence as they or either of them may require to satisfy the verification of identity requirements.

If the Receiving Agent determines that the verification of identity requirements apply to an acceptance of an allotment and the verification of identity requirements have not been satisfied (which satisfaction shall be determined by the Receiving Agent in its absolute discretion) by 11.00 a.m. on 18 March 2009, the Company may, in its absolute discretion, and without prejudice to any other rights of the Company, treat the acceptance as invalid or may confirm the allotment of the relevant shares to the acceptor but (notwithstanding any other term of the Rights Issue) such shares will not be issued to him or registered in his name until the verification of identity requirements have been satisfied (which satisfaction shall be determined by the Receiving Agent in its absolute discretion). If the acceptance is not treated as invalid and the verification of identity requirements are not satisfied within such period as the Company may in its absolute discretion allow, being not less than seven days after a request for evidence of identity is despatched to the acceptor, the Company will be entitled to make arrangements (in its absolute discretion as to manner, timing and terms) to sell the relevant shares (and for that purpose the Company will be expressly authorised to act as agent of the acceptor). Any proceeds of sale (net of expenses) of the relevant shares which shall be payable to the acceptor(s) or an amount equivalent to the original payment, whichever is the lower, will be held by the Company on trust for the acceptor, subject to the requirements of the Money Laundering Legislation. The Receiving Agent is entitled in its absolute discretion to determine whether the verification of identity requirements apply to any acceptor and whether such requirements have been satisfied. Neither the Company nor the Receiving Agent will be liable to any person for any loss suffered or incurred as a result of the exercise of any such discretion or as a result of any sale of relevant shares.

Return of a Provisional Allotment Letter with the appropriate remittance will constitute a warranty from the acceptor that the Money Laundering Legislation will not be breached by acceptance of such remittance. If the verification of identity requirements apply, failure to provide the necessary evidence of identity may result in your acceptance being treated as invalid or in delays in the despatch of a receipted fully paid Provisional Allotment Letter or a share certificate.

The verification of identity requirements will not usually apply:

(a) if the acceptor is an organisation required to comply with the Money Laundering Directive 2001/97/EC of the European Parliament and of the Council of 4 December 2001 amending Council Directive 91/308/EEC on prevention of the use of the financial system for the purposes of money laundering or the Money Laundering Directive 2005/60/EC of the European Parliament and of the EC Council of 26 October 2005 on the prevention of the use of the financial system for the purpose of money laundering and terrorist financing;

(b) if the acceptor is a regulated Irish broker or intermediary acting as agent and is itself subject to the Money Laundering Legislation;

(c) if the acceptor makes payment by way of a cheque drawn on an account in the name of such acceptor; or

(d) if the aggregate subscription price for the relevant shares is less than €13,000.

Where the verification of identity requirements apply, please note the following as this will assist in satisfying the requirements. Satisfaction of the verification of identity requirements may be facilitated in the following ways:

(i) if payment is made by euro-denominated cheque or banker's draft drawn on a licensed bank, building society or credit institution or branch of a licensed bank, building society or credit institution and bearing a bank sort code number in the top right-hand corner, the following applies. Cheques should be made payable to "Capita Registrars (Ireland) Limited Re: CRH Rights Issue" and crossed "A/C payee only". Third party cheques will not be accepted with the exception of building society cheques or banker's drafts where the building society or bank, respectively, has confirmed the name of the account holder by stamping or endorsing the building society cheque/banker's draft to such effect. The account name should be the same as that shown on the application; or

(ii) if the Provisional Allotment Letter is lodged with payment by an agent which is an organisation of the kind referred to in (a) above or which is subject to anti money laundering regulation in a country which is a member of the Financial Action Task Force (the non-European Union members of which are Argentina, Australia, Brazil, Canada, Hong Kong, Iceland, Japan, Mexico, New Zealand, Norway, the Russian Federation, Singapore, South Africa, Switzerland, Turkey, the United States of America and, by virtue of their membership of the Gulf Co-operation Council, Bahrain, Kuwait, Oman, Qatar, Saudi Arabia and the UAE), the agent should provide written confirmation with the Provisional Allotment Letter that it has that status and a written

assurance that it has obtained and recorded evidence of the identity of the persons for whom it acts and that it will on demand make such evidence available to the Receiving Agent or the relevant authority; or

(iii) if a Provisional Allotment Letter is lodged by hand by the acceptor in person, he should ensure that he has with him evidence of identity bearing his photograph (for example, his passport) and evidence of his address in case the Receiving Agent determines that the verification of identity requirements are applicable to the acceptor; or

(iv) if a Provisional Allotment Letter is lodged by hand by a person other than the acceptor, the acceptor should ensure that he has provided the person lodging the Provisional Allotment Letter with certified copies of evidence of identity bearing the acceptor's photograph (for example, his passport) and evidence of address.

In order to confirm the acceptability of any evidence of identity referred to above, the acceptor should contact the Shareholder Helpline.

2.1.4 Dealings in Nil Paid Rights

Assuming the Rights Issue becomes unconditional, dealings on the Irish Stock Exchange and the London Stock Exchange in the Nil Paid Rights are expected to commence at 8.00 a.m. on 4 March 2009. A transfer of Nil Paid Rights provisionally allotted in certificated form may, save as required by the laws of certain overseas jurisdictions, only be made by renunciation of the Provisional Allotment Letter in accordance with the instructions printed on it and delivery of the Provisional Allotment Letter to the transferee.

If Admission does not become effective by 8.00 a.m. on 4 March 2009 or such later time as the Underwriter or the Company may agree in writing, the provisional allotment of the New Ordinary Shares will lapse and any payments will be returned without interest.

2.1.5 Dealings in Fully Paid Rights

After acceptance of the Rights and payment in full in accordance with the provisions set out in this Prospectus and the Provisional Allotment Letter, the Fully Paid Rights may be transferred by renunciation of the relevant Provisional Allotment Letter and delivering it, by post or by hand to Capita Registrars (at the relevant address set out on page 13 of this Prospectus) by not later than 3.00 p.m. on 8 April 2009. To do this, Qualifying Non-CREST Shareholders will need to have their fully paid Provisional Allotment Letters returned to them after acceptance has been effected by Capita Registrars. However, fully paid Provisional Allotment Letters will not be returned to Qualifying Non-CREST Shareholders unless their return is requested by ticking the appropriate box on the Provisional Allotment Letter. After 8 April 2009, the New Ordinary Shares will be in registered form and transferable in the usual way (see paragraph 2.1.10 of this Part IX).

2.1.6 Renunciation and splitting of Provisional Allotment Letters

Qualifying Non-CREST Shareholders who wish to transfer all of their Nil Paid Rights or, after acceptance of the provisional allotment and payment in full, Fully Paid Rights comprised in a Provisional Allotment Letter may (save as required by the laws of certain overseas jurisdictions) renounce such allotment by completing and signing Form X on the Provisional Allotment Letter (if it is not already marked "Original Duly Renounced") and passing the entire Provisional Allotment Letter to their stockbroker or bank or other appropriate financial adviser or to the transferee. Once a Provisional Allotment Letter has been renounced, it will become a negotiable instrument in bearer form and the Nil Paid Rights or Fully Paid Rights (as appropriate) comprised in the Provisional Allotment Letter may be transferred by delivery of the Provisional Allotment Letter to the transferee. The latest time and date for registration of renunciation of Provisional Allotment Letters is 3.00 p.m. on 8 April 2009.

If a holder of a Provisional Allotment Letter wishes to have only some of the New Ordinary Shares registered in his name and to transfer the remainder, or wishes to transfer all the Nil Paid Rights or (if appropriate) Fully Paid Rights but to different persons, he may have the Provisional Allotment Letter split, for which purpose he must complete and sign Form X on the Provisional Allotment Letter. The Provisional Allotment Letter must then be delivered by post or by hand to Capita Registrars (at the relevant address set out on page 13 of this Prospectus) by not later than 3.00 p.m. on 13 March 2009 (nil paid) or 3.00 p.m. on 6 April 2009 (fully paid), to be cancelled and exchanged for the number of split Provisional Allotment Letters required. The number of split Provisional Allotment Letters required and the number of Nil Paid Rights or (as appropriate) Fully Paid Rights to be comprised in each split letter should be stated in an accompanying letter. Form X on split Provisional Allotment Letters will be marked "Original Duly Renounced" before issue.

The Company reserves the right to refuse to register any renunciation in favour of any person in respect of which the Company believes such renunciation may violate applicable legal or regulatory requirements, including (without

limitation) any renunciation in the name of any person with a registered address, or who is resident or located in a jurisdiction outside Ireland or the United Kingdom.

Alternatively, Qualifying Non-CREST Shareholders who wish to take up some of their New Ordinary Shares, without transferring the remainder, should complete Form X on the original Provisional Allotment Letter and return it, together with a covering letter confirming the number of New Ordinary Shares to be taken up together with payment of the amount payable on acceptance of such New Ordinary Shares, in accordance with the provisions of paragraph 2.1.2(iv) of this Part IX, by post or by hand to Capita Registrars (at the relevant address set out on page 13 of this Prospectus). In this case, the Provisional Allotment Letter and payment must be received by Capita Registrars by not later than 11.00 a.m. on 18 March 2009.

2.1.7 Registration in names of Qualifying Shareholders

A Qualifying Shareholder who wishes to have all the New Ordinary Shares to which he is entitled registered in his name must accept and make payment for such allotment in accordance with the provisions set out in this Prospectus and the Provisional Allotment Letter but need take no further action. A share certificate is expected to be sent to such Qualifying Shareholder by no later than 22 April 2009.

2.1.8 Registration in names of persons other than Qualifying Shareholders originally entitled

In order to register Fully Paid Rights in certificated form in the name of someone other than the Qualifying Shareholders(s) originally entitled, the renouncee or his agent(s) must complete Form Y on the Provisional Allotment Letter (unless the renouncee is a CREST member who wishes to hold such New Ordinary Shares in uncertificated form, in which case Form X and the CREST Deposit Form must be completed (see paragraph 2.1.9 of this Part IX)) and deliver the entire Provisional Allotment Letter, when fully paid, by post or by hand to Capita Registrars (at the relevant address set out on page 13 of this Prospectus) by not later than the latest time for registration of renunciations, which is 3.00 p.m. on 8 April 2009. Registration cannot be effected unless and until the New Ordinary Shares comprised in a Provisional Allotment Letter are fully paid.

The New Ordinary Shares comprised in several renounced Provisional Allotment Letters may be registered in the name of one holder (or joint holders) if Form Y is completed on one Provisional Allotment Letter (the "**Principal Letter**") and all the Provisional Allotment Letters are delivered in one batch. Details of each Provisional Allotment Letter (including the Principal Letter) should be listed in the Consolidation Listing Form adjacent to Forms X and Y of the Principal Letter and the allotment number of the Principal Letter should be entered in the space provided on each of the other Provisional Allotment Letters.

2.1.9 Deposit of Nil Paid Rights or Fully Paid Rights into CREST

The Nil Paid Rights or Fully Paid Rights represented by the Provisional Allotment Letter may be converted into uncertificated form, that is, deposited into CREST (whether such conversion arises as a result of a renunciation of those rights or otherwise). Similarly, Nil Paid Rights or Fully Paid Rights held in CREST may be converted into certificated form, that is, withdrawn from CREST. Subject as provided in the next following paragraph or in the Provisional Allotment Letter, normal CREST procedures and timings apply in relation to any such conversion. You are recommended to refer to the CREST Manual for details of such procedures.

The procedure for depositing the Nil Paid Rights or Fully Paid Rights represented by the Provisional Allotment Letter into CREST, whether such rights are to be converted into uncertificated form in the name(s) of the person(s) whose name(s) and address appear(s) on page 1 of the Provisional Allotment Letter or in the name of a person or persons to whom the Provisional Allotment Letter has been renounced, is as follows: Form X and the CREST Deposit Form (both on the Provisional Allotment Letter) will need to be completed and the Provisional Allotment Letter deposited with the CCSS. In addition, the normal CREST Stock Deposit procedures will need to be carried out, except that (a) it will not be necessary to complete and lodge a separate CREST Transfer Form with the CCSS and (b) only the whole of the Nil Paid Rights or the Fully Paid Rights represented by the Provisional Allotment Letter may be deposited into CREST. If you wish to deposit some only of the Nil Paid Rights or the Fully Paid Rights represented by the Provisional Allotment Letter into CREST, you must first apply for split Provisional Allotment Letters by following the instructions in paragraph 2.1.2(ii) of this Part IX. If the rights represented by more than one Provisional Allotment Letter are to be deposited, the CREST Deposit Form on each Provisional Allotment Letter must be completed and deposited. The Consolidation Listing Form (as set out in the CREST Regulations) must not be used.

A holder of the Nil Paid Rights represented by a Provisional Allotment Letter who is proposing to convert those rights into uncertificated form (whether following a renunciation of such rights or otherwise) is recommended to

ensure that the conversion procedures are implemented in sufficient time to enable the person holding or acquiring the Nil Paid Rights in CREST following the conversion to take all necessary steps in connection with taking up the entitlement prior to 11.00 a.m. on 18 March 2009. **In particular, having regard to processing times in CREST and on the part of Capita Registrars, the latest recommended time for depositing a renounced Provisional Allotment Letter (with Form X and the CREST Deposit Form on the Provisional Allotment Letter duly completed) with the CCSS in order to enable the person acquiring the Nil Paid Rights in CREST as a result of the conversion to take all necessary steps in connection with taking up the entitlement prior to 11.00 a.m. on 18 March 2009 is 3.00 p.m. on 12 March 2009.**

A holder of the Fully Paid Rights represented by a Provisional Allotment Letter who is proposing to convert those rights into uncertificated form (whether following a renunciation of such rights or otherwise) is recommended to ensure that the conversion procedures are implemented in sufficient time to enable the person holding the Fully Paid Rights in CREST to deliver the renounced Provisional Allotment Letter to CREST via CCSS by 3.00 pm on 3 April 2009 to enable them to receive their New Ordinary Shares in CREST by no later than 9 April 2009.

When Form X and the CREST Deposit Form (on the Provisional Allotment Letter) have been completed, the title to the Nil Paid Rights or the Fully Paid Rights represented by the Provisional Allotment Letters will cease to be renounceable or transferable by delivery, and, for the avoidance of doubt, any entries in Form Y will not subsequently be recognised or acted upon by Capita Registrars. All renunciations or transfers of Nil Paid Rights or Fully Paid Rights must be effected through the CREST system once such Nil Paid Rights or Fully Paid Rights have been deposited into CREST.

CREST sponsored members should contact their CREST sponsor as only their CREST sponsor will be able to take the necessary action to take up the entitlement or otherwise to deal with the Nil Paid Rights or Fully Paid Rights of the CREST sponsored member.

2.1.10 Issue of New Ordinary Shares in certificated form

Definitive share certificates in respect of the New Ordinary Shares to be held in certificated form are expected to be despatched by post by 22 April 2009 at the risk of the persons entitled thereto to Qualifying Non-CREST Shareholders (or their transferees who hold Fully Paid Rights in certificated form), or in the case of joint holdings, to the first-named Qualifying Non-CREST Shareholder, at their registered address (unless lodging agent details have been completed on the Provisional Allotment Letter). After despatch of the definitive share certificates in relation to the New Ordinary Shares, Provisional Allotment Letters will cease to be valid for any purpose whatsoever. Pending despatch of definitive share certificates, instruments of transfer of the New Ordinary Shares will be certified by Capita Registrars against the register of members of the Company.

Notwithstanding any of the provisions of this Prospectus or of the Provisional Allotment Letters, the Company reserves the right to allot and/or issue any New Ordinary Shares in certificated form. In normal circumstances, this right is only likely to be exercised in the event of any interruption, failure or breakdown of CREST (or any part of CREST) or of facilities and/or systems operated by Capita Registrars in connection with CREST. This right may also be exercised if the correct details (such as participant ID and member account ID details) are not provided in the CREST Deposit Form on page 4 of the Provisional Allotment Letter where these are required.

2.2 Action to be taken by Qualifying CREST Shareholders in relation to Nil Paid Rights and Fully Paid Rights in CREST

2.2.1 General

It is expected that each Qualifying CREST Shareholder will receive a credit to his stock account in CREST of his entitlement to Nil Paid Rights on 4 March 2009. It is expected that such rights will be enabled by 8.00 a.m. on 4 March 2009. The CREST stock account to be credited will be an account under the participant ID and member account ID that apply to the Ordinary Shares in uncertificated form held at the close of business on the Record Date by the Qualifying CREST Shareholder in respect of which the Nil Paid Rights are provisionally allotted.

The Nil Paid Rights will constitute a separate security for the purposes of CREST and can accordingly be transferred, in whole or in part, by means of CREST in the same manner as any other security that is admitted to CREST.

If, for any reason, it is impracticable to credit the stock accounts of Qualifying CREST Shareholders, or to enable the Nil Paid Rights by 8.00 a.m. on 4 March 2009, Provisional Allotment Letters shall, unless the Company determines otherwise, be sent out in substitution for the Nil Paid Rights which have not been so credited or enabled and the expected timetable as set out in this Prospectus will be adjusted as appropriate. References to dates and

times in this Prospectus should be read as subject to any such adjustment. The Company will make an appropriate announcement to a Regulatory Information Service giving details of any revised dates but Qualifying CREST Shareholders may not receive any further written communication.

CREST members who wish to take up their entitlements in respect of or otherwise to transfer Nil Paid Rights or Fully Paid Rights held by them in CREST should refer to the CREST Manual for further information on the CREST procedures referred to below. If you are a CREST sponsored member, you should consult your CREST sponsor if you wish to take up your entitlement as only your CREST sponsor will be able to take the necessary action to take up your entitlements or otherwise to deal with your Nil Paid Rights or Fully Paid Rights.

2.2.2 Procedure for acceptance and payment

(i) MTM instructions

CREST members who wish to take up all or some of their entitlement in respect of Nil Paid Rights in CREST must send (or, if they are CREST sponsored members, procure that their CREST sponsor sends) an MTM instruction to Euroclear that, on its settlement, will have the following effect:

(a) the crediting of a stock account of Capita Registrars under the participant ID and member account ID specified below, with the number of Nil Paid Rights to be taken up;

(b) the creation of a Settlement Bank Payment Obligation, in accordance with the RTGS payment mechanism, in favour of the RTGS Settlement Bank of Capita Registrars in euro in respect of the full amount payable on acceptance in respect of the Nil Paid Rights referred to in paragraph 2.2.2(i)(a) of this Part IX; and

(c) the crediting of a stock account of the accepting CREST member (being an account under the same participant ID and member account ID as the account from which the Nil Paid Rights are to be debited on settlement of the MTM instruction) of the corresponding number of Fully Paid Rights to which the CREST member is entitled on taking up his Nil Paid Rights referred to in paragraph 2.2.2(i)(a) of this Part IX.

(ii) Contents of MTM instructions

The MTM instruction must be properly authenticated in accordance with Euroclear's specifications and must contain, in addition to the other information that is required for settlement in CREST, the following details:

(a) the number of Nil Paid Rights to which the acceptance relates;

(b) the participant ID of the accepting CREST member;

(c) the member account ID of the accepting CREST member from which the Nil Paid Rights are to be debited;

(d) the participant ID of Capita Registrars, in its capacity as a CREST receiving agent. This is 7RA08;

(e) the member account ID of Capita Registrars, in its capacity as a CREST receiving agent. This is CRHRTS09;

(f) the number of Fully Paid Rights that the CREST member is expecting to receive on settlement of the MTM instruction. This must be the same as the number of Nil Paid Rights to which the acceptance relates;

(g) the amount payable (in euro only) by means of the CREST assured payment arrangements on settlement of the MTM instruction. This must be the full amount payable on acceptance in respect of the number of Nil Paid Rights referred to in paragraph 2.2.2(i)(a) of this Part IX;

(h) the intended settlement date. This must be on or before 11.00 a.m. on 18 March 2009;

(i) the Nil Paid Rights ISIN number, which is IE00B55PBC33;

(j) the Fully Paid Rights ISIN number, which is IE00B55PBD40;

(k) the Corporate Action Number for the Rights Issue. This will be available by viewing the relevant corporate action details in CREST;

(l) input with standard MTM delivery instruction priority of 80; and

(m) a contact name and telephone number in the shared note field.

(iii) Valid acceptance

An MTM instruction complying with each of the requirements as to authentication and contents set out in paragraph 2.2.2(ii) of this Part IX will constitute a valid acceptance where either:

(a) the MTM instruction settles by not later than 11.00 a.m. on 18 March 2009; or

(b) at the discretion of the Company:

(I) the MTM instruction is received by Euroclear by not later than 11.00 a.m. on 18 March 2009; and

(II) a number of Nil Paid Rights at least equal to the number of Nil Paid Rights inserted in the MTM instruction is credited to the CREST stock member account of the accepting CREST member specified in the MTM instruction at 11.00 a.m. on 18 March 2009.

An MTM instruction will be treated as having been received by Euroclear for these purposes at the time at which the instruction is processed by the Network Providers' Communications Host at Euroclear of the network provider used by the CREST member (or by the CREST sponsored member's CREST sponsor). This will be conclusively determined by the input time stamp applied to the MTM instruction by the Network Providers' Communications Host.

(iv) Representations, warranties and undertakings of CREST members

A CREST member or CREST sponsored member who makes a valid acceptance in accordance with this paragraph 2.2.2 represents, warrants and undertakes to the Company and the Underwriters that he has taken (or procured to be taken), and will take (or will procure to be taken), whatever action is required to be taken by him or by his CREST sponsor (as appropriate) to ensure that the MTM instruction concerned is capable of settlement by no later than 11.00 a.m. on 18 March 2009. In particular, the CREST member or CREST sponsored member represents, warrants and undertakes that, at 11.00 a.m. on 18 March 2009 (or until such later time and date as the Company may determine), there will be sufficient Headroom within the Cap in respect of the Cash Memorandum Account to be debited with the amount payable on acceptance to permit the MTM instruction to settle. CREST sponsored members should contact their CREST sponsor if they are in any doubt.

If there is insufficient Headroom within the Cap in respect of the Cash Memorandum Account of a CREST member or CREST sponsored member for such amount to be debited or the CREST member's or CREST sponsored member's acceptance is otherwise treated as invalid and New Ordinary Shares have already been allotted to such CREST member or CREST sponsored member, the Company may (in its absolute discretion as to the manner, timing and terms) make arrangements for the sale of such New Ordinary Shares on behalf of that CREST member or CREST sponsored member and hold the proceeds of sale (net of the Company's reasonable estimate of any loss that it has suffered as a result of the acceptance being treated as invalid and of the expenses of sale, including, without limitation, any stamp duty payable on the transfer of such New Ordinary Shares, and of all amounts payable by the CREST member or CREST sponsored member pursuant to the Rights Issue in respect of the acquisition of such New Ordinary Shares) on behalf of such CREST member or CREST sponsored member. Neither the Company nor any other person shall be responsible for, or have any liability for, any loss, expense or damage suffered by such CREST member or CREST sponsored member as a result.

A CREST member or CREST sponsored member who makes a valid acceptance in accordance with this paragraph 2.2.2, further makes the representations and warranties set out in paragraph 1(b) of this Part IX.

(v) CREST procedures and timings

CREST members and CREST sponsors (on behalf of CREST sponsored members) should note that Euroclear does not make available special procedures in CREST for any particular corporate action. Normal system timings and limitations will therefore apply in relation to the input of an MTM instruction and its settlement in connection with the Rights Issue. It is the responsibility of the CREST member concerned to take (or, if the CREST member is a CREST sponsored member, to procure that his CREST sponsor takes) the action necessary to ensure that a valid acceptance is received as stated above by no later than 11.00 a.m. on 18 March 2009. In connection with this, CREST members and (where applicable) CREST sponsors are referred in particular to those sections of the CREST Manual concerning practical limitations of the CREST system and timings.

(vi) CREST member's undertaking to pay

A CREST member or CREST sponsored member who makes a valid acceptance in accordance with the procedures set out in this paragraph 2.2.2, (a) undertakes to pay to the Company, or procure the payment to the Company, of the

amount payable in euro on acceptance in accordance with the above procedures or in such other manner as the Company may require (it being acknowledged that, where payment is made by means of the CREST RTGS payment mechanism, the creation of an RTGS payment obligation in euro in favour of Capita Registrars' RTGS Settlement Bank in accordance with the RTGS payment mechanism shall, to the extent of the obligation so created, discharge in full the obligation of the CREST member (or CREST sponsored member) to pay to the Company the amount payable on acceptance) and (b) requests that the Fully Paid Rights and/or New Ordinary Shares to which he will become entitled be issued to him on the terms set out in this Prospectus and subject to the Memorandum and Articles of Association.

If the payment obligations of the relevant CREST member or CREST sponsored member in relation to such New Ordinary Shares are not discharged in full and such New Ordinary Shares have already been allotted to the CREST member or CREST sponsored member, the Company may (in its absolute discretion as to manner, timing and terms) make arrangements for the sale of such New Ordinary Shares on behalf of the CREST member or CREST sponsored member and hold the proceeds of sale (net of the Company's reasonable estimate of any loss it has suffered as a result of the same and of the expenses of the sale, including, without limitation, any stamp duty payable on the transfer of such New Ordinary Shares, and of all amounts payable by such CREST member or CREST sponsored member pursuant to the terms of the Rights Issue in respect of the acquisition of such New Ordinary Shares) or an amount equal to the original payment of the CREST member or CREST sponsored member. Neither the Company nor the Underwriters nor any other person shall be responsible for, or have any liability for, any loss, expense or damage suffered by the CREST member or CREST sponsored member as a result.

(vii) Company's discretion as to rejection and validity of acceptances

The Company may agree in its absolute sole discretion to:

(a) reject any acceptance constituted by an MTM instruction, which is otherwise valid, in the event of breach of any of the representations, warranties and undertakings set out or referred to in this paragraph 2.2.2. Where an acceptance is made as described in this paragraph 2.2.2, which is otherwise valid, and the MTM instruction concerned fails to settle by 11.00 a.m. on 18 March 2009 (or by such later time and date as the Company and the Underwriters have determined), each of the Company and the Underwriters shall be entitled to assume, for the purposes of its right to reject an acceptance contained in this paragraph 2.2.2, that there has been a breach of the representations, warranties and undertakings set out or referred to in this paragraph 2.2.2 unless the Company is aware of any reason outside the control of the CREST member or CREST sponsor (as appropriate) for the failure to settle;

(b) treat as valid (and binding on the CREST member or CREST sponsored member concerned) an acceptance which does not comply in all respects with the requirements as to validity set out or referred to in this paragraph 2.2.2;

(c) accept an alternative properly authenticated dematerialised instruction from a CREST member or (where applicable) a CREST sponsor as constituting a valid acceptance in substitution for, or in addition to, an MTM instruction and subject to such further terms and conditions as the Company and the Underwriters may determine;

(d) treat a properly authenticated dematerialised instruction (in this paragraph 2.2.2(vii)(d) (the "first instruction") as not constituting a valid acceptance if, at the time at which Capita Registrars receives a properly authenticated dematerialised instruction giving details of the first instruction, either the Company or Capita Registrars has received actual notice from Euroclear of any of the matters specified in Regulation 35(5)(a) of the CREST Regulations in relation to the first instruction. These matters include notice that any information contained in the first instruction was incorrect or notice of lack of authority to send the first instruction; and

(e) accept an alternative instruction or notification from a CREST member or CREST sponsored member or (where applicable) a CREST sponsor, or extend the time for acceptance and/or settlement of an MTM instruction or any alternative instruction or notification, if, for reasons or due to circumstances outside the control of any CREST member or CREST sponsored member or (where applicable) CREST sponsor, the CREST member or CREST sponsored member is unable validly to take up all or part of his Nil Paid Rights by means of the above procedures. In normal circumstances, this discretion is only likely to be exercised in the event of any interruption, failure or breakdown of CREST (or of any part of CREST) or on the part of facilities and/or systems operated by Capita Registrars in connection with CREST.

CREST members, CREST sponsored members or (where applicable) CREST sponsors, are further referred to section 4 of this Part IX in relation to the Company's discretion to treat any acceptance or purported acceptance of the offer for New Ordinary Shares as invalid.

2.2.3 Money Laundering Legislation

If holders of Nil Paid Rights in CREST apply to take up all or part of their entitlement as agent for one or more persons and are not an Irish or EU regulated person or institution (such as an Irish financial institution), then, irrespective of the value of the application, Capita Registrars is entitled to take reasonable measures to establish the identity of the person or persons (or the ultimate controller of such person or persons) on whose behalf they are making the application. Capita Registrars should be contacted before sending any MTM instruction or other instruction so that appropriate measures may be taken.

Submission of an MTM instruction which constitutes, or which may on its settlement constitute, a valid acceptance as described above constitutes a warranty and undertaking by the applicant to provide promptly to Capita Registrars any information Capita Registrars may specify as being required for the purposes of the verification of identity requirements in the Money Laundering Legislation. Pending the provision of such information and other evidence as Capita Registrars may require to satisfy the verification of identity requirements, Capita Registrars, having consulted with the Company, may take, or omit to take, such action as it may determine to prevent or delay settlement of the MTM instruction. If such information and other evidence of identity has not been provided within a reasonable time, then Capita Registrars will not permit the MTM instruction concerned to proceed to settlement, but without prejudice to the right of any of the Company and/or the Underwriters to take proceedings to recover any loss suffered by it as a result of failure by the applicant to provide such information and other evidence.

2.2.4 Dealings in Nil Paid Rights in CREST

Assuming the Rights Issue becomes unconditional, dealings in the Nil Paid Rights on the Irish Stock Exchange and the London Stock Exchange are expected to commence at 8.00 a.m. on 4 March 2009. A transfer (in whole or in part) of Nil Paid Rights can be made by means of CREST in the same manner as any other security that is admitted to CREST. The Nil Paid Rights are expected to be disabled in CREST after 11.00 a.m. on 18 March 2009.

2.2.5 Dealings in Fully Paid Rights in CREST

After acceptance of the Rights and payment in full in accordance with the provisions set out in this Prospectus, the Fully Paid Rights may be transferred by means of CREST in the same manner as any other security that is admitted to CREST. The last time for settlement of any transfer of Fully Paid Rights in CREST is expected to be 3.00 p.m. on 8 April 2009. The Fully Paid Rights are expected to be disabled in CREST at 3.00 p.m. on 8 April 2009. After 8 April 2009, the New Ordinary Shares will be registered in the name(s) of the person(s) entitled to them in the Company's register of members and will be transferable in the usual way (see paragraph 2.2.7 of this Part IX).

2.2.6 Withdrawal of Nil Paid Rights or Fully Paid Rights from CREST

Nil Paid Rights or Fully Paid Rights held in CREST may be converted into certificated form, that is, withdrawn from CREST. Normal CREST procedures (including timings) apply in relation to any such conversion.

The recommended latest time for receipt by Euroclear of a properly authenticated dematerialised instruction requesting withdrawal of Nil Paid Rights from CREST is 4.30 p.m. on 9 March 2009, so as to enable the person acquiring or (as appropriate) holding the Nil Paid Rights to take all necessary steps in connection with taking up their entitlement prior to 11.00 a.m. on 18 March 2009. The recommended latest time for receipt by Euroclear of a properly authenticated dematerialised instruction requesting withdrawal of Fully Paid Rights from CREST is 4.30 p.m. on 2 April 2009. You are recommended to refer to the CREST Manual for details of such procedures.

2.2.7 Issue of New Ordinary Shares in CREST

Fully Paid Rights in CREST are expected to be disabled in CREST after 3.00 p.m. on 8 April 2009 (the latest time and date for settlement of transfers of Fully Paid Rights in CREST). New Ordinary Shares (in definitive form) will be issued in uncertificated form to those persons registered as holding Fully Paid Rights in CREST at the close of business on the date on which the Fully Paid Rights are disabled. Capita Registrars will instruct Euroclear to credit the appropriate stock accounts of those persons (under the same participant ID and member account ID that applied to the Fully Paid Rights held by those persons) with their New Ordinary Shares with effect from the next Business Day (expected to be 9 April 2009).

2.2.8 Right to allot/issue in certificated form

Despite any other provision of this Prospectus, the Company reserves the right to allot and/or issue any Nil Paid Rights, Fully Paid Rights or New Ordinary Shares in certificated form. In normal circumstances, this right is only

likely to be exercised in the event of an interruption, failure or breakdown of CREST (or of any part of CREST) or on the part of the facilities and/or systems operated by Capita Registrars in connection with CREST.

2.3 Procedure in respect of rights not taken up (whether certificated or in CREST) and withdrawal

2.3.1 Procedure in respect of New Ordinary Shares not taken up

If an entitlement to New Ordinary Shares is not validly taken up by 11.00 a.m. on 18 March 2009, in accordance with the procedure laid down for acceptance and payment, then those Rights will be deemed to have been declined and will lapse. The Underwriters will endeavour to procure, by not later than 4.30 p.m. on the second Business Day after 18 March 2009, subscribers for all of those New Ordinary Shares not taken up at a price per New Ordinary Share which is at least equal to the aggregate of the Issue Price and the expenses of procuring such subscribers (including any applicable brokerage and commissions and amounts in respect of value added tax).

Notwithstanding the above, the Underwriters may cease to endeavour to procure any such subscribers if, in their opinion, it is unlikely that any such subscribers can be procured at such a price and by such a time. If and to the extent that subscribers for New Ordinary Shares cannot be procured on the basis outlined above, the relevant New Ordinary Shares will be subscribed for by the Underwriters or their sub-underwriters (if any) at the Issue Price pursuant to the terms of the Underwriting Agreement.

Any premium over the aggregate of the Issue Price and the expenses of procuring subscribers (including any applicable brokerage and commissions and amounts in respect of value added tax) shall be paid (subject as provided in this paragraph 2.3 and subject to compliance with the requirements of the Money Laundering Legislation):

(i) where the Nil Paid Rights were, at the time they lapsed, represented by a Provisional Allotment Letter, to the person whose name and address appeared on the Provisional Allotment Letter;

(ii) where the Nil Paid Rights were, at the time they lapsed, in uncertificated form, to the person registered as the holder of those Nil Paid Rights at the time of their disablement in CREST; and

(iii) where an entitlement to New Ordinary Shares was not taken up by an Overseas Shareholder, to that Overseas Shareholder.

New Ordinary Shares for which subscribers are procured on this basis will be re-allotted to the subscribers and the aggregate of any premiums (being the amount paid by the subscribers after deducting the Issue Price and the expenses of procuring the subscribers, including any applicable brokerage and commissions and amounts in respect of value added tax), if any, will be paid (without interest) to those persons entitled (as referred to above) pro rata to the relevant lapsed Rights, save that amounts of less than €5.00 per holding will not be so paid but will be aggregated and retained for the benefit of the Company. Cheques for the amounts due will be sent by post, at the risk of the person(s) entitled, to their registered addresses (the registered address of the first-named in the case of joint holders), provided that, where any entitlement concerned was held in CREST, the amount due will, unless the Company (in its absolute discretion) otherwise determines, be satisfied by the Company procuring the creation of an assured payment obligation in favour of the relevant CREST member's (or CREST sponsored member's) RTGS Settlement Bank in respect of the cash amount concerned in accordance with the RTGS payment mechanism.

Any transactions undertaken pursuant to this paragraph 2.3 or paragraph 3.1 of this Part IX shall be deemed to have been undertaken at the request of the persons entitled to the lapsed Rights or other entitlements and neither the Company nor the Underwriters nor any other person procuring subscribers shall be responsible for any loss, expense or damage (whether actual or alleged) arising from the terms or timing of any such subscription, any decision not to endeavour to procure subscribers or the failure to procure subscribers on the basis so described. The Underwriters will be entitled to retain any brokerage fees, commissions or other benefits received in connection with these arrangements.

2.3.2 Withdrawal rights

Persons who have the right to withdraw their acceptances under Regulation 52 of the Irish Prospectus Regulations after a supplementary prospectus (if any) has been published and who wish to exercise such right of withdrawal must do so by lodging a written notice of withdrawal (which shall not include a notice sent by facsimile or any other form of electronic communication), which must include the full name and address of the person wishing to exercise such statutory withdrawal rights and, if such person is a CREST member, the participant ID and the member account ID of such CREST member, with Capita Registrars, so as to be sent no later than two Business Days after the date on which the supplementary prospectus was published, withdrawal being effective as at posting of the written notice of withdrawal. Notice of withdrawal given by any other means or which is deposited with or received by Capita Registrars after the expiry of such period will not constitute a valid withdrawal. Furthermore, the Company will not

permit the exercise of withdrawal rights after payment by the relevant Qualifying Shareholder of his subscription in full and the allotment of the New Ordinary Shares to such Qualifying Shareholder becoming unconditional. In such circumstances, Qualifying Shareholders are advised to consult their professional advisers.

Provisional allotments of entitlements to New Ordinary Shares which are the subject of a valid withdrawal notice will be deemed to be declined. Such entitlements to New Ordinary Shares will be subject to the provisions at paragraph 2.3.1 of this Part IX as if the entitlement had not been validly taken up.

2.4 Taxation

The information contained in Part XIV (*Taxation*) is intended only as a general guide to the current tax position in Ireland and the United Kingdom. Qualifying Shareholders should consult their own tax advisers regarding the tax treatment of the Rights Issue in light of their own circumstances.

3. Overseas Shareholders

This document has been approved by the Financial Regulator, being the competent authority in Ireland for the purposes of the Prospectus Directive. CRH has requested the Financial Regulator to provide a certificate of approval and a copy of this Prospectus (and a translated summary, where applicable) to the relevant competent authorities in the United Kingdom, pursuant to the passporting provisions of the Irish Prospectus Regulations.

The making of the offer of New Ordinary Shares to persons who have a registered address, or are resident or located in jurisdictions other than Ireland and the United Kingdom, may be affected by the law or regulatory requirements of the relevant jurisdiction. Accordingly, any such person, who is a CRH Shareholder, who is in any doubt as to his position should consult an appropriate professional adviser without delay.

3.1 General

The distribution of this Prospectus or any other documents issued by the Company in connection with the Rights Issue and the making of the Rights Issue to persons who have registered addresses in, or who are located, resident or ordinarily resident in, or which are corporations, partnerships or other entities created or organised under the laws of countries other than Ireland or the United Kingdom, or to persons who are agents or nominees of or custodians, trustees or guardians for residents in countries other than Ireland or the United Kingdom may be affected by the laws or regulatory requirements of the relevant jurisdictions. Those persons should consult their professional advisers as to whether they require any governmental or other consents or need to observe any applicable legal requirement or other formalities to enable them to take up their Rights. In particular, subject to certain exceptions, this Prospectus or any other documents issued by the Company in connection with the Rights Issue should not be distributed, forwarded to or transmitted in any Excluded Territories.

Receipt of this Prospectus or any other documents issued by the Company in connection with the Rights Issue and/or the crediting of Nil Paid Rights to a stock account in CREST will not constitute an invitation or offer of securities for subscription, sale or purchase in those jurisdictions in which it would be illegal to make such an invitation or offer and, in those circumstances, this Prospectus or any other documents issued by the Company in connection with the Rights Issue must be treated as sent for information only and should not be copied or redistributed.

New Ordinary Shares, nil paid, will be provisionally allotted to all CRH Shareholders on the register of members of the Company on the Record Date. However, Provisional Allotment Letters will not be sent to, and Nil Paid Rights will not be credited to stock accounts in CREST of, persons with registered addresses in any Excluded Territory or their agent or intermediary, except where the Company is satisfied that such action would not result in the contravention of any registration or other legal requirement in any jurisdiction.

No person receiving this Prospectus or any other documents issued by the Company in connection with the Rights Issue and/or a credit of Nil Paid Rights to a stock account in CREST or to a securities account with a bank or financial institution in any territory other than Ireland and the United Kingdom, may treat the same as constituting an invitation or offer to him or her, nor should he or she in any event use this Prospectus or any other documents issued by the Company in connection with the Rights Issue or deal in Nil Paid Rights or Fully Paid Rights in CREST unless, in the relevant territory, such an invitation or offer could lawfully be made to him or her and the Prospectus or any other documents issued by the Company in connection with the Rights Issue could lawfully be used or dealt with, and any transaction resulting from such use or dealing could be effected, without contravention of any registration or other legal or regulatory requirements. In circumstances where an invitation or offer would contravene any registration or other legal or regulatory requirements, this Prospectus and any other documents

issued by the Company in connection with the Rights Issue must be treated as sent for information only and should not be copied or redistributed.

None of the Company or the Underwriters, or any of their respective representatives, is making any representation to any offeree or purchaser of the New Ordinary Shares regarding the legality of an investment in the New Ordinary Shares by such offeree or purchaser under the laws applicable to such offeree or purchaser.

Persons (including, without limitation, agents, custodians, nominees and trustees) receiving this Prospectus or any other documents issued by the Company in connection with the Rights Issue and/or a credit of Nil Paid Rights or Fully Paid Rights to a stock account in CREST (or other securities account), in connection with the Rights Issue or otherwise, should not distribute or send any of those documents or transfer Nil Paid Rights or Fully Paid Rights in or into any jurisdiction where to do so would or might contravene local securities laws or regulations. If a copy of this Prospectus or any other documents issued by the Company in connection with the Rights Issue and/or a credit of Nil Paid Rights or Fully Paid Rights to a stock account in CREST (or other securities account) is received by any person in any such territory, or by his or her agent, custodian, nominee or trustee, he or she must not seek to take up the rights referred to in this Prospectus or any other documents issued by the Company in connection with the Rights Issue or renounce the Provisional Allotment Letter or transfer the Nil Paid Rights or Fully Paid Rights unless the Company determines that such action would not violate applicable legal or regulatory requirements. Any person (including, without limitation, agents, custodians, nominees and trustees) who forwards a copy of this Prospectus or any other documents issued by the Company in connection with the Rights Issue and/or transfers Nil Paid Rights or Fully Paid Rights into any such territory, whether pursuant to a contractual or legal obligation or otherwise, should draw the attention of the recipient to the contents of this Part IX and specifically the contents of this section 3.

It is the responsibility of any person (including, without limitation, agents, nominees and trustees) outside of Ireland or the United Kingdom wishing to take up his rights under the Rights Issue to satisfy himself as to full observance of the applicable laws of any relevant territory, including obtaining any requisite governmental or other consents, observing any other requisite formalities and paying any issue, transfer or other taxes due in such territories. The comments set out in this section 3 are intended as a general guide only, and any Overseas Shareholders who are in any doubt as to their position should consult their professional advisers without delay.

The attention of Overseas Shareholders is drawn to paragraphs 3.2 to 3.7 of this Part IX.

Overseas Shareholders are referred to section 4 of this Part IX in relation to the Company's discretion to treat any acceptance or purported acceptance of the offer for New Ordinary Shares, Nil Paid Rights or Fully Paid Rights as invalid.

The provisions of paragraph 2.3.1 of this Part IX will apply to Overseas Shareholders who do not take up the New Ordinary Shares provisionally allotted to them or who are unable to take up New Ordinary Shares provisionally allotted to them because such action would result in a contravention of applicable law or regulatory requirements. Accordingly, such Overseas Shareholders will be treated as CRH Shareholders who have not taken up their entitlements in accordance with paragraph 2.3.1 of this Part IX and the Underwriters will endeavour to procure subscribers for the relevant New Ordinary Shares in accordance with paragraph 2.3.1. The net proceeds of such sales (after deduction of expenses) will be paid to the relevant CRH Shareholders pro-rata to their holdings of Existing Ordinary Shares at the Record Date as soon as practicable after receipt, except that (i) individual amounts of less than €5.00 per holding and (ii) amounts in respect of fractions will not be distributed but will be retained for the benefit of the Company. None of the Company, the Underwriters or any other person shall be responsible or have any liability whatsoever for any loss or damage (actual or alleged) arising from the terms or the timing of the acquisition or the procuring of, or any failure to procure, subscribers.

Despite any other provision of this Prospectus or the Provisional Allotment Letters, the Company reserves the right to permit any CRH Shareholder to take up his rights if the Company in its sole and absolute discretion is satisfied that the transaction in question is exempt from or not subject to the legislation or regulations giving rise to the restrictions in question.

Those Overseas Shareholders who wish, and are permitted, to take up their entitlement should note that payments must be made as described in paragraph 2.1.2(i) (*Qualifying Non-CREST Shareholders*) and 2.2.2(ii) (*Qualifying CREST Shareholders*) of this Part IX.

Overseas Shareholders who wish, and are permitted, to apply for New Ordinary Shares should note that payment must be made in accordance with paragraph 2.1.2(iv) of this Part IX.

3.2 United States

The Nil Paid Rights, the Fully Paid Rights, the New Ordinary Shares and the Provisional Allotment Letters have not been and will not be registered under the US Securities Act or under any securities laws of any state or other jurisdiction of the United States and may not be offered, sold, taken up, exercised, resold, renounced, transferred or delivered, directly or indirectly, within the United States except pursuant to an applicable exemption from the registration requirements of the US Securities Act and in compliance with any applicable securities laws of any state or other jurisdiction of the United States.

Accordingly, the Company is not extending the Rights Issue into the United States unless an exemption from the registration requirements of the US Securities Act is available and, subject to certain exceptions, none of this Prospectus nor the Provisional Allotment Letter constitutes or will constitute an offer or an invitation to apply for or an offer or an invitation to acquire any Nil Paid Rights, Fully Paid Rights or New Ordinary Shares in the United States. Subject to certain exceptions, neither this Prospectus nor a Provisional Allotment Letter will be sent to, and no Nil Paid Rights will be credited to, a stock account in CREST with a registered address in the United States. Subject to certain exceptions, Provisional Allotment Letters or renunciations thereof sent from or post-marked in the United States or including a United States registered address, will be deemed to be invalid.

Subject to certain exceptions, any person who acquires New Ordinary Shares, Nil Paid Rights or Fully Paid Rights will be deemed to have declared, warranted and agreed, by accepting delivery of this Prospectus or any other documents issued by the Company in connection with the Rights Issue and delivery of the New Ordinary Shares, the Nil Paid Rights or the Fully Paid Rights, that they are not, and that at the time of acquiring the New Ordinary Shares, the Nil Paid Rights, or the Fully Paid Rights they will not be, in the United States or acting on a discretionary basis on behalf of, or for the account of, a person in the United States or any state in the United States.

Any persons intending to acquire New Ordinary Shares, Nil Paid Rights or Fully Paid Rights are referred to section 4 of this Part IX in relation to the Company's discretion to treat any acceptance or purported acceptance of the offer for New Ordinary Shares, Nil Paid Rights or Fully Paid Rights as invalid.

In addition, until 40 days after the commencement of the Rights Issue, an offer, sale or transfer of the New Ordinary Shares, the Nil Paid Rights, the Fully Paid Rights or the Provisional Allotment Letters within the United States by a dealer (whether or not participating in the Rights Issue) may violate the registration requirements of the US Securities Act.

The provisions of paragraph 2.3 of this Part IX will apply to any Rights not taken up.

3.3 Switzerland

This Prospectus is being communicated in or from Switzerland to a small number of selected investors only. This Prospectus may not be passed on to third parties. The Nil Paid Rights, Fully Paid Rights or New Ordinary Shares, are not being offered to the public in or from Switzerland, and neither this Prospectus, nor any other offering material in relation to the New Ordinary Shares may be distributed in connection with any such public offering.

3.4 Excluded Territories (other than the United States and Switzerland)

Due to restrictions under the securities laws of the Excluded Territories, and subject to certain limited exceptions, no Provisional Allotment Letters in relation to the New Ordinary Shares will be sent to, and no Nil Paid Rights or Fully Paid Rights will be credited to a stock account in CREST of CRH Shareholders with registered addresses in the Excluded Territories, and their entitlements will be sold in accordance with the provisions of paragraph 2.3.1 of this Part IX. The Provisional Allotment Letters, the Nil Paid Rights, the Fully Paid Rights and the New Ordinary Shares may not be transferred or sold to or renounced or delivered in, any Excluded Territory.

The New Ordinary Shares have not been and will not be registered under the relevant laws of any Excluded Territory or any state, province or territory thereof and may not be offered, sold, resold, delivered or distributed, directly or indirectly, in or into any Excluded Territory or to, or for the account or benefit of, any person with a registered address in, or who is located, resident or ordinarily resident in any Excluded Territory except pursuant to an applicable exception.

No offer of New Ordinary Shares is being made by virtue of this Prospectus or the Provisional Allotment Letters into any Excluded Territory.

3.5 Overseas Territories other than the Excluded Territories

Provisional Allotment Letters will be posted to Qualifying Non-CREST Shareholders and Nil Paid Rights will be credited to the CREST stock accounts of Qualifying CREST Shareholders. Such Qualifying Shareholders may, subject to the laws of the relevant jurisdictions, accept their Rights under the Rights Issue in accordance with the instructions set out in this Prospectus and, if relevant, the Provisional Allotment Letters. In cases where Overseas Shareholders do not take up Nil Paid Rights, their entitlements will be sold in accordance with the provisions of paragraph 2.3.1 of this Part IX.

Qualifying Shareholders who have registered addresses in or who are resident in countries other than Ireland or the United Kingdom should consult their professional advisers as to whether they require any governmental or other consents or need to observe any other formalities to enable them to take up their rights.

Member States of the European Economic Area (other than Ireland and the United Kingdom)

In relation to each member state of the European Economic Area which has implemented the Prospectus Directive (each, a "**relevant member state**") (except for Ireland and the United Kingdom) no New Ordinary Shares, Nil Paid Rights or Fully Paid Rights have been offered or will be offered pursuant to the Rights Issue to the public in that relevant member state prior to the publication of a prospectus in relation to the New Ordinary Shares, Nil Paid Rights and Fully Paid Rights which has been approved by the competent authority in that relevant member state or, where appropriate, approved in another relevant member state and notified to the competent authority in the relevant member state, all in accordance with the Prospectus Directive, except that offers of New Ordinary Shares, Nil Paid Rights or Fully Paid Rights may be made to the public in that relevant member state at any time:

(i) to legal entities which are authorised or regulated to operate in the financial markets or, if not so authorised or regulated, whose corporate purpose is solely to invest in securities;

(ii) to any legal entity which has two or more of:

  (A) an average of at least 250 employees during the last financial year;

  (B) a total balance sheet of more than €43m; and

  (C) an annual turnover of more than €50m, as shown in its last annual or consolidated accounts; or

(iii) in any other circumstances falling within Article 3(2) of the Prospectus Directive, provided that no such offer of New Ordinary Shares, Nil Paid Rights or Fully Paid Rights shall result in a requirement for the publication by the Company or any Underwriter of a prospectus pursuant to Article 3 of the Prospectus Directive.

For this purpose, the expression "an offer of any New Ordinary Shares, Nil Paid Rights or Fully Paid Rights to the public" in relation to any New Ordinary Shares, Nil Paid Rights and Fully Paid Rights in any relevant member state means the communication in any form and by any means of sufficient information on the terms of the Rights Issue and any New Ordinary Shares, Nil Paid Rights and Fully Paid Rights to be offered so as to enable an investor to decide to acquire any New Ordinary Shares, Nil Paid Rights or Fully Paid Rights, as the same may be varied in that relevant member state by any measure implementing the Prospectus Directive in that relevant member state.

Although Nil Paid Rights will be credited to the CREST accounts of all Qualifying CREST Shareholders, such crediting of Nil Paid Rights does not constitute an offer to such Qualifying CREST Shareholders and any such Qualifying CREST Shareholders will not be entitled to take up rights in the Rights Issue unless such action would not result in the contravention of any registration of other legal requirement in any jurisdiction.

3.6 Representations and warranties relating to Overseas Shareholders

Overseas Shareholders taking up their Rights by completing a Provisional Allotment Letter or by sending an MTM instruction to Euroclear will, unless the requirement is waived by CRH, be deemed to have given the representations and warranties set out in paragraph 1(a) or 1(b) (as appropriate) of this Part IX.

3.7 Waiver

The provisions of this section 3 and of any other terms of the Rights Issue relating to Overseas Shareholders may be waived, varied or modified as regards specific persons or on a general basis by the Company, in its absolute discretion. Subject to this, the provisions of this section 3 supersede any terms of the Rights Issue inconsistent herewith. References in this section 3 to Overseas Shareholders shall include references to the person or persons

executing a Provisional Allotment Letter and, in the event of more than one person executing a Provisional Allotment Letter, the provisions of this section 3 shall apply to them jointly and to each of them.

4. Discretion as to validity of acceptances

The Company reserves the right to treat as invalid, and will not be bound to allot or issue any New Ordinary Shares in respect of, any acceptance or purported acceptance of the offer for New Ordinary Shares that:

(a) appears to the Company or its agents to have been executed, effected or despatched from an Excluded Territory, unless the Company is satisfied that such action would not result in the contravention of any registration or other legal requirement; or

(b) in the case of a Provisional Allotment Letter, provides an address for delivery of the share certificate in relation to the New Ordinary Shares in, or in the case of a credit of New Ordinary Shares in CREST, to a CREST member or CREST sponsored member whose registered address would be in, an Excluded Territory or any other jurisdiction outside Ireland or the United Kingdom in which it would be unlawful to deliver such share certificate or make such a credit, unless the Company is satisfied that such action would not result in the contravention of any registration or other legal requirement; or

(c) may involve a breach of the laws or regulations of any jurisdiction; or

(d) the Company or its agents believe that the acceptance, or purported acceptance, may violate applicable legal or regulatory requirements; or

(e) purports to exclude either of the warranties set out at paragraph 1(a) or 1(b) of this Part IX.

5. Times and Dates

The Company shall, in its discretion and after consultation with its financial and legal advisers, be entitled to amend the dates that Provisional Allotment Letters are despatched or dealings in Nil Paid Rights commence or amend or extend the latest date for acceptance under the Rights Issue and all related times and dates set out in this Prospectus and in such circumstances shall notify the Irish Stock Exchange, the UK Listing Authority and the London Stock Exchange, and make an announcement on a Regulatory Information Service. **In the event that such an announcement is made, Qualifying Shareholders may not receive any further written communication**.

If a supplementary prospectus is published by the Company two or fewer days prior to the latest time for acceptance and payment in full under the Rights Issue specified in this Prospectus (or such later date as may be agreed between the Company and the Underwriters), the latest time for acceptance under the Rights Issue shall be extended to the date that is three business days after the date of publication of the supplementary prospectus (and the dates and times of principal events due to take place following such date shall be extended accordingly).

6. Governing Law and Jurisdiction

The terms and conditions of the Rights Issue as set out in this Prospectus, the Provisional Allotment Letters and any non-contractual obligation related thereto shall be governed by, and construed in accordance with, Irish law.

The courts of Ireland are to have exclusive jurisdiction to settle any dispute that may arise out of or in connection with the Rights Issue, this Prospectus or the Provisional Allotment Letters. By taking up their entitlements under the Rights Issue in accordance with the instructions set out in this Prospectus and, where applicable, the Provisional Allotment Letters, Qualifying Shareholders irrevocably submit to the jurisdiction of the courts of Ireland and waive any objection to proceedings in any such court on the ground of venue or on the ground that proceedings have been brought in an inconvenient forum.

PART X – INFORMATION ON CRH

1. History and Development

CRH is a public limited company, operating under the Companies Acts, which was incorporated in Ireland on 20 June 1949 with registered number 12965. The principal laws and legislation under which the Company operates, and under which the New Ordinary Shares have been created, are the Companies Acts. Its registered office is at 42 Fitzwilliam Square, Dublin 2, Ireland. The Group's head office is at Belgard Castle, Clondalkin, Dublin 22, Ireland (Telephone +353 1 404 1000).

The Group was formed through a merger in 1970 of two leading Irish companies, Cement Limited (established in 1936) and Roadstone Limited (incorporated in 1949). The newly formed group was the principal producer of cement, aggregates, concrete products and asphalt in Ireland. In 1970 CRH had sales equivalent to €26m, 95 per cent. of which were in Ireland.

Throughout the early and mid-1970s, the bulk of the Group's income continued to be earned in Ireland, with overseas interests comprising a concrete products business in the United Kingdom and a builders merchanting business in the Netherlands, which had a small manufacturing division and one DIY store. A strategic decision was taken in 1977 to invest in familiar business sectors overseas and to develop the existing overseas operations. At the same time, the Group recognised the need to respond in Ireland to the energy crisis during the mid-1970s and invested a total of almost €200m* over the period 1975 to 1985 in modernising its two cement plants near Dublin and in Limerick.

Since that time, CRH's strategic vision has been to become an international leader in building materials, delivering superior and sustained shareholder returns, while reducing its dependence on individual markets and achieving a balance in its geographic presence and portfolio of products.

CRH's first acquisition in the United States was the 1978 purchase of Amcor, Inc., a producer of concrete products including pipe, masonry and precast, with plants in Utah, Idaho and Colorado. During the 1980s the Group continued to expand its concrete products activities in the United States and added primary materials to its range of activities with the acquisition in 1985 of Callanan Industries, an aggregates and asphalt business based in Albany, New York. Following the acquisition in 1990 of a 50 per cent. shareholding in HGP Industries, the largest independent glass fabricator in the United States, CRH's US operations were reorganised into four product groups: Precast, Architectural Products, Materials and Glass. A fifth product group, Distribution, was added in 1996 with the acquisition of Allied Building Products, a national roofing/siding distributor based in New Jersey. In 2000, the Precast, Architectural Products, Glass and Distribution groups were organised into the Americas Products & Distribution division. The Materials group, which had been expanded by the acquisition of Tilcon in 1996 and of Thompson McCully in 1999, was designated the Americas Materials division at this time. In 2006 the acquisition of MMI Products, with operations in construction accessories, welded wire products and fencing, added a fifth product group to the Products & Distribution division. 2006 also saw the completion by the Group of its largest single acquisition, Ashland Paving And Construction (APAC), at a cost of €850m, representing a major expansion for the Americas Materials division.

Meanwhile, during the same period the Group expanded its operations in the United Kingdom and Europe, adding clay products and fencing to its existing product range of mainly concrete products, while also completing bolt-on acquisitions to expand its network of builders merchanting and DIY outlets primarily in the Netherlands and the United Kingdom. CRH also expanded geographically in Europe during the 1980s and 1990s, establishing bases in Spain, Poland, Ukraine, Belgium, Germany and France, and in 1997 was organised into the Europe Materials and Europe Productions & Distribution divisions. In 1999/2000, the Group greatly expanded its Europe operations with the acquisition of Finnsementti/Lohja Rudus in Finland (including a readymixed concrete operation in Russia), the Jura Group in Switzerland and of Ibstock Building Products in the United Kingdom. Also in 1999, the Group decided to divest its builders merchanting activities in the United Kingdom – this remains the only significant divestiture of a business by the Group. In 2003, the Group acquired the distribution and building products operations of Cementbouw, a leading Dutch building materials group with a total of 90 DIY and merchanting stores in addition to manufacturing a range of concrete and sand lime products. In 2004, with the acquisition of a 49 per cent. shareholding in Secil, a Portuguese manufacturer of cement and readymixed concrete, CRH also added acquired interests Secil's operations in Tunisia and Lebanon. In the past three years, CRH's geographic footprint has expanded to include investments in Turkey, China and India.

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* Source: Unaudited management accounts and internal financial and operating reporting systems

The Company is the holding company of the Group, with direct and indirect share and loan interests in subsidiaries, joint ventures and associates. From Group headquarters in Ireland, the Group's Management exercises strategic control over decentralised operations in Ireland, the United Kingdom, Europe, the Americas, Turkey, China and India.

As a result of the planned geographic diversification, most particularly in the period 2001 to 2008 during which CRH has spent a total of approximately €11.5bn on acquisitions and investments, the Group has expanded by acquisition and organic growth into an international manufacturer and supplier of building materials. CRH now has operations in 35 countries, mainly in Western Europe and North America as well as, to a lesser degree, in developing markets in Eastern Europe, South America, Turkey, China and India, employing approximately 93,500 people at over 3,500 locations. In the financial year ended 31 December 2008, CRH had revenues of approximately €20.9bn. CRH's operations focus on three closely related core businesses: primary materials; value-added building products; and building materials distribution.

CRH's strategy is to sustain and build a balanced business with exposure to multiple demand drivers that can deliver CRH's strategic vision to "be a responsible international leader in building materials delivering superior performance and growth". CRH's balance across regions, products and building and construction sectors is one of the key drivers of the Group's strategy. CRH's relentless focus on performance, with multiple growth platforms from which to pursue value-creating opportunities and dedicated people with ambition to achieve, operating in an environment which values strong governance and prudent policies, underpin the Group's ability and intention to deliver consistent performance and returns over the long term. CRH has delivered a robust set of results in 2008, in a challenging business climate, with full year profits before tax of €1.6bn, a decrease of 14 per cent. compared to the record result in 2007. Management's attention and efforts are resolutely focused on commercial delivery and on ensuring that CRH's businesses are strongly positioned, through cost reduction and cash generation measures, to deal with whatever trading circumstances may evolve. In addition, CRH continues to strengthen its financial flexibility in order to ensure that the Group is well positioned to take advantage, in its traditional long-established disciplined manner, of a likely increased flow of development opportunities as the year progresses.

CRH's Ordinary Shares are listed on the Official Lists and are traded on the regulated markets for listed securities of the Irish Stock Exchange and London Stock Exchange and on the New York Stock Exchange in the form of American Depositary Receipts. CRH is the largest company, based on market capitalisation, quoted on the Irish Stock Exchange. The market capitalisation of CRH as of 31 December 2008 was €9.5bn*.

2. Principal Activities and Business Overview

Headquartered in Ireland, the Group is organised into four divisions, two in Europe: Materials and Products & Distribution; and two in the Americas: Materials in the United States and Products & Distribution in the United States, Canada, Argentina, Chile and Mexico.

For IFRS reporting purposes, the Group's activities fall into three reporting business segments: Materials, Products and Distribution, which are each further divided between the Group's two geographical areas, Europe and Americas, resulting in six reporting segments. The activities of the various segments are briefly described as follows:

Materials businesses are involved in the production of cement, aggregates, asphalt and readymixed concrete.

Products businesses are involved in the production of concrete products and a range of construction-related products and services.

Distribution businesses are engaged in the marketing and sale of builders' supplies to the construction industry and of materials and products for the DIY market.

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* Source: Unaudited Daily Official List

The total revenues for each of these segments in the last three financial periods for those markets are as follows:

	Year ended 31 December					
	2008		2007		2006	
	€m	%	€m	%	€m	%
Europe Materials	3,696	18	3,651	18	2,967	16
Europe Products	3,686	18	3,628	17	3,186	17
Europe Distribution	3,812	18	3,435	16	2,786	15
Americas Materials	5,007	24	5,445	26	4,778	25
Americas Products	3,243	15	3,510	17	3,572	19
Americas Distribution	1,443	7	1,323	6	1,448	8
Total	**20,887**	**100**	**20,992**	**100**	**18,737**	**100**

Note: Business operations of non-European and non-Americas countries grouped with Europe and Americas respectively for reporting purposes. Details extracted from the 2006 Financial Statements, the 2007 Financial Statements and the 2008 Financial Statements.

The descriptions of, and key factors relating to, the Group's operations and its principal activities for the year ended 31 December 2006, as set out on pages 42 to 54 of the 2007 20-F and, for the year ended 31 December 2007, as set out on pages 27 to 42 of the 2007 20-F, are incorporated by reference into this Prospectus.

Descriptions of, and key factors relating to, the Group's operations and its principal activities for the year ended 31 December 2008 are set out in Part XI *(Operating and Financial Review of CRH).*

3. Principal Subsidiaries

The principal subsidiary undertakings of CRH are set out at section 10 of Part XV (*Additional Information*).

4. Principal Investments

The principal investments by CRH in each of the years ended 31 December 2006, 2007 and 2008 are set out below. In addition to these individual investments, bolt-on acquisitions were completed across all six reporting segments of CRH during each of the three years.

The Group spent a net €2bn on 69 acquisitions during the year ended 31 December 2006. In August 2006, CRH completed its largest acquisition to date, the €850m purchase of APAC, an integrated aggregates and asphalt business in the Mid-West and South regions of the United States, complementing the Group's existing Materials businesses in the North, Mid-West and West regions of the United States. The Group expanded its operations in the construction accessories sector with the acquisition of Halfen-Deha in Europe, and MMI in the United States; in addition to its construction accessories activities, MMI also has wire reinforcement and fencing operations. The combined cost of these three acquisitions, at €1.3bn, represented 61 per cent. of total 2006 spend on acquisitions and investments. The primary focus of the remaining acquisitions was on small to mid-sized transactions which complemented the Group's existing operations, or expanded them into adjacent territories. These were effected across all divisions and major geographies.

Spending on acquisitions and investments in the year ended 31 December 2007 amounted to €2bn on 78 acquisitions. The Group completed its first investments in Turkey and China, with the acquisition of a 50 per cent. shareholding in Denizli Cement, a 1.8 million tonne per annum modern cement plant in south-western Turkey with a vertically integrated readymixed concrete business; and 100 per cent. of Harbin Sanling Cement, a modern 650,000 tonne cement plant in north-eastern China. In the Americas, the Materials division acquired Conrad Yelvington Distributors, a rail-based distributor of aggregates in the southeastern United States, and completed the purchase of certain aggregates and readymixed concrete assets from Cemex in Florida and Arizona. In the Americas Products business segment, the Glass group acquired the Vistawall Group, a manufacturer of a broad range of architectural aluminium glazing systems. In the Western US, the Group acquired Acoustical Materials Services, a distributor of interior products, a growing sub-sector for CRH's US Distribution division. In Europe, the Group acquired Gétaz Romang, a building materials distributor in French-speaking Switzerland, which together with CRH's existing operations in the German-speaking area of Switzerland, gave the Group strong national leadership, and acquired the remaining 55 per cent. of Cementbouw BV, one of the leading readymixed concrete producers in the Netherlands. These 8 deals represented 56 per cent. of the total acquisition spend for 2007.

During the year ended 31 December 2008 CRH spent a total of €1bn on 53 acquisition and investment transactions. The Group completed its first transaction in India during the year, acquiring a 50 per cent. shareholding in My Home Industries Limited (MHIL), a cement producer headquartered in Hyderabad and with a current annual production

capacity of approximately 3 million tonnes from modern facilities. In Europe, the Group acquired its first subsidiary in Hungary with the purchase of Ferrobeton, a precast concrete elements producer operating four plants in Hungary and one in Slovakia, which manufacture a similar product range to the Group's existing operations in Romania. The European construction accessories business was expanded with the acquisition of Ancon, a UK-based designer and manufacturer of a range of stainless steel fixing systems, with operations in continental Europe, the Middle East and Australia. The Distribution group acquired an initial 35 per cent. shareholding in Trialis, an independent regional builders merchant operating 190 branches in central, south and southwest France. These 4 transactions accounted for 53 per cent. of the acquisition spend in 2008. Americas Materials completed 19 bolt-on transactions expanding its network of locations. In the Americas Products & Distribution division, some 7 bolt-on transactions were completed across Precast, Architectural Products and MMI operations while Distribution completed one transaction in its exterior products segment. Further details of the acquisitions by the Group in 2008 are set out on pages 1 to 7 of the report on Form 6-K of CRH filed with the SEC on 3 July 2008 (Development Strategy Update) and on pages 1 to 5 of the report on Form 6-K of CRH filed with the SEC on 6 January 2009 (Development Strategy Update), which are incorporated by reference into this Prospectus.

Following a record acquisition spend of €2bn in 2007, total acquisition spend in 2008 was lower at €1bn. First half expenditure amounted to €0.7bn, however, with the deteriorating economic environment the Group significantly curtailed development activity as the year progressed resulting in a second half spend of just €0.3bn.

In January 2009 the Group acquired a 26 per cent. shareholding in Yatai Cement, the leading cement manufacturer in northeastern China with 14 million tonnes of cement capacity currently being expanded to 18 million tonnes. The Group's Europe Materials division, which has responsibility for its cement developments in Asia, is working with its new partners to enhance existing performance and to expand these initial CRH positions in China and India at a measured pace*.

5. Property, Plant and Equipment

The principal properties (by acreage) of CRH as of 27 February 2009, being the latest practicable date prior to the publication of this Prospectus, were:

Principal properties	Description	Title	Area (acres)**	Business activity
Ireland				
Platin, Co. Meath	Cement plant and related land, quarries and buildings	Freehold	1,450	Manufacture of cement and clinker
Limerick, Co. Limerick	Cement plant and related land, quarries and buildings	Freehold	2,250	Manufacture of cement and clinker
Poland				
Ożarów	Cement plant and related land, quarries and buildings	Freehold	1,500	Manufacture of cement and clinker

** *Approximate*

The Group's capital expenditure of €1.0bn for 2008 includes expenditure on investment projects to modernise its cement facilities in Ireland, Poland and Ukraine, and also the Group's share of the cost of construction of a joint venture 'greenfield' 1.1 million tonne cement plant in central Florida, United States. Capital expenditure on these major cement projects amounted to approximately €0.25bn and €0.1bn in 2008 and 2007 respectively. Expenditure on these projects in 2009/2010 is estimated at €0.3bn. The Group expects 2009 capital expenditure to be below depreciation expense at approximately €0.75bn.

These major projects are being financed by the Group with cash flows from operations.

6. Environmental Regulation

Further details of the environmental regulations that are applicable to the Group are set out under the heading "*Environmental Regulations*", on pages 23 and 24 of the 2007 20-F, which is incorporated by reference into this Prospectus.

* Source: Unaudited Report on Form 6-K filed with the SEC on 8 January 2009 (Statement re Acquisition).

PART XI – OPERATING AND FINANCIAL REVIEW OF CRH

This operating and financial review should be read together with the Group's audited consolidated profit and loss account, consolidated balance sheet, consolidated cash flow statement, auditors' report and accompanying notes to the financial statements as set out in the 2006 Financial Statements, the 2007 Financial Statements and the 2008 Financial Statements. The 2008 Financial Statements are set out in section 3 of Part XII (*Financial Information on CRH*).

Investors should read the whole of this document and the documents incorporated by reference herein and should not just rely on the summary of the operating and financial information set out in this Part XI.

The operating and financial review for the years ended 31 December 2006 and 31 December 2007, are set out on the following pages of the 2007 20-F, incorporated by reference into this Prospectus:

Summary of 2007 results -	pages 24 to 25
2007 compared with 2006 -	pages 27 to 29
Key components of 2007 performance -	pages 29 to 30
2007 overview by division -	pages 30 to 42
2006 compared with 2005 -	pages 42 to 43 and pages 59 to 61
Key components of 2006 performance -	page 44
2006 overview by division -	pages 45 to 54

The results include the proportionate consolidation of joint ventures in the Group's income statement, cash flow statement and balance sheet, while the Group's share of profit after tax of associates is included as a single line item in arriving at Group profit before tax. The comments below refer to the audited consolidated financial statements of CRH for the year ended 31 December 2008 which have been prepared in accordance with the Group's accounting policies under IFRS.

Organic Sales, Organic Operating Profit. Exchange translation movements can have a significant impact on the reported results for the Group, and can distort comparisons of underlying performance; for example, the decline in the value of the US dollar in 2008 combined with movements in the average exchange rate for the Group's other operating currencies resulted in an adverse translation impact of €67m on operating profit for the year. Furthermore, CRH pursues a strategy of growth through acquisitions, with over €3bn spent on acquisitions both in 2008 and in 2007; these acquisitions contributed strongly to the change in sales and operating profit in 2008, adding incremental revenue of €1.9bn and incremental operating profit of €123m compared with 2007. Because of the impact of both exchange translation and acquisitions on reported results each year, the Group uses organic sales and organic operating profit as additional performance indicators to assess performance of pre-existing (also referred to as underlying, heritage or ongoing) operations each year; organic sales and organic operating profit are arrived at by excluding the incremental sales and operating profit contributions from current and prior year acquisitions and the impact of exchange translation. In the operating and financial review which follows, changes in organic sales and organic operating profit are presented as additional measures of sales and operating profit to provide a greater understanding of the performance of the Group. A reconciliation of the changes in organic sales and organic operating profit to the changes in total sales and operating profit by segment is presented with the discussion of each segment's performance in tables contained in the segment discussion commencing on page 60 below.

The terms "ongoing", "organic", "underlying" and "heritage" all have the same meaning in the discussion that follows.

OVERVIEW

The level of construction activity in the geographical areas in which Group businesses operate influences the Group's results. Activity in the construction industry is characterised by cyclicality and is dependent to a significant extent on the overall level of government capital expenditure, the level of activity in the housing, industrial and commercial construction markets and local weather conditions.

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 CRH's 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$/euro exchange rate, CRH performed robustly and succeeded in limiting the decline in performance following 15 consecutive years of growth between 1992 and 2007.

Sales for 2008 amounted to €20.9bn, similar to the 2007 level and in excess of €20bn for the second consecutive year. CRH has delivered full year profit before tax of €1.6bn, a decrease of 14 per cent. compared to 2007, and in line with guidance provided in the Interim Management Statement of 11 November 2008 and in the Trading Update Statement of 6 January 2009.

There was a lower decrease in earnings per share which fell 11 per cent. to 233.1c (2007: 262.7c), as a result of a share buyback and a lower effective tax rate, 22.5 per cent. compared with 24.5 per cent. in 2007.

Operating profit in CRH's European divisions declined by €57m to €1,049m, a 5 per cent. decrease. Acquisitions completed in 2007 and 2008 contributed an incremental €73m of operating profit, while organic operating profits declined by €130m. Operating profit for the Americas operations decreased by €188m to €792m, down 19 per cent. The weaker average US dollar/euro exchange rate accounted for €67m of the decrease in operating profit. In US dollar terms operating profit declined 13 per cent. Overall operating profit margin decreased to 8.8 per cent. (2007: 9.9 per cent.).

Profit on disposal of non-current assets at €69m was ahead of 2007 (€57m).

Expenditure on acquisitions and investments during 2008 totalled €1bn.

CRH repurchased a total of 18.2 million Ordinary Shares in 2008, equivalent to 3.3 per cent. of the total outstanding at the end of 2007. In light of the stresses in financial markets, and to maintain maximum financial flexibility, the share repurchase programme was terminated in November 2008.

DIVIDEND

The Board is recommending a final dividend, subject to shareholder approval, of 48.5c per Ordinary Share, an increase of 1 per cent. on the 2007 final dividend of 48c. This would give a total dividend for the year of 69c, an increase of 1.5 per cent., which would represent CRH's 25th consecutive year of dividend growth and follows increases of 31 per cent. in 2007 and 33 per cent. in 2006. It is proposed to pay the 2008 final dividend on 11 May 2009 to CRH Shareholders registered at the close of business on 13 March 2009. Holders of New Ordinary Shares issued pursuant to the Rights Issue will not be entitled to receive, in respect of those New Ordinary Shares, the 2008 final dividend.

Dividend cover for the year at 3.4 times was broadly in line with CRH's previously stated target of 3.5 times for 2008.

2008 COMPARED WITH 2007

Results

For 2008 reported sales were broadly in line with 2007, with declines in operating profit of 12 per cent. and in pre-tax profit of 14 per cent. The key components of 2008 performance are analysed in the table on page 57.

Exchange Translation Effects

2008 saw a further decline in the value of the US dollar with the average US$/euro rate of 1.4708 being 7 per cent. weaker versus the euro than in 2007 (1.3705). This combined with movements in average exchange rates for CRH's other operating currencies resulted in an adverse translation impact of €50m at profit before tax level. The average and year-end exchange rates used in the preparation of CRH's financial statements are included under Accounting Policies in the 2008 Financial Statements on page 92.

Incremental Impact of 2007 Acquisitions

2007 acquisitions contributed incremental operating profit of €70m on sales of €1.372bn, an effective incremental operating profit margin of approximately 5 per cent.

In Europe, 2007 acquisitions generated an incremental €32m in operating profit on sales of €563m to give a margin of approximately 5.7 per cent. This reflected primarily the full-year impact of the Gétaz Romang acquisition completed by the Distribution group in May 2007, and the buyout of the outstanding 55 per cent. of the Cementbouw business at end-August 2007, which is now reported as part of the Europe Materials segment.

In the Americas, 2007 acquisitions contributed an incremental €38m in operating profit on sales of €809m, with acquisitions across Products and Distribution operations accounting for the bulk of the total impact.

Incremental Impact of 2008 Acquisitions

The incremental impact from 2008 acquisitions amounted to €53m in operating profit and €530m in sales, an effective operating margin of 10 per cent.

Acquisitions by CRH's European divisions operations contributed an incremental €41m in operating profit and €411m in sales, a margin of 10 per cent. Materials acquisitions added €16m in operating profit and €74m in sales to the 2008 outcome, which included CRH's 50 per cent. joint venture share in My Home Industries in India acquired in May 2008. The acquisition in April of Ancon, the UK construction accessories business, and Hungarian precast concrete producer Ferrobeton, were the major contributors to an incremental €16m in operating profit on sales of €172m from 2008 Products acquisitions. The contribution from 2008 acquisitions undertaken by Europe Distribution – €9m in operating profit on sales of €165m – reflects primarily the strengthening of CRH's sanitaryware, heating and plumbing business with three acquisitions in Switzerland and Germany in mid-2008.

2008 acquisitions in the Americas contributed an incremental €12m in operating profit on sales of €119m, with acquisitions across Materials and Products operations accounting for most of the impact.

CRH's 2009 results are expected to reflect a modest incremental impact from 2008 acquisitions, which on a combined basis, have annualised sales of approximately €0.8bn.

Key Components of 2008 Performance

€m	Revenue	Operating profit	Profit on disposals	Trading profit	Finance costs	Associates' PAT	Pre-tax profit
2007 as reported	20,992	2,086	57	2,143	(303)	64	1,904
Exchange effects	(759)	(67)	(1)	(68)	17	1	(50)
2007 at 2008 exchange rates	**20,233**	**2,019**	**56**	**2,075**	**(286)**	**65**	**1,854**
Incremental impact in 2008 of:							
— 2007 acquisitions	1,372	70	—	70	(67)	2	5
— 2008 acquisitions	530	53	—	53	(29)	2	26
Ongoing operations	(1,248)	(301)	13	(288)	39	(8)	(257)
2008 as reported	**20,887**	**1,841**	**69**	**1,910**	**(343)**	**61**	**1,628**
per cent. change as reported		−12					−14

Ongoing Operations

2008 organic sales declined by €1.248bn, a reduction of approximately 6 per cent. compared with growth of just over 1 per cent. in 2007. Overall organic sales declined by 4 per cent. in Europe while the reduction was 8 per cent. in the Americas; this compared with 2007 which saw organic sales growth of approximately 8 per cent. in Europe and a decline of 5 per cent. in the Americas. Underlying operating profit fell by €301m compared with a growth of €164m in organic operating profits in 2007.

Underlying operating profit for CRH's European operations fell by €130m on an underlying sales reduction of €434m, reflecting the impact of weaker markets, particularly in the second half of the year. Operating profits for CRH's Materials businesses were flat for the year, with a positive first half offset by generally weaker trading patterns in the second half. CRH's Products business experienced increasingly difficult trading conditions, with a €27m operating profit decline in the first six months followed by further declines in the second half to result in an overall decline of €99m for the year. While first-half underlying operating profit in the Distribution business was in line with 2007, weakening consumer confidence had an adverse impact in the second half with the overall decline in underlying profits amounting to €35m.

CRH's operations in the Americas had a challenging year reporting a decline of €814m in underlying sales and a decline of €171m in like-for-like operating profit. The Materials division continued to achieve success in recovering higher energy and other input costs, but with significant like-for-like volume declines, underlying operating profit fell by €86m. Throughout the year, the negative developments in financial markets had a growing impact on previously resilient US non-residential demand, while residential activity continued to weaken with the Products businesses reporting falls of €291m in sales and €94m in operating profits from underlying operations. While CRH's Distribution operations suffered from the decline in residential construction, effective pricing and sales and overhead management resulted in underlying operating profit being €9m higher than 2007.

Operating Profit Margins

Overall operating profit margin for the Group fell by 1.1 percentage points to 8.8 per cent., with all segments except Europe Materials and Americas Distribution experiencing margin declines. The table below summarises the margins by business.

Operating Profit Margin Data

	2008	2007
Europe Materials	17.1%	16.1%
Europe Products	6.1%	8.5%
Europe Distribution	5.1%	6.2%
Americas Materials	9.2%	10.5%
Americas Products	7.3%	9.7%
Americas Distribution	6.4%	5.3%
Group	**8.8%**	**9.9%**

INTEREST COVER RATIO

Management believes that the EBITDA interest cover based ratio is useful to investors because it matches the earnings and cash generated by the business to the underlying funding costs. The calculation of net interest and EBITDA in the following table presents the various interest and EBITDA-related items of the Group's Consolidated Statements of Income, added together to show net interest and EBITDA for each year.

As set out in note 23 to the 2008 Financial Statements on page 128 below, the Group's major bank facilities and debt issued pursuant to note purchase agreements in private placements require the Group to maintain EBITDA/net interest (excluding share of joint ventures) no lower than 4.5 times for twelve-month periods ending 30 June and 31 December in each year. Non-compliance with financial covenants would give the relevant lenders the right to demand early repayment of the related debt thus impacting the maturity profile of the Group's debt and the Group's liquidity.

Despite lower profitability in 2008, EBITDA/net interest cover remained high at 7.8 times for the year (2007: 9.4 times), above the Group's comfort range of 6 to 6.5 times.

Calculation of EBITDA Interest Cover Ratio

	2008 €m	2007 €m
Net Interest		
Finance revenue (a)	(160)	(170)
Finance cost (a)	503	473
Net interest expense including joint ventures	343	303
Less share of joint ventures' net interest (c)	(13)	(14)
Net interest expense excluding joint ventures	330	289
Calculation of EBITDA		
Group profit for the financial year (a)	1,262	1,438
Income tax expense (a)	366	466
Group share of associates' profit after tax (a)	(61)	(64)
Finance revenue (a)	(160)	(170)
Finance cost (a)	503	473
Income before finance costs (a)	1,910	2,143
Amortisation of intangible asset (b)	43	35
Profit on disposal of non-current assets (a)	(69)	(57)
Depreciation (b)	781	739
EBITDA including joint ventures	2,665	2,860
Less share of joint ventures' EBITDA (c)	(187)	(156)
EBITDA excluding joint ventures	2,478	2,704

	times	times
EBITDA interest cover ratio including joint ventures (EBITDA divided by net interest expense)	7.8	9.4
EBITDA interest cover ratio excluding joint ventures (EBITDA divided by net interest expense)	7.5	9.4

(a) These items appear on the Group Income Statement on page 85.

(b) Amortisation of intangible assets and depreciation expense, which are reported in notes 3 (page 104) and 4 (page 105) respectively, note 14 (page 117) and note 13 (page 115) respectively of the notes on the 2008 Financial Statements, are not shown as separate line items in the Group Income Statement on page 86.

(c) The Group's share of joint ventures' net interest, operating profit and depreciation expense, which are reported in note 2 (page 103) of the notes on the 2008 Financial Statements, are not shown as separate line items in the Group Income Statement on page 85.

(d) All data in the table above is audited with the exception of sub-totals and EBITDA interest cover ratios, both of which are calculated using audited data as the source data. CRH believes that the EBITDA interest cover ratio is useful to investors because it matches the earnings and cash generated by the business to the underlying funding costs. A similar table is also disclosed in the 2007 20-F which is incorporated by reference into this Prospectus. CRH believes that the inclusion of the table for 2008 is helpful to investors in providing a comparison across each of the years 2008, 2007 and 2006.

DEVELOPMENT

Total acquisition spend was €1bn in 2008. First half expenditure of €0.7bn included the purchase of a 45 per cent. stake in Indian cement manufacturer My Home Industries and 100 per cent. of UK construction accessories producer Ancon along with 35 other smaller acquisitions across the Group's operations. With the deteriorating economic environment, CRH deliberately curtailed its development activity with second-half spend of €0.3bn including the purchase of a 35 per cent. stake in French builders merchant Trialis together with 15 other transactions plus the acquisition of a further 5 per cent. stake in My Home Industries.

SEGMENT REVIEW

EUROPE – MATERIALS

€m	2008	2007	Total Change	Analysis of change: Organic	Acquisitions 2007	Acquisitions 2008	Exchange
Sales revenue	**3,696**	3,651	**+45**	-205	+194	+74	-18
% change			**+1%**	-6%	+5%	+2%	—
Operating profit*	**631**	586	**+45**	+4	+19	+16	+6
% change			**+8%**	+1%	+3%	+3%	+1%
Margin	**17.1%**	16.1%					

* Operating profit is before profit on disposal of non-current assets

Europe Materials experienced a change in economic conditions during 2008. After a positive first half when continuing advances in eastern Europe more than compensated for declines in Ireland and Spain, the deteriorating global economic environment impacted second half performance. Overall, operating profit for the year was up 8 per cent. on a record 2007 performance.

Ireland: Construction demand in Ireland fell significantly in 2008. The decline of the residential sector, which commenced in 2007, accelerated through the year. Sales to the commercial sector, which were strong in the first half, weakened considerably in the second half. The infrastructure and agricultural sectors continued to see strong demand. Cost reduction programmes were intensified with consequent one-off rationalisation costs. Overall operating profit declined compared to 2007.

Benelux: CRH's Benelux cement trading, readymixed concrete and aggregates business, consolidated into Europe Materials in 2007, had a good first full year in the division and exceeded target returns.

Finland/Baltics: Finland's economy grew at a more modest rate in 2008 following the strong expansion of recent years. Overall construction demand advanced during the first half; however, the second half saw slowing non-residential construction, an accelerating decline in residential output and completion of a number of infrastructure projects. As a result, demand for CRH's products was at a lower level than in 2007; however, improved efficiencies and strong cost control led to increased operating profit. The Baltic States had a difficult year and overall profit in Latvia and Estonia declined. CRH's operations in St. Petersburg benefited from declining input costs, but weaker second half demand resulted in a lower outcome.

Central/Eastern Europe: The Polish construction market experienced a good year. Increases in commercial and industrial construction compensated for a decline in infrastructure and public non-residential building and also in housing activity in the main cities. Cement volumes remained at 2007 levels. The concrete products businesses performed very well with increased volumes in readymixed concrete and pavers, although walling products were impacted by a slowdown in the residential sector. Overall in Poland, improved efficiencies and good input cost recovery resulted in improved margins and operating profit was up significantly on 2007 levels. In Ukraine, cement volumes grew strongly in the first half but fell back in the second half as political and economic difficulties intensified. However, better pricing and the use of coal in place of high cost natural gas resulted in higher operating profit.

Switzerland: Infrastructure and public non-residential spending increased and more than compensated for declines in housing and industrial activity. Cement volumes were in line with 2007 levels but significant fuel cost increases were not fully recovered resulting in cement profits behind 2007. Margins in CRH's readymixed concrete and aggregates business increased and the outcome was ahead of 2007. CRH's combined Swiss operations delivered a satisfactory performance in 2008.

Iberia and Eastern Mediterranean: Construction activity in Spain fell significantly. New infrastructural projects in Catalonia benefited CRH's operations in the second half of the year. However, the residential and non-residential sectors were particularly affected and despite adjusting capacity by consolidating locations, operating profit declined significantly. The Portuguese economy grew in 2008; however, construction declined with lower activity in all sectors. CRH's Secil joint venture with three cement plants operated at full capacity taking advantage of strong export markets. Secil also enjoyed a positive performance in its activities outside Portugal and reported a good uplift in operating performance due to a favourable pricing environment and production efficiencies. Construction demand in the South-West Aegean region of Turkey was somewhat negative and this, combined with increased competition, resulted in declining volumes and prices, and lower operating profit, from CRH's joint venture Denizli Cement.

Asia: Sanling Cement in northeastern China achieved record volumes and improved factory efficiency. However, competitive pricing in the region resulted in a lower outcome. CRH's 50 per cent. Indian joint venture, My Home Industries (MHIL), has been included in CRH's consolidated results from May 2008. The significant economic and construction growth in the Andhra Pradesh market continued as anticipated and MHIL performance was ahead of CRH's expectations.

EUROPE – PRODUCTS

				Analysis of change			
					Acquisitions		
€ m	**2008**	**2007**	**Total Change**	**Organic**	**2007**	**2008**	**Exchange**
Sales revenue	**3,686**	3,628	**+58**	-143	+100	+172	-71
%. change			**+2%**	-4%	+3%	+5%	-2%
Operating profit*	**224**	308	**-84**	-99	+6	+16	-7
% change			**-27%**	-32%	+2%	+5%	-2%
Margin	**6.1%**	8.5%					

* *Operating profit is before profit on disposal of non-current assets*

Following a positive first quarter, CRH's markets became increasingly difficult as the year progressed and its Products operations saw operating profit decline by 27 per cent., impacted by €35m of rationalisation costs.

Concrete Products: Architectural operations faced difficult conditions in several markets and performed significantly below 2007. CRH's Belgian, French and Danish paver and tiles businesses suffered from weak residential markets and falling consumer confidence while its UK block business experienced a significant volume drop. In Germany the downturn in new residential construction impacted results. Results in CRH's Dutch operations improved driven by a restructuring project which commenced in 2007, while its Slovakian businesses continued to perform strongly. CRH's Structural concrete business delivered profits below 2007. Danish and Irish businesses were significantly impacted, from the beginning of the year, by difficult conditions in residential markets. Belgium and the Netherlands, which include CRH's sand-lime brick operation, were less affected, with the decrease in the residential sector only becoming evident from the third quarter. CRH's operations serving non-residential markets across Europe performed well, with strong results in Belgium and France driven by tight operational control. Significant restructuring involving factory closures and capacity reduction was undertaken across both Architectural and Structural operations during 2008.

Clay Products: Results in the Clay Products group declined significantly in 2008, primarily due to difficulty in the UK brick market. In response to falling sales, four factories were closed, extensive production shutdowns implemented and overhead costs reduced. Energy prices increased significantly during the year which, combined with production cut-backs, closure costs and redundancy programmes, resulted in an outcome well below prior year. In mainland Europe, CRH's country-based organisation was restructured to form two operating regions, Central Europe and Eastern Europe, improving cross border trading and reducing administration costs. Volumes declined as the year progressed; however, this was largely offset by strong pricing and overall the profit performance for these operations was similar to 2007.

Building Products: In total, 2008 operating profit was broadly in line with 2007. Construction Accessories experienced another year of performance and growth. The contribution of Ancon, acquired in April 2008, exceeded CRH's expectations and all its businesses showed solid operating results despite deteriorating market conditions towards the end of the year. CRH's Building Envelope Products include Entrance Control, Climate Control and Roller Shutters & Awnings businesses. Entrance Control operations in fencing, security and access systems experienced another year of solid performance. In Climate Control, CRH's rooflight & ventilation activity reported further progress in operating results, driven by a strong performance in its German business. The Roller Shutters & Awnings business experienced difficult market conditions due to declining consumer confidence and unfavourable weather conditions in the Netherlands. Despite good progress on profit improvement initiatives, Insulation Products had a difficult year. The slowdown in residential markets, especially in the United Kingdom and Ireland, high volatility in input prices and price pressure in Eastern Europe were the main reasons for a disappointing result.

EUROPE – DISTRIBUTION

€m	2008	2007	Total Change	Analysis of change: Organic	Acquisitions 2007	Acquisitions 2008	Exchange
Sales revenue	**3,812**	3,435	**+377**	-86	+269	+165	+29
%. change			**+11%**	-3%	+8%	+5%	+1%
Operating profit*	**194**	212	**-18**	-35	+7	+9	+1
%. change			**-8%**	-16%	+3%	+4%	+1%
Margin	**5.1%**	6.2%					

* *Operating profit is before profit on disposal of non-current assets*

The effects of the worldwide financial crisis led to a slowdown in business activity as 2008 progressed. Sales increased aided by contributions from eight acquisitions completed in 2008. However operating profit in 2008 declined by 8 per cent. compared with 2007.

Builders Merchants: Trading across CRH's Builders Merchants operations which had a generally good first half weakened with the economic climate and organic sales registered a decline of approximately 4 per cent.

In the Netherlands, after a relatively strong first six months, sales weakened in the second half resulting in lower annual like-for-like sales and operating profit compared with 2007. In France, CRH's heritage operations in Ile-de-France (100 per cent.), Burgundy (58 per cent.) and Franche-Comté (58 per cent.) witnessed a slowdown which resulted in reduced sales and profit. Compared to other Western European construction markets, the Swiss market showed some resilience. However, internal reorganisation costs resulted in a slightly disappointing outcome with profits down on 2007 despite higher sales.

CRH's Austrian operations benefited from reorganisation initiatives taken in 2007 and 2008. These measures included the closure of some loss-making branches and, although 2008 sales decreased, operating profit returned to positive territory. Further initiatives continue to be implemented to restore margins to appropriate levels. Sales at Bauking, the German joint venture in which CRH has a 48 per cent. stake, held up fairly well but like-for-like sales versus 2007 were down marginally and despite relentless cost control, like-for-like operating profit also declined. The 2007 acquisitions were successfully integrated and performed according to expectations. Overall in Germany, including acquisition effects, sales advanced and operating profit was at a similar level.

DIY: CRH's DIY operations which were adversely affected by weakening consumer confidence in the first half of the year proved more robust through the second half as a result of strong management action.

In the Netherlands and Belgium, like-for-like sales were flat compared with 2007. Increased competition and promotional campaigns had a negative impact on margins; however, this was mitigated by tight cost control and sharp franchise formula management leading to only a modest decrease in operating profit.

In Germany, Bauking operates 54 DIY stores under the brand name Hagebau. In a very competitive market, Bauking managed to keep costs under tight control which led to a slight decline in operating profit while maintaining a similar sales level to 2007.

In Portugal, sales increased supported by the opening of 5 new stores; however, start-up losses for the new openings and difficult market conditions resulted in lower profits than in 2007. In Spain, market circumstances in Alicante/Valencia have been very challenging and results were below expectations.

AMERICAS – MATERIALS

€ m	2008	2007	Total Change	Analysis of change: Organic	Acquisitions 2007	Acquisitions 2008	Exchange
Sales revenue	**5,007**	5,445	**-438**	-464	+332	+65	-371
%. change			**-8%**	-8%	+6%	+1%	-7%
Operating profit*	**462**	570	**-108**	-86	+9	+8	-39
%. change			**-19%**	-15%	+2%	+1%	-7%
Margin	**9.2%**	10.5%					

* *Operating profit is before profit on disposal of non-current assets*

Americas Materials had a very challenging year with unprecedented increases in bitumen and energy costs and a sharp decline in market volumes across all major business lines. Through effective pricing, energy management and cost

cutting initiatives, the division was able to limit the overall decline in US dollar operating profit to 13 per cent. from 2007 levels; a solid result.

Overall energy costs increased by 41 per cent. compared with 2007 despite lower volumes as prices surged during the construction season. The increase was mainly driven by bitumen, which experienced a 60 per cent. price increase from 2007 levels. The pricing of energy used at CRH's asphalt plants, consisting of fuel oil, recycled oil and natural gas, increased by 45 per cent. Diesel and gasoline jumped 38 per cent. and 19 per cent. respectively.

In order to offset the substantial jump in energy costs, selling prices were increased across all CRH's product lines with an 11 per cent. increase in aggregates pricing, a 28 per cent. increase in asphalt and a 4 per cent. increase in readymixed concrete. With the significant increases in selling prices and relatively fixed public infrastructure spending, highway paving volumes declined in 2008. Including acquisitions, aggregates volumes declined 16 per cent., asphalt declined 10 per cent. and readymixed concrete dropped 7 per cent. Heritage aggregates volumes showed a 17 per cent. drop with asphalt down 14 per cent. and readymixed concrete down 21 per cent.

CRH's management implemented several energy and cost reduction initiatives in 2008 to limit the decline in profit. CRH's winter-fill strategy helped to contain bitumen cost increases and it successfully increased its usage of recycled asphalt to lessen bitumen requirements. Division-wide purchasing programs were initiated to reduce the unit cost of purchased materials and supplies while continued operational best practice efforts helped reduce both labour and equipment cost while eliminating waste. Reductions in fixed overhead staffing and other fixed costs were progressively implemented in response to shrinking demand.

In 2008 CRH reorganised its operations geographically into East and West, each containing four divisions.

East: The Northeast division had a difficult year mainly due to significant declines in New Jersey and Connecticut markets. CRH's Central division companies in Ohio and Michigan experienced volume reductions consistent with its overall declines in aggregates and asphalt. However, with sound pricing initiatives, good bitumen purchasing, and effective cost controls, the division was able to achieve a good advance in profit. The Mid-Atlantic division saw its operating profit decrease slightly, due mainly to challenging markets in Pennsylvania and Delaware, with reduced demand and higher energy costs. The Southeast division experienced a difficult year with severe market declines leading to a sharp fall-off in operating profit.

West: CRH's Southwest division was impacted by volume declines in aggregates and rapidly escalating variable costs associated with asphalt production. Pro-active efforts to increase prices and reduce costs along with the successful integration of 2007 acquisitions resulted in an overall profit increase for this division. The Rocky Mountain/Midwest division moved profits ahead in 2008 due to strong demand and positive performance in western Colorado, Wyoming and South Dakota. CRH's Midwest companies experienced a tougher year with a slower economy and poor highway activity in Minnesota. In the Northwest, worsening economies in Northern Idaho and Oregon had a severe impact on CRH's volumes and although favourable pricing somewhat softened the negative impact, profits fell sharply. CRH's Staker Parson operations saw a significant drop-off in volumes from the very strong levels of 2007, reflecting a weakening economy in both Utah and Idaho.

AMERICAS – PRODUCTS

				Analysis of change			
			Total		Acquisitions		
€m	2008	2007	Change	Organic	2007	2008	Exchange
Sales revenue	**3,243**	3,510	**-267**	-291	+223	+39	-238
% change			**-8%**	-8%	+6%	+1%	-7%
Operating profit*	**238**	340	**-102**	-94	+11	+4	-23
%. change			**-30%**	-27%	+3%	+1%	-7%
Margin	**7.3%**	9.7%					

* *Operating profit is before profit on disposal of non-current assets*

CRH's Products businesses faced another tough year with ongoing financial and credit market turmoil, further declines in new residential construction and a slowdown in non-residential markets. Significant cost reduction measures were implemented across CRH's businesses which somewhat mitigated the impact of volume declines.

Architectural Products Group (APG): APG faced very difficult trading conditions due to the ongoing deterioration in the residential construction sector, a second-half slowdown in its non-residential markets, weaker demand from the homecentre channel, and rising raw material, energy and fuel costs. Reflecting these negative factors, CRH's United States masonry, brick and dry-mix divisions experienced considerable profit declines, while its Canadian masonry and United States lawn and garden businesses held up relatively well. Management actions to

reduce the bottom line impact through extensive cost reductions and regional consolidation of plant networks somewhat offset the negative external factors. Overall, APG recorded an 8 per cent. decline in sales and a 59 per cent. decline in operating profit.

Precast: Overall volumes were down approximately 9 per cent. with operating margins off significantly from a strong 2007. Drainage products and plastic box enclosures were particularly hard hit while non-residential also slowed as tight credit and project completions negatively impacted sales. In spite of the harsh economic backdrop and an increasingly competitive market, good cost control and effective price management lessened the profit impact.

Glass: Trading conditions in the architectural glass market weakened in 2008 as commercial construction activity declined. Despite raw material cost increases, higher input costs, and a more competitive environment, margins were stable. Management's focus on customer service, cost control and product mix enabled the group to achieve an exceptional outcome. Sales and profits increased 18 per cent. and 28 per cent. respectively due to the outstanding performance of the Engineered Products Group. Of note were the full-year contributions from the Vistawall acquisition completed in June 2007 and significantly improved results from Antamex, CRH's Canadian-based supplier of high-performance curtain wall systems and engineering design services.

MMI: MMI's sales volumes generally declined because of reduced market activity. However, with benefits from rationalisation and cost reduction measures, profits improved markedly helped by an enhanced view of value pricing and price increases in advance of rapidly increasing steel costs. Management responded to the decline in sales volumes through overhead reductions and rationalisation of the distribution network in its fencing business, and through closure of a manufacturing plant at its welded wire reinforcement (WWR) division. MMI also took action to enhance its leadership resources significantly during the year and recruited new senior level leadership for both the WWR and construction accessories operations.

South America: CRH's operations in Argentina and Chile performed well despite a deteriorating economic climate as the year progressed. In Argentina, operating profit from the ceramic tile and glass businesses was slightly down on 2007 levels. CRH's Chilean glass business reported an improved outcome while the Santiago-based distributor of specialised building products, acquired in early 2008, was impacted by second-half currency devaluation of the Chilean peso.

AMERICAS – DISTRIBUTION

				Analysis of change			
					Acquisitions		
€m	2008	2007	Total Change	Organic	2006	2007	Exchange
Sales revenue	**1,443**	1,323	**+120**	-59	+254	+15	-90
% change			**+9%**	-4%	+19%	+1%	-7%
Operating profit*	**92**	70	**+22**	+9	+18	—	-5
% change			**+31%**	+13%	+25%	—	-7%
Margin	**6.4%**	5.3%					

* *Operating profit is before profit on disposal of non-current assets*

Americas Distribution comprises two divisions which supply specialist contractor groups; Roofing/Siding which accounts for approximately 58 per cent. of annualised sales and Interior Products (wallboard, steel studs and acoustical ceiling systems) which represents approximately 42 per cent. of annualised sales.

Roofing/Siding (Exterior Products): US petroleum-based roofing systems benefited from a surge in demand due to hailstorms in southern and central US cities and a spike in petroleum costs to create a positive pricing environment for the Roofing/Siding division.

Interior Products: While Interior Products markets were challenging, with significant wallboard price deflation, the inclusion of a very positive full-year trading contribution from the November 2007 acquisition of Acoustical Materials Services in the western United States and Baja California, offset organic declines.

Overall Americas Distribution operating profit increased 41 per cent. in US dollar terms and operating margins advanced by over a full percentage point from 5.3 per cent. to 6.4 per cent.

FINANCE

Liquidity and capital resources — 2008 compared with 2007

Year-end net debt of €6.1bn was €928m higher than end-2007 resulting in an increase in the percentage of net debt to total equity. With a lower market capitalisation, the debt to market capitalisation ratio showed a proportionately greater increase from 40 per cent. at 31 December 2007 to 64 per cent. at 31 December 2008.

While spending a total of over €2bn on acquisitions, investments and capital projects, the strong cash generation characteristics of the Group, partly offset by an adverse translation adjustment of €240m, limited the increase in net debt to €928m.

The major components of the Group's cash flows are shown in the audited Group Cash Flow Statement on page 87. A summarised table is presented below.

€m	2008	2007
Inflows		
Profit before tax	1,628	1,904
Depreciation (including asset impairments)	781	739
Amortisation of intangibles	43	35
	2,452	2,678
Outflows		
Working capital (including movements on provisions)	(62)	227
Taxation	(322)	(388)
Dividends (including scrip dividends)	(369)	(318)
Capital expenditure	(1,039)	(1,028)
Other	(89)	(81)
	(1,881)	(1,588)
Operating cash flow	**571**	**1,090**
Acquisitions & investments (including debt assumed on acquisition)	(1,072)	(2,227)
Ordinary Shares purchased, net	(383)	(31)
Disposals	168	156
Share issues (net of expenses)	28	104
Translation adjustment	(240)	237
Increase in net debt	**(928)**	**(671)**
Opening net debt	(5,163)	(4,492)
Closing net debt	**(6,091)**	**(5,163)**

The increased charges for depreciation and amortisation mainly reflect the impact of acquisitions completed in 2007 and 2008.

The working capital outflow for the year represents a good performance in managing receivables and payables in a challenging environment. The 2007 inflow was aided by a significant liquidation of working capital at APAC associated with the scaling-back of its low-margin, major projects construction business. Details of the movements in the various components of working capital during 2008 are set out in note 20 of the notes on 2008 Financial Statements (page 123).

The tax charge at 22.5 per cent. of Group profit before tax decreased compared with 2007 (24.5 per cent.). The decline in the tax charge largely reflects lower taxable profits in a number of the Group's overseas jurisdictions where higher tax rates apply. Accordingly, tax payments in 2008 were lower than in 2007.

The increase in dividends paid from €318m in 2007 to €369m in 2008 reflects the 25 per cent. increase in the final 2007 dividend and the 2.5 per cent. increase in the interim 2008 dividend both of which were paid during the course of 2008.

Capital expenditure of €1bn represented 5.0 per cent. of Group revenue (2007: 4.9 per cent.) and amounted to 1.33 times depreciation of €781m (2007: 1.39 times). Of the total capital expenditure, 58 per cent. was invested in Europe with 42 per cent. in the Americas. The Group's capital expenditures included approximately €0.25bn and €0.1bn of investment in major cement plants in 2008 and 2007 respectively. Expenditure on these projects in 2009/2010 is estimated at €0.3bn. A summary of the Group's future purchase commitments as at 31 December 2008 for property plant and equipment are set out in note 13 of the notes to 2008 Financial Statements (page 115).

The caption denoted "Other" mainly reflects the elimination of non-cash income items, mainly share of associates' profits and profit on disposal of fixed assets, and non-cash expense items such as IFRS share-based compensation expense, which are included in arriving at profit before tax.

Spend on acquisitions and investments in 2008 amounted to €1bn. This compared with €2bn in 2007 and reflects a deliberate curtailment of development activity in the second half of 2008 as the economic environment deteriorated. Details of the acquisitions completed during 2008 are set out in note 34 to the notes on the 2008 Financial Statements.

Proceeds from share issues principally reflect the take-up of shares in lieu of dividends under the Company's scrip dividend scheme of €22m (2007: €68m). Proceeds were augmented by issues under Group share option and share participation schemes of €6m (2007: €36m).

Purchase of shares reflects the repurchase of approximately 18.2 million Ordinary Shares under the share purchase programme which was announced in January 2008 and terminated in November 2008. 2 million of these Ordinary Shares were used to satisfy the exercise of share options during the year and the proceeds from option holders is included in the net cost of share purchases. During 2007, the Group purchased 310,000 existing Ordinary Shares in respect of commitments under the Performance Share Plan at a cost of €10m; the remainder (€21m) represented the net cost to the Group of share options exercised during the year.

Exchange rate movements during 2008 increased the euro amount of net foreign currency debt by €240m principally due to the 5 per cent. decrease in the euro exchange rate against the US dollar from 1.4721 at end-2007 to 1.3917 at end-2008. The favourable translation adjustment in 2007 reflected a 12 per cent. increase in the euro versus the US dollar from 1.3170 at end-2006 to 1.4721 at end-2007.

Year-end net debt of €6.1bn (2007: €5.2bn) includes €153m (2007: €164m) in respect of the Group's proportionate share of net debt in joint venture undertakings.

Interest rate and debt/liquidity management

At the end of 2008, 48 per cent. of the Group's net debt was at interest rates which were fixed for an average period of 6.7 years. The euro accounted for approximately 42 per cent. of net debt at the end of 2008 and 45 per cent. of the euro component of net debt was at fixed rates. The US dollar accounted for approximately 48 per cent. of net debt at the end of 2008 and 59 per cent. of the US dollar component of net debt was at fixed rates.

The Group finished the year in a strong financial position with 98 per cent. of the Group's gross debt drawn under committed term facilities, 88 per cent. of which mature after more than one year. In addition, at year-end the Group held €1.6bn of undrawn committed facilities, which had an average maturity of 1.9 years.

At year-end 2008, 87 per cent. of the Group's cash, short-term deposits and liquid resources had a maturity of six months or less.

Currency management

The bulk of the Group's net worth is denominated in the world's two largest currencies – the US dollar and the euro – which accounted for 41 per cent. and 28 per cent. respectively of the Group's net worth at end-2008.

2008 saw a net negative €97m currency translation effect on foreign currency net worth which is stated net of a €240m unfavourable translation impact on net foreign currency debt.

Shareholders' equity

Total shareholders' equity increased by €137m to €8.157bn during the year ended 31 December 2008. This increase reflects net proceeds of €28m from equity issues, €1.248bn of net income retained, dividends paid of €369m, the add-back of €24m reflecting the expensing of employee share options, a net amount of €383m relating to the

purchase during 2008 of treasury and own shares, a loss in currency translation effects on the Group's net investment in different currencies of €97m, a net loss on cash flow hedges of €28m, deferred and current tax gains (net) recognised directly within equity of €58m, actuarial losses on defined benefit pension schemes amounting to €348m and an increase of €4m in minority interest.

Net finance costs for the year of €343 m showed an increase compared with the €303 m reported for 2007. EBITDA/ net interest cover for the year remained strong at 7.8 times (2007: 9.4 times), above the Group's comfort range of 6 to 6.5 times.

Year end 2008 net debt at €6.1 bn compared with €5.2 bn at December 2007, an increase of €0.9bn after a combined spend of €2.1 bn on acquisitions and capital expenditure, €0.4bn on share buyback and after an adverse translation of €0.2bn mainly attributable to the stronger year-end rate for the US dollar. The year-end net debt/EBITDA ratio was 2.3 times (2007: 1.8 times).

During 2008, CRH raised a total of €0.8bn of long-term funding in international bond markets, arranged €0.5bn of new bank term finance and renewed and extended €1.7bn of existing bank facilities. These facilities are mainly with a number of international banks. Borrowings under these facilities were at prevailing market rates. At year-end-2008 CRH had €1.3bn (which excludes €0.3bn in respect of the Group's share of facilities available to joint ventures) of unutilised bank facilities. The Group continues to assess conditions in the international debt capital markets with a view to further debt issuance at the appropriate time and is committed to maintaining an investment grade credit rating.

As announced on 7 November 2008, in light of the stresses in financial markets, and to maintain maximum financial flexibility, the share repurchase programme launched on 3 January 2008, which was limited to a maximum of 5 per cent. of the 547 million Ordinary Shares in issue at December 2007, was terminated following the repurchase of approximately 18.2 million Ordinary Shares, equivalent to 3.3 per cent. of Ordinary Shares in issue at year-end 2007, at an average price of €22.30 per Ordinary Share.

Following Admission, CRH will have a fully underwritten increase in capital of €1.238bn. In addition, CRH will have refinanced part of the remaining borrowings under its €1.275bn facility, which matures in 2010, and extended the maturity of €247m of debt to 2011 and €425m of debt to 2012 to further strengthen CRH's financial position. As of the date of Admission, CRH will have €0.9bn of unutilised bank facilities.

DEVELOPMENT

Total acquisition spend in 2008 was €1bn. First half expenditure amounted to €0.7bn; however, with the deteriorating economic environment, CRH significantly curtailed its development activity as the year progressed, resulting in a second half spend of just €0.3bn.

During 2008 CRH acquired 50 per cent. of My Home Industries Limited (MHIL), an Indian cement producer headquartered in Hyderabad with strong market positions and excellent reserves in central and eastern Andhra Pradesh. MHIL has annual production capacity of approximately 4 million tonnes from modern facilities and is CRH's first acquisition in India. Since year-end CRH has acquired 26 per cent. of Yatai Cement, the leading cement manufacturer in northeastern China with 14 million tonnes of cement capacity, currently being expanded to 18 million tonnes. As previously announced, CRH has an option to increase its stake to 49 per cent. in due course. CRH's Europe Materials division, which has responsibility for CRH's cement developments in Asia, is working with its new partners to enhance existing performance and to expand at a measured pace these initial CRH positions in China and India. A further 7 bolt-on transactions were completed by the Europe Materials division during 2008.

Europe Products had an active year. CRH's Concrete Products group delivered CRH's first acquisition in Hungary with the acquisition of Ferrobeton, a leading precast concrete elements producer operating four plants in Hungary and one in Slovakia, which manufacture a similar product range to CRH's existing operations in Romania. CRH's Building Products group expanded its very successful Construction Accessories platform with the acquisition of Ancon, a UK-based designer and manufacturer of a range of stainless steel fixing systems, with operations in continental Europe, the Middle East and Australia. A further 7 bolt-on deals were completed.

Europe Distribution acquired an initial 35 per cent. minority stake in Trialis, a successful and leading independent regional builders merchant operating 190 branches in central, south and southwest France, and added a total of 23 branches in 7 bolt-on acquisitions.

Americas Materials completed 19 bolt-on transactions expanding its network of locations.

Americas Products had a quiet year as attention was focused on responding to a deteriorating operating environment. Nevertheless, some 7 bolt-on transactions were completed across Precast, Architectural Products, and MMI operations.

Americas Distribution completed one transaction in its exterior products segment. In South America, 2008 saw the acquisition of a leading distributor of specialised building products in Santiago, Chile.

With a challenging trading backdrop for many of CRH's businesses, management's emphasis is firmly concentrated on operational delivery and, as a result, development activity continues to be limited to acquisition opportunities that offer compelling value and exceptional strategic fit. This emphasis is also reflected in capital expenditure which is being adjusted across the Group to reflect the reduced demand environment. 2008 capital expenditure of approximately €1bn is little changed on 2007 despite higher 2008 spending on previously announced cement facilities in Ireland, Poland, Ukraine and the United States.

OUTLOOK

The outlook for 2009 is extremely challenging. January and February have seen the most severe winter for many years in Europe and North America and this will exacerbate the impact of already weak markets on the outcome for the first half of the year, which in 2008 benefited from a relatively mild winter and a generally positive trading backdrop in Europe. The first half of 2009 is therefore expected to be sharply lower than 2008. However, lower energy costs, ongoing interest rate reductions and the recently agreed infrastructure stimulus package in the United States should encourage activity as the year progresses. Consequently, given the weaker relative performance in the second half of 2008, the underperformance anticipated in the first half of 2009 is expected to moderate in the seasonally more important second half of 2009.

Europe: In Europe Materials, activity levels in Ireland and Spain are set to fall further in 2009 with less severe declines expected in Finland and Portugal. Switzerland is again forecast to perform robustly. In Poland, increased activity in infrastructure is expected to be offset by declines in other sectors while in the Ukraine, the slowdown experienced in the latter months of 2008 is likely to be more pronounced in 2009. Recent weakness in the Polish Zloty and Ukrainian Hryvnja, if maintained, will have a negative effect on the reported euro outcome. Ongoing reductions in fuel and energy costs combined with savings from cost reduction measures will benefit 2009.

Demand for CRH's Products & Distribution activities is down across the main Eurozone countries. Housing starts are lower and while non-residential demand remains reasonable the trends are weakening. Infrastructure in Eastern Europe and the RMI sector generally should prove more resilient. Concrete Products will benefit from significant restructuring in 2008 and new initiatives in 2009. Clay Products should improve with lower energy costs and the absence of restructuring charges. Building Products faces weaker demand in its non-residential segments. Distribution is likely to benefit from more resilient DIY demand but its builders merchants activities will decline.

Overall, despite significant benefits from ongoing restructuring, CRH expects a much more demanding trading environment than in 2008 for its European operations.

Americas: The recently approved United States federal economic stimulus package includes a strong infrastructure component favouring road and highway maintenance spending. CRH expects that this will contribute positively to Americas Materials infrastructure volumes in the second half of 2009, although residential and commercial volumes are expected to face further erosion. Bitumen and energy costs, which saw unprecedented mid-year increases in 2008, have moderated over recent months, and therefore CRH expects to benefit from much more stable input cost levels through 2009. The division continues to focus on cost and overhead savings, operational efficiencies and additional price improvements. These initiatives combined with a more stable input cost backdrop should partly offset the effect on Americas Materials US dollar profits of likely further overall volume reductions.

New US residential demand is expected to decline further in 2009 as is residential repair, maintenance and improvement activity although to a lesser degree. Non-residential construction is expected to fall due to the weaker economy and tighter commercial credit standards. Against this backdrop, and despite significant operating improvements implemented in 2008 and the benefit of further targeted cost reduction measures, CRH anticipates a further decline in Americas Products & Distribution in 2009.

Overall, the Americas in 2009 are expected to be weaker in US dollar terms. However, the recent strengthening of the US dollar, if maintained, will result in a relatively more favourable reported euro outcome.

Overall: Management's attention and efforts are resolutely focused on commercial delivery and on ensuring that CRH's businesses are strongly positioned, through additional cost reduction and cash generation measures, to deal with whatever trading circumstances may evolve. In addition, CRH continues to strengthen its financial flexibility in order to ensure that the Group is well positioned to take advantage, in its traditional long-established disciplined manner, of a likely increased flow of development opportunities as the year progresses.

PART XII – FINANCIAL INFORMATION ON CRH

1. Basis of Financial Information

The consolidated financial statements of CRH and its subsidiaries together with the audit reports thereon, as set out in the 2006 Financial Statements and the 2007 Financial Statements, are incorporated by reference into this Prospectus. The 2008 Financial Statements are set out at section 3 of this Part XII.

The consolidated annual financial statements of CRH have been audited by Ernst & Young, independent auditors, a firm of chartered accountants registered with the Institute of Chartered Accountants in Ireland. Ernst & Young has issued an unqualified audit opinion on the consolidated financial statements of the Group, for each of the financial years ended 31 December 2006, 2007 and 2008.

2. Selected Financial Information

The selected historical financial information and other historical financial information in relation to CRH in this Part XII has, unless otherwise stated, been extracted without material adjustment from the 2006 Financial Statements, the 2007 Financial Statements and the 2008 Financial Statements.

The 2006 Financial Statements and the 2007 Financial Statements are sourced from the Annual Report of CRH on Form 20-F for the respective years. The Form 20-F is prepared for the purposes of CRH's annual filing with the SEC, pursuant to its NYSE listing. The audited consolidated financial statements (including the notes thereto) contained in the Form 20-F are the same audited consolidated financial statements contained in CRH's statutory annual report and accounts save that the terminology in the Form 20-F reflects certain conventions common for US filings. Any such differences between the financial statements in the statutory report and accounts and those in the Form 20-F are not material. The Form 20-F, because it is a more comprehensive source of information, has been used as the source for the 2006 Financial Statements and the 2007 Financial Statements and these financial statements have been incorporated by reference into this Prospectus. The Form 20-F in respect of the 2008 Financial Statements has not been included since it has not yet been prepared. In addition, the Annual Report for the year ended 31 December 2008 has not been published.

The preliminary statement of annual results for the year ended 31 December 2008 was announced on 3 March 2009.

(a) Consolidated statements of income

	Year ended 31 December		
	2008	**2007**	**2006**
	€m	**€m**	**€m**
Continuing operations			
Revenue	20,887	20,992	18,737
Cost of sales	(14,738)	(14,715)	(13,123)
Gross profit	6,149	6,277	5,614
Operating costs	(4,308)	(4,191)	(3,847)
Group operating income	1,841	2,086	1,767
Gain on sale of investments and property, plant and equipment	69	57	40
Income before finance costs	1,910	2,143	1,807
Finance costs	(503)	(473)	(407)
Finance revenue	160	170	155
Group share of associates' income after tax	61	64	47
Income before tax	1,628	1,904	1,602
Income tax expense	(366)	(466)	(378)
Group net income for the financial year	1,262	1,438	1,224
Net income attributable to:			
Equity holders of the Company	1,248	1,430	1,210
Minority interest	14	8	14
Group net income for the financial year	1,262	1,438	1,224
Basic earnings per Ordinary Share	233.1c	262.7c	224.3c
Diluted earnings per Ordinary Share	231.8c	260.4c	222.4c

(b) Consolidated balance sheets

	As at 31 December		
	2008	2007	2006
	€m	€m	€m
ASSETS			
Non-current assets			
Property, plant and equipment	8,888	8,226	7,480
Intangible assets	4,108	3,692	2,966
Investments in associates	743	574	554
Other financial assets	127	78	97
Derivative financial instruments	416	124	74
Deferred income tax assets	333	336	489
Total non-current assets	14,615	13,030	11,660
Current assets			
Inventories	2,473	2,226	2,036
Accounts receivable and prepayments	3,096	3,199	3,172
Derivative financial instruments	10	9	5
Liquid investments	128	318	370
Cash and cash equivalents	799	1,006	1,102
Total current assets	6,506	6,758	6,685
Total assets	21,121	19,788	18,345
EQUITY			
Share capital	187	187	185
Additional paid-in capital	2,448	2,420	2,318
Own shares	(378)	(19)	(14)
Other reserves	87	70	52
Foreign currency translation reserve	(644)	(547)	(137)
Accumulated income	6,387	5,843	4,659
Shareholders' equity	8,087	7,954	7,063
Minority interest	70	66	41
Total equity	8,157	8,020	7,104
LIABILITIES			
Non-current liabilities			
Interest-bearing loans and borrowings	6,277	5,928	5,313
Derivative financial instruments	84	52	47
Deferred income tax liabilities	1,461	1,312	1,301
Accounts payable and accrued liabilities	137	141	160
Retirement benefit obligations	414	95	262
Provisions for liabilities	253	248	320
Capital grants	14	11	10
Total non-current liabilities	8,640	7,787	7,413
Current liabilities			
Accounts payable and accrued liabilities	2,919	2,956	2,788
Current income tax liabilities	186	244	216
Interest-bearing loans and borrowings	1,021	570	645
Derivative financial instruments	62	70	38
Provisions for liabilities	136	141	141
Total current liabilities	4,324	3,981	3,828
Total liabilities	12,964	11,768	11,241
Total equity and liabilities	21,121	19,788	18,345

(c) Consolidated statements of cash flows

	Year ended 31 December		
	2008	2007	2006
	€m	€m	€m
Cash flows from operating activities			
Income before tax	1,628	1,904	1,602
Finance costs (net)	343	303	252
Group share of associates' income after tax	(61)	(64)	(47)
Gain on sale of investments and property, plant and equipment	(69)	(57)	(40)
Group operating income	1,841	2,086	1,767
Depreciation charge	781	739	664
Share-based payments	24	23	16
Amortisation of intangible assets	43	35	25
Amortisation of capital grants	(3)	(3)	(2)
Net movement on provisions	(28)	(49)	11
Other non-cash movements	(15)	(2)	10
Decrease/(increase) in working capital	(57)	261	(132)
Cash generated from operations	2,586	3,090	2,359
Interest paid (including finance leases)	(371)	(352)	(253)
Irish corporation tax paid	(18)	(18)	(20)
Overseas corporation tax paid	(304)	(370)	(358)
Net cash inflow from operating activities	1,893	2,350	1,728
Cash flows from investing activities			
Inflows			
Proceeds from sale of investments and property, plant and equipment	168	156	252
Interest received	51	64	46
Capital grants received	4	3	—
Dividends received from associates	42	30	22
	265	253	320
Outflows			
Purchase of property, plant and equipment	(1,039)	(1,028)	(832)
Acquisition of subsidiaries and joint ventures	(777)	(1,858)	(1,978)
Investments in and advances to associates	(156)	—	(7)
Advances to joint ventures and purchase of trade investments	(50)	(40)	(13)
Deferred and contingent acquisition consideration paid	(34)	(107)	(74)
	(2,056)	(3,033)	(2,904)
Net cash outflow from investing activities	(1,791)	(2,780)	(2,584)
Cash flows from financing activities			
Inflows			
Proceeds from issue of shares	6	36	87
Shares issued to minority interests	—	—	3
Decrease in liquid investments	175	29	—
Increase in interest-bearing loans and borrowings	1,379	1,481	1,708
Increase in finance lease liabilities	3	2	3
	1,563	1,548	1,801
Outflows			
Ordinary Shares purchased (treasury and own shares), net	(383)	(31)	(15)
Increase in liquid investments	—	—	(35)
Repayment of interest-bearing loans and borrowings	(1,008)	(753)	(656)
Repayment of finance lease liabilities	(16)	(27)	(13)
Net cash movement in derivative financial instruments	(100)	(113)	(29)
Dividends paid to equity holders of the Company	(347)	(250)	(197)
Dividends paid to minority interests	(5)	(5)	(12)
	(1,859)	(1,179)	(957)
Net cash (outflow)/inflow from financing activities	(296)	369	844
Decrease in cash and cash equivalents	(194)	(61)	(12)
Reconciliation of opening to closing cash and cash equivalents			
Cash and cash equivalents at 1 January	1,006	1,102	1,149
Translation adjustment	(13)	(35)	(35)
Decrease in cash and cash equivalents	(194)	(61)	(12)
Cash and cash equivalents at 31 December	799	1,006	1,102

3. 2008 Financial Statements

Statement of Directors' Responsibilities in respect of the financial statements

Company law in the Republic of Ireland requires the Directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Parent Company and of the Group and of the profit or loss of the Group for that period.

In preparing the financial statements of the Group, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- comply with applicable International Financial Reporting Standards as adopted by the European Union, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group will continue in business.

The considerations set out above for the Group are also required to be addressed by the Directors in preparing the financial statements of the Parent Company (which are set out on pages 153 to 157), in respect of which the applicable accounting standards are those which are generally accepted in the Republic of Ireland.

The Directors have elected to prepare the Parent Company's financial statements in accordance with generally accepted accounting practice in Ireland (Irish GAAP) comprising the financial reporting standards issued by the Accounting Standards Board and published by the Institute of Chartered Accountants in Ireland, together with the Companies Acts 1963 to 2006.

The Directors are responsible for keeping proper books of account which disclose with reasonable accuracy at any time the financial position of the Parent Company and which enable them to ensure that the financial statements of the Group are prepared in accordance with applicable International Financial Reporting Standards as adopted by the European Union and comply with the provisions of the Companies Acts, 1963 to 2006, and Article 4 of the IAS Regulation. They are also responsible for safeguarding the assets of the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Report on Directors' Remuneration

The Remuneration Committee

The Remuneration Committee of the Board consists of non-executive Directors of the Company. The terms of reference for the Remuneration Committee are to determine the Group's policy on executive remuneration and to consider and approve salaries and other terms of the remuneration packages for the executive Directors. The Committee receives advice from leading independent firms of compensation and benefit consultants when necessary and the Chief Executive attends meetings except when his own remuneration is being discussed. Membership of the Remuneration Committee is set out on page 186.

Remuneration Policy

CRH is an international group of companies, with activities in 35 countries. CRH's policy on Directors' remuneration is designed to attract and retain Directors of the highest calibre who can bring their experience and independent views to the policy, strategic decisions and governance of CRH.

In setting remuneration levels, the Remuneration Committee takes into consideration the remuneration practices of other international companies of similar size and scope. Executive Directors must be properly rewarded and motivated to perform in the best interest of the shareholders. The spread of the Group's operations requires that the remuneration packages in place in each geographical area are appropriate and competitive for that area.

Performance-related rewards, based on measured targets, are a key component of remuneration. CRH's strategy of fostering entrepreneurship in its regional companies requires well-designed incentive plans that reward the creation of shareholder value through organic and acquisitive growth. The typical elements of the remuneration package for executive Directors are basic salary and benefits, a performance-related incentive plan, a contributory pension scheme and participation in the performance share and share option plans. It is policy to grant participation in these plans to key management to encourage identification with shareholders' interests and to create a community of interest among different regions and nationalities.

The Group also operates share participation plans and savings-related share option schemes for eligible employees in all regions where the regulations permit the operation of such plans. In total there are approximately 7,300 employees of all categories who are shareholders in the Group.

Executive Directors' Remuneration

Basic salary and benefits

The basic salaries of executive Directors are reviewed annually having regard to personal performance, company performance, step changes in responsibilities and competitive market practice in the area of operation. Employment-related benefits relate principally to relocation costs, the use of company cars and medical/life assurance. No fees are payable to executive Directors.

Performance-related incentive plan

The performance-related incentive plan is totally based on achieving clearly defined and stretch annual profit targets and strategic goals with an approximate weighting of 80 per cent. for profits and 20 per cent. for personal and strategic goals. At target performance payout is 80 per cent. of basic salary for Europe-based participants and 90 per cent. of basic salary for US-based participants. A maximum payout of 1.5 times these levels is payable for a level of performance well in excess of target.

The three components of the plan are:

(i) Individual performance

(ii) Earnings per share growth targets

(iii) Return on net assets targets

Up to one-third of the earned bonus in each year is receivable in CRH shares and deferred for a period of three years, with forfeiture in the event of departure from the Group in certain circumstances during that time period.

In addition, the former Chief Executive, Mr. Liam O'Mahony, had a special long-term incentive plan incorporating targets set for the four-year period 2005-2008. The plan incorporated challenging goals in respect of Total Shareholder Return by comparison with a peer group, growth in earnings per share and the strategic development of the Group, with a total maximum earnings potential of 40 per cent. of aggregate basic salary. While accruals are

made on an annual basis, there is no commitment to any payment until the end of the period. Details of the actual earnings under this plan and the manner in which the earnings have been provided for are set out in note 2 to the table of Directors' remuneration on page 77. A similar plan has been established for Mr. Myles Lee who succeeded Mr. O'Mahony as Chief Executive in January 2009.

Performance Share Plan/Share Option Scheme

Long-term incentive plans involving conditional awards of shares are now a common part of executive remuneration packages, motivating high performance and aligning the interests of executives and shareholders. The Performance Share Plan approved by shareholders in May 2006 is tied to Total Shareholder Return (TSR). Half of the award is assessed against TSR for a group of global building materials companies and the other half against TSR for the constituents of the Eurofirst 300 Index. An earnings per share growth underpin of the Irish Consumer Price Index plus 5 per cent. per annum is also applied.

The maximum award under the Performance Share Plan is 150 per cent of basic salary per annum in the form of conditional shares and the vesting period is three years. The awards lapse if over the three-year period CRH's TSR is below the median of the peer group/index; 30 per cent. of the award vests if CRH's performance is equal to the median while 100 per cent. vests if CRH's performance is equal to or greater than the 75th percentile; for TSR performance between the 50th and the 75th percentiles, between 30 per cent. and 100 per cent. of the award vests on a straight-line basis. Participants in the Plan are not entitled to any dividends (or other distributions made) and have no right to vote in respect of the shares subject to the award, until such time as the shares vest. Details of awards to Directors under the Plan are provided on page 79.

Under the terms of the share option scheme approved by shareholders in May 2000, two tiers of options have been available subject to different performance conditions as set out below:

(i) Exercisable only when earnings per share (EPS) growth exceeds the growth of the Irish Consumer Price Index by 5 per cent. compounded over a period of at least three years subsequent to the granting of the options (Basic Tier).

(ii) Exercisable, if over a period of at least five years subsequent to the granting of the options, the growth in EPS exceeds the growth of the Irish Consumer Price Index by 10 per cent. compounded and places the Company in the top 25 per cent. of EPS performance of a peer group of international building materials and other manufacturing companies. If below the 75th percentile, these options are not exercisable (Second Tier).

With the introduction of the Performance Share Plan, the Remuneration Committee decided that no further Second Tier share options should be granted under the existing share option scheme; however, Basic Tier options continue to be issued. Subject to satisfactory performance, options are expected to be awarded annually, ensuring a smooth progression over the life of the share option scheme. Grants of share options are at the market price of the Company's shares at the time of grant, and are made after the final results announcement ensuring transparency.

The percentage of share capital which can be issued under the Performance Share Plan and share option schemes, and individual share option grant limits, comply with institutional guidelines.

Non-executive Directors' Remuneration

The remuneration of non-executive Directors, including that of the Chairman, is determined by the Board of Directors as a whole. The fees paid to the Chairman and non-executive Directors are set at a level which will attract individuals with the necessary experience and ability to make a substantial contribution to the Company's affairs and reflect the time and travel demands of their Board duties. They do not participate in any of the Company's performance-related incentive plans or share schemes.

Pensions

Mr. Lee is, and Mr. O'Mahony was, a participant in a contributory defined benefit plan which is based on an accrual rate of 1/60th of pensionable salary for each year of pensionable service and is designed to provide two-thirds of salary at retirement for full service. There is provision for Mr. Lee to retire at 60 years of age. Mr. O'Mahony's pension was fully funded, under arrangements which provided for his retirement on two-thirds salary at completion of five years in the role of Chief Executive at end 2004.

The Finance Act 2006 established a cap on pension provision by introducing a penalty tax charge on pension assets in excess of the higher of €5m or the value of individual accrued pension entitlements as at 7 December 2005. As a result of these legislative changes, the Remuneration Committee decided that Mr. Lee and Mr. O'Mahony should have the option of continuing to accrue pension benefits as previously, or of choosing an alternative arrangement –

by accepting pension benefits limited by the cap – with a similar overall cost to Group. Both chose to opt for the alternative arrangement which involved capping their pensions in line with the provisions of the Finance Act 2006 and receiving a supplementary taxable non-pensionable cash allowance in lieu of pension benefits foregone. These allowances are similar in value to the reduction in the Company's liability represented by the pension benefits foregone. They are calculated based on actuarial advice as the equivalent of the reduction in the Company's liability to each individual and spread over the term to retirement as annual compensation allowances. The allowances for 2008 are detailed in note (ii) on page 77.

US executive Directors participate in defined contribution retirement plans in respect of basic salary; and in addition participate in unfunded defined contribution Supplemental Executive Retirement Plans (SERP) also in respect of basic salary, to which contributions are made at an agreed rate, offset by contributions made to the other retirement plan.

Since 1991, it has been the Board's policy that non-executive Directors do not receive pensions. A defined benefit scheme was in operation prior to 1991 in which one non-executive Director participated until his retirement during 2008.

Directors' Service Contracts

No executive Director has a service contract extending beyond twelve months.

Directors' Remuneration and Interests in Share Capital

Details of Directors' remuneration charged against profit in the year are given in the table below. Details of individual remuneration and pension benefits for the year ended 31 December 2008 are given on page 77. Directors' share options and shareholdings are shown on pages 80 to 81 and page 82 respectively.

DIRECTORS' REMUNERATION

Notes		2008 € 000	2007 € 000
	Executive Directors		
	Basic salary	2,807	2,975
	Performance-related incentive plan		
	– cash element	905	2,414
	– deferred shares element	—	785
	Retirement benefits expense	497	399
	Benefits	369	96
1		4,578	6,669
2	Provision for Chief Executive long-term incentive plan	456	536
	Total executive Directors' remuneration	5,034	7,205
	Average number of executive Directors	**3.00**	3.50
	Non-executive Directors		
	Fees	568	571
	Other remuneration	679	644
1	Total non-executive Directors' remuneration	1,247	1,215
	Average number of non-executive Directors	**8.35**	8.78
3	Severance	2,160	—
4	Payments to former Directors	66	98
	Total Directors' remuneration	**8,507**	**8,518**

Notes to Directors' remuneration

1 See analysis of 2008 remuneration by individual on page 77.

2 As set out on page 74, former Chief Executive Mr. Liam O'Mahony had a special long-term incentive plan tied to the achievement of exceptional growth and key strategic goals for the four-year period 2005 to 2008 with a total maximum earnings potential of 40 per cent. of aggregate basic salary, amounting to a potential €2,074,000. The actual earnings under this plan amount to €1,950,000, payment of which will be made in 2009. Annual provisions of 40 per cent. of basic salary have been made in respect of this plan for the years 2005 through 2007 amounting in total to €1,494,000. Accordingly the balance of €456,000 has been provided in 2008 and is reflected in total 2008 Directors' remuneration. As stated on page 75, a similar plan has been established for Mr. Myles Lee who succeeded Mr. O'Mahony as Chief Executive in January 2009.

3 Severance payment to Mr. T.W. Hill who resigned as an executive on 31 July 2008 after 28 years' service.

4 Consulting and other fees paid to a number of former directors.

Individual remuneration for the year ended 31 December 2008

	Basic salary and fees € 000	Incentive Plan Cash element[(i)] € 000	Incentive Plan Deferred shares[(i)] € 000	Retirement benefits expense[(ii)] € 000	Other Re-muneration[(iii)] € 000	Benefits[(iv)] € 000	Total 2008 € 000	Total 2007 € 000
Executive Directors								
D. W. Doyle[(v)]	—	—	—	—	—	—	—	736
T.W. Hill[(vi)]	391	352	—	94	—	19	856	1,674
M. Lee	640	120	—	329	—	25	1,114	1,465
W. I. O'Mahony[(vii)]	1,450	270	—	—	—	26	1,746	2,794
M. Towe[(viii)]	326	163	—	74	—	299	862	—
	2,807	905	—	497	—	369	4,578	6,669
Non-executive Directors								
W.P. Egan	68	—	—	—	52	—	120	115
U-H. Felcht[(ix)]	68	—	—	—	37	—	105	43
N. Hartery	68	—	—	—	38	—	106	85
J.M. de Jong	68	—	—	—	71	—	139	121
D.M. Kennedy	24	—	—	—	23	—	47	127
K. McGowan[(x)]	68	—	—	—	382	—	450	315
P.J. Molloy[(x)]	—	—	—	—	—	—	—	154
T.V. Neill	68	—	—	—	32	—	100	85
D.N. O'Connor	68	—	—	—	22	—	90	85
J.M.C. O'Connor	68	—	—	—	22	—	90	85
	568	—	—	—	679	—	1,247	1,215

(i) **Performance-related Incentive Plan** Under the executive Directors' incentive plan for 2008, a bonus is payable for meeting clearly defined and stretch profit targets and strategic goals. The structure of the 2008 incentive plan is set out on page 74. For 2008 the bonus is payable entirely in cash.

(ii) **Retirement benefits expense** The Finance Act 2006 effectively established a cap on pension provision by introducing a penalty tax charge on pension assets in excess of the higher of €5m or the value of individual prospective pension entitlements as at 7 December 2005. As a result of these legislative changes, the Remuneration Committee has decided that Executive Directors who are members of Irish pension schemes should have the option of continuing to accrue pension benefits as previously, or of choosing an alternative arrangement – by accepting pension benefits limited by the cap – with a similar overall cost to the Group. Mr. Lee and Mr. O'Mahony chose to opt for the alternative arrangement which involves capping their pensions in line with the provisions of the Finance Act 2006 and receiving a supplementary taxable non-pensionable cash allowance, in lieu of prospective pension benefits foregone. These allowances are similar in value to the reduction in the Company's liability represented by the pension benefit foregone. They are calculated based on actuarial advice as the equivalent of the reduction in the Company's liability to each individual and spread over the term to retirement as annual compensation allowances. For 2008 the compensation allowances amount to €328,847 for Mr. Lee and €587,240 for Mr. O'Mahony. Mr. O'Mahony has waived his right to equivalent prospective benefit entitlements from his benefit plan arrangements, which were fully funded at end-2004, and as a result no net pension-related expense arises in his respect.

(iii) **Other Remuneration** *Non-executive Directors:* Includes remuneration for Chairman and Board Committee work.

(iv) **Benefits** These relate principally to relocation expenses, the use of company cars and medical/life assurance.

(v) Mr. D.W. Doyle retired on 30 June 2007.

(vi) Mr. T.W. Hill resigned from the Board on 25 June 2008. He resigned as an executive on 31 July 2008 after 28 years' service and a severance payment in this regard amounting to €2,160,000 is included in the summary of remuneration on page 76.

(vii) Mr. W.I. O'Mahony became a non-executive Director of the Smurfit Kappa Group plc in March 2007 for which he received fees of €125,000 in 2008 (2007: €104,167). Mr. O'Mahony retired as CRH Chief Executive on 31 December 2008 but remains on the CRH Board in a non-executive capacity.

(viii) Mr. M. Towe became a Director on 31 July 2008.

(ix) Professor U-H. Felcht became a Director on 25 July 2007.

(x) Mr. K. McGowan became Chairman on 9 May 2007 succeeding Mr. P. Molloy who retired as a non-executive Director on the same date.

Pension entitlements – defined benefit

	Increase in accrued personal pension during 2008[(i)] € 000	Transfer value of increase in dependants' pension[(i)] € 000	Total accrued personal pension at year-end[(ii)] € 000
Executive Directors			
M. Lee	—	63	284
W. I. O'Mahony	—	—	853

(i) As noted on page 77, the pensions of Mr. Lee and Mr. O'Mahony have been capped in line with the provisions of the Finance Act 2006. Mr. O'Mahony's pension arrangements were fully funded as at end-2004 and no further personal pension benefit accrues, other than indexation of his accrued pension. As a result no Greenbury pension charge arises in respect of Mr. O'Mahony. In the case of Mr. Lee, where dependants' pensions continue to accrue, there is a Greenbury transfer value which has been calculated on the basis of actuarial advice. This does not represent a sum paid out or due, but is the amount that the pension scheme would transfer to another pension scheme in relation to benefits accrued in 2008 in the event of Mr. Lee leaving service.

(ii) The accrued pension shown in respect of Mr. Lee is that which would be payable annually from normal retirement date. The accrued pension shown in respect of Mr. O'Mahony was the amount payable on his retirement on 31 December 2008 and he elected to take a transfer value in lieu of this benefit to an approved pension arrangement. The transfer value was calculated on the Society of Actuaries transfer value basis and certified by the Scheme Actuary and payment was made on 31 December 2008.

Pension entitlements – defined contribution

The accumulated liability related to the unfunded Supplemental Executive Retirement Plans for Mr. T.W. Hill and Mr. M. Towe is as follows:

	As at 31 December 2007 € 000	2008 contribution € 000	2008 Notional interest € 000	2008 payments € 000	Translation adjustment € 000	As at 31 December 2008 € 000
Executive Directors						
T.W. Hill[(iii)]	914	78	59	(78)	56	1,029
M. Towe[(iv)]	603	59	14	—	76	752

(iii) Following his resignation as an executive the accumulated liability above in respect Mr. Hill was discharged in February 2009.

(iv) The disclosures in relation to Mr. Towe cover the period from 31 July 2008 when he became a Director. Notional interest, which is calculated based on the average bid yields of United States Treasury fixed-coupon securities with remaining terms to maturity of approximately 20 years, plus 1.5 per cent., has been credited to Mr. Towe's account.

Deferred Shares[(v)]

	Number at 31 December 2007	Awards of Deferred Shares during 2008[(vi)]	New Shares allotted under the Scrip Dividend Scheme during 2008	Released during 2008[(vii)]	Number at 31 December 2008	Release date
Executive Directors						
T.W. Hill[(vii)]	8,759	—	140	8,899	—	n/a
	—	6,596	105	6,701	—	n/a
	8,759	**6,596**	**245**	**15,600**	**—**	
M. Lee	5,938	—	95	—	6,033	March 2010
	—	7,524	120	—	7,644	March 2011
	5,938	**7,524**	**215**	**—**	**13,677**	
W.I. O'Mahony	13,656	—	217	—	13,873	March 2009
	—	16,802	268	—	17,070	March 2009
	13,656	**16,802**	**485**	**—**	**30,943**	

(v) Under the executive Directors' incentive plan, up to one third of the earned bonus in each year is receivable in CRH shares, deferred for a period of three years, with forfeiture in the event of departure from the Group in certain circumstances during that period.

(vi) The shares awarded during 2008 related to the deferred portion of 2007 bonuses and were included in total remuneration reported for 2007. These shares were purchased by the Trustees of the CRH plc Employee Benefit Trust on 5 March 2008 at €24.79 per Ordinary Share.

(vii) Mr. T.W. Hill's awards were released to him on his resignation as an executive on 31 July 2008.

Directors' awards under the Performance Share Plan[(i)]

	31 December 2007	Granted in 2008	Lapsed in 2008[(ii)]	31 December 2008	Performance Period	Release Date	Market Price in euro on award
T.W. Hill[(ii)]	30,000	—	30,000	—			
	25,000	—	25,000	—			
	—	30,000	30,000	—			
	55,000	**30,000**	**85,000**	—			
M. Lee	20,000	—	—	20,000	01/01/06 - 31/12/08	March 2009	24.82[(iii)]
	18,000	—	—	18,000	01/01/07 - 31/12/09	March 2010	33.55[(iii)]
	—	25,000	—	25,000	01/01/08 - 31/12/10	March 2011	23.45[(iii)]
	38,000	**25,000**	—	**63,000**			
W. I. O'Mahony	**60,000**	—	—	**60,000**	01/01/06 - 31/12/08	March 2009	24.82[(iii)]
M. Towe[(iv)]	22,500	—	—	22,500	01/01/06 - 31/12/08	March 2009	24.82[(iii)]
	17,000	—	—	17,000	01/01/07 - 31/12/09	March 2010	33.55[(iii)]
	21,000	—	—	21,000	01/01/08 - 31/12/10	March 2011	23.45[(iii)]
	60,500	—	—	**60,500**			

(i) **Performance Share Plan** This is a long term share incentive plan under which share awards are granted in the form of a provisional allocation of shares for which no exercise price is payable. The shares scheduled for release in March 2009, 2010 and 2011 will be allocated to the extent that the relative TSR performance conditions are achieved. The structure of the Performance Share Plan is set out on page 75.

(ii) Mr. T.W. Hill's Performance Share Plan awards lapsed following his resignation as an executive on 31 July 2008.

(iii) The Trustees of the CRH plc Employee Benefit Trust purchased Ordinary Shares at €24.82 per share on 21 June 2006 in respect of the 2006 award, and at €33.55 per share on 11 April 2007 in respect of part of the 2007 award. No shares were purchased in respect of the 2008 award. No dividends are payable on these shares until such time as they are released to plan participants.

(iv) Mr. Towe became a Director on 31 July 2008. The opening balances above relate to the position at date of appointment.

Directors' interests

The Company's Register of Directors' Interests contains full details of Directors' shareholdings and options to subscribe for shares.

Directors' share options

Details of movements on outstanding options and those exercised during the year are set out in the table below:

	31 December 2007*	Granted in 2008	Lapsed in 2008**	Exercised in 2008	31 December 2008	Weighted average option price at 31 December 2008	Options exercised during 2008	
							Weighted average exercise price	Weighted average market price at date of exercise
						€	€	€
T.W. Hill	82,335	—	—	—	82,335 (b)	18.01		
	190,000	30,000	30,000	—	190,000 (c)	26.77		
	195,000	—	—	50,000	145,000 (d)	18.39	13.26	20.36
M. Lee	13,228	—	—	10,000	3,228 (b)	17.26	17.26	24.64
	175,000	40,000	—	—	215,000 (c)	22.44		
	125,000	—	—	—	125,000 (d)	16.48		
	—	1,580	—	—	1,580 (e)	20.40		
W.I. O'Mahony	175,648	—	—	27,445	148,203 (a)	16.59	12.64	24.64
	186,626	—	—	54,890	131,736 (b)	15.74	12.64	24.64
	520,000	—	—	—	520,000 (c)	20.30		
	250,000	—	—	—	250,000 (d)	18.84		
M.S. Towe	54,890	—	—	—	54,890 (a)	18.01		
	54,890	—	—	—	54,890 (b)	18.01		
	220,000	—	—	—	220,000 (c)	22.47		
	140,000	—	—	—	140,000 (d)	16.42		
	2,382,617	71,580	30,000	142,335	2,281,862			

* Mr. Towe became a Director on 31 July 2008. The opening balances above and in the following table relate to the position at date of appointment.

** T.W. Hill resigned from the Board on 25 June 2008.

Options by price –

	31 December 2007*	Granted in 2008	Lapsed in 2008**	Exercised in 2008	31 December 2008		Earliest exercise date	Expiry date
€								
12.6416	27,445	—	—	27,445	—	(a)		
12.6416	54,890	—	—	54,890	—	(b)		
14.6563	38,423	—	—	—	38,423	(a)	March 2009	April 2009
14.6563	76,846	—	—	—	76,846	(b)	March 2009	April 2009
17.2615	109,780	—	—	—	109,780	(a)	March 2009	April 2010
17.2615	68,118	—	—	10,000	58,118	(b)	March 2009	April 2010
18.0084	54,890	—	—	—	54,890	(a)	March 2009	April 2010
18.0084	137,225	—	—	—	137,225	(b)	March 2009	April 2010
18.28	150,000	—	—	—	150,000	(c)	March 2009	April 2011
18.28	260,000	—	—	—	260,000	(d)	March 2009	April 2011
19.68	125,000	—	—	—	125,000	(c)	March 2009	April 2012
19.68	200,000	—	—	—	200,000	(d)	March 2009	April 2012
13.15	100,000	—	—	—	100,000	(c)	March 2009	April 2013
13.15	40,000	—	—	—	40,000	(d)	March 2009	April 2013
13.26	25,000	—	—	—	25,000	(c)	March 2009	April 2013
13.26	95,000	—	—	50,000	45,000	(d)	March 2009	April 2013
16.71	60,000	—	—	—	60,000	(c)	March 2009	April 2014
16.71	35,000	—	—	—	35,000	(d)		April 2014
16.73	60,000	—	—	—	60,000	(c)	March 2009	April 2014
16.73	80,000	—	—	—	80,000	(d)		April 2014
20.79	50,000	—	—	—	50,000	(c)	March 2009	April 2015
20.91	60,000	—	—	—	60,000	(c)	March 2009	April 2015
29.00	110,000	—	—	—	110,000	(c)		April 2016
24.83	200,000	—	—	—	200,000	(c)		June 2016
32.70	30,000	—	—	—	30,000	(c)		April 2017
33.12	102,500	—	—	—	102,500	(c)		April 2017
23.87	32,500	70,000	30,000	—	72,500	(c)		April 2018
20.40	—	1,580	—	—	1,580	(e)	July 2013	December 2013
	2,382,617	71,580	30,000	142,335	2,281,862			

The market price of the Company's shares at 31 December 2008 was €17.85 and the range during 2008 was €13.80 to €27.17.

(a) Granted under the 1990 share option scheme, these options are only exercisable when earnings per share (EPS) growth exceeds the growth of the Irish Consumer Price Index over a period of at least three years subsequent to the granting of the options.

(b) Granted under the 1990 share option scheme, these options are only exercisable if, over a period of at least five years subsequent to the granting of the options, the growth in EPS would place the Company in the top 25 per cent. of the companies listed in the FTSE 100 Stock Exchange Equity Index.

(c) Granted under the 2000 share option scheme, these options are only exercisable when EPS growth exceeds the growth of the Irish Consumer Price Index by 5 per cent. compounded over a period of at least three years subsequent to the granting of the options.

(d) Granted under the 2000 share option scheme, these options are only exercisable if, over a period of at least five years subsequent to the granting of the options, the growth in EPS exceeds the growth of the Irish Consumer Price Index by 10 per cent. compounded and places the Company in the top 25 per cent. of EPS performance of a peer group of international building materials and other manufacturing companies. If below the 75th percentile, these options are not exercisable.

(e) Granted under the 2000 savings-related share option scheme.

Directors' interests in share capital at 31 December 2008

The interests of the Directors and the Secretary in the shares of the Company as at 31 December 2008, which are beneficial unless otherwise indicated, are shown below. The Directors and the Secretary have no beneficial interests in any of the Group's subsidiary, joint venture or associated undertakings.

Ordinary Shares	31 December 2008	31 December 2007
Directors		
W.P. Egan	**15,000**	15,000
- Non-beneficial	**12,000**	12,000
U-H. Felcht	**1,000**	1,000
N. Hartery	**1,000**	1,000
J.M. de Jong	**10,190**	10,031
M. Lee	**258,246****	240,218**
K. McGowan	**16,167**	10,039
T.V. Neill	**69,881**	69,881
D.N. O'Connor	**11,478**	11,376
J.M.C. O'Connor	**2,131**	2,131
W.I. O'Mahony	**827,821****	744,935**
M.S. Towe	**18,857**	18,785*
Secretary		
A. Malone	**39,899**	36,820
	1,283,670	1,173,216

There were no transactions in the above Directors' and Secretary's interests between 31 December 2008 and 3 March 2009.

Of the above holdings, the following are held in the form of American Depository Receipts (ADRs):

	31 December 2008	31 December 2007
W.P. Egan	**10,000**	10,000
- Non-beneficial	**12,000**	12,000
M.S. Towe	**3,397**	3,325*

* Holding as at date of appointment.

** Excludes awards of Deferred Shares, details of which are shown on page 79.

Mr. G.A. Culpepper and Mr. A. Manifold became Directors on 1 January 2009 and their holdings at that date are set out below. There were no transactions in the interests of Mr. Culpepper and Mr. Manifold between 1 January and 3 March 2009.

	1 January 2009
G.A. Culpepper	**19,170*****
A. Manifold	**5,742**

*** Of this holding, 179 shares are held in the form of ADRs.

Independent Auditors' Report to the members of CRH public limited company

We have audited the Group and Parent Company ("Company") financial statements (the "financial statements") of CRH plc for the year ended 31 December 2008 which comprise the Group Income Statement, the Group Statement of Recognised Income and Expense, the Group and Company Balance Sheets, the Group Cash Flow Statement, the related notes 1 to 37 (Group) and the related notes 1 to 10 (Company). These financial statements have been prepared under the accounting policies set out therein.

This Report is made solely to the Company's members, as a body, in accordance with section 193 of the Companies Act, 1990. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members as a body, for our audit work, for this Report, or for the opinions we have formed.

Respective responsibilities of Directors and Auditors

The Directors are responsible for the preparation of the Group financial statements in accordance with applicable Irish law and International Financial Reporting Standards (IFRSs) as adopted by the European Union, and for the preparation of the Company financial statements in accordance with applicable Irish law and Accounting Standards issued by the Accounting Standards Board and promulgated by the Institute of Chartered Accountants in Ireland ("Generally Accepted Accounting Practice in Ireland") as set out in the Statement of Directors' Responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view and have been properly prepared in accordance with the Companies Acts, 1963 to 2006 and whether, in addition, the Group financial statements have been properly prepared in accordance with Article 4 of the IAS Regulation. We also report to you our opinion as to: whether proper books of account have been kept by the Company; whether, at the balance sheet date, there exists a financial situation which may require the convening of an extraordinary general meeting of the Company; and whether the information given in the Directors' Report is consistent with the financial statements. In addition, we state whether we have obtained all the information and explanations necessary for the purposes of our audit and whether the Company Balance Sheet is in agreement with the books of account.

We also report to you if, in our opinion, any information specified by law or the Listing Rules of the Irish Stock Exchange regarding Directors' remuneration and other transactions is not disclosed and, where practicable, include such information in our Report.

We review whether the Corporate Governance Statement reflects the Company's compliance with the nine provisions of the 2006 Financial Reporting Council's Combined Code specified for our review by the Listing Rules of the Irish Stock Exchange, and we report if it does not. We are not required to consider whether the Board's statements on internal control cover all risks and controls, or form an opinion on the effectiveness of the Group's corporate governance procedures or its risk and control procedures.

We read other information contained in the Annual Report and consider whether it is consistent with the audited financial statements. The other information comprises only the Directors' Report, the Chairman's Statement, Chief Executive's Review, Operations Reviews, Finance Review and the Corporate Governance Statement. We consider the implications for our Report if we become aware of any apparent misstatements or material inconsistencies with the financial statements. Our responsibilities do not extend to any other information.

Basis of Audit Opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the Directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the Group's and Company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In our opinion the Group financial statements give a true and fair view, in accordance with IFRSs as adopted by the European Union, of the state of affairs of the Group as at 31 December 2008 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Acts, 1963 to 2006 and Article 4 of the IAS Regulation.

In our opinion the Company financial statements give a true and fair view, in accordance with Generally Accepted Accounting Practice in Ireland, of the state of affairs of the Company as at 31 December 2008 and have been properly prepared in accordance with the Companies Acts, 1963 to 2006.

We have obtained all the information and explanations we consider necessary for the purposes of our audit. In our opinion proper books of account have been kept by the Company. The Company Balance Sheet is in agreement with the books of account.

In our opinion the information given in the Directors' Report is consistent with the financial statements.

In our opinion, the Company Balance Sheet does not disclose a financial situation which under section 40(1) of the Companies (Amendment) Act, 1983 would require the convening of an extraordinary general meeting of the Company.

Ernst & Young
Chartered Accountants and Registered Auditors

Dublin
3 March 2009

Group Income Statement

Notes		for the financial year ended 31 December 2008	
		2008 €m	2007 €m
1	**Revenue**	**20,887**	20,992
	Cost of sales	**(14,738)**	(14,715)
	Gross profit	**6,149**	6,277
3	Operating costs	**(4,308)**	(4,191)
1, 4, 5	**Group operating profit**	**1,841**	2,086
1, 16	Profit on disposal of non-current assets	**69**	57
1	**Profit before finance costs**	**1,910**	2,143
8	Finance costs	**(503)**	(473)
8	Finance revenue	**160**	170
9	Group share of associates' profit after tax	**61**	64
	Profit before tax	**1,628**	1,904
10	Income tax expense	**(366)**	(466)
	Group profit for the financial year	**1,262**	1,438
	Profit attributable to:		
	Equity holders of the Company	**1,248**	1,430
32	Minority interest	**14**	8
	Group profit for the financial year	**1,262**	1,438
12	**Basic earnings per Ordinary Share**	**233.1c**	262.7c
12	**Diluted earnings per Ordinary Share**	**231.8c**	260.4c

Group Statement of Recognised Income and Expense

Notes		for the financial year ended 31 December 2008	
		2008 €m	2007 €m
	Items of income and expense recognised directly within equity		
31	Currency translation effects	**(97)**	(410)
28	Actuarial (loss)/gain on Group defined benefit pension obligations	**(348)**	159
31	(Losses)/gains relating to cash flow hedges	**(28)**	8
10	Tax on items recognised directly within equity	**58**	(74)
	Net expense recognised directly within equity	**(415)**	(317)
	Group profit for the financial year	**1,262**	1,438
	Total recognised income and expense for the financial year	**847**	1,121
	Attributable to:		
	Equity holders of the Company	**834**	1,116
	Minority interest	**13**	5
	Total recognised income and expense for the financial year	**847**	1,121

K. McGowan, M. Lee, Directors

Group Balance Sheet

Notes		as at 31 December 2008	
		2008 €m	2007 €m
	ASSETS		
	Non-current assets		
13	Property, plant and equipment	**8,888**	8,226
14	Intangible assets	**4,108**	3,692
15	Investments accounted for using the equity method	**743**	574
15	Other financial assets	**127**	78
24	Derivative financial instruments	**416**	124
27	Deferred income tax assets	**333**	336
	Total non-current assets	**14,615**	13,030
	Current assets		
17	Inventories	**2,473**	2,226
18	Trade and other receivables	**3,096**	3,199
24	Derivative financial instruments	**10**	9
22	Liquid investments	**128**	318
22	Cash and cash equivalents	**799**	1,006
	Total current assets	**6,506**	6,758
	Total assets	**21,121**	19,788
	EQUITY		
	Capital and reserves attributable to the Company's equity holders		
30	Equity share capital	**186**	186
30	Preference share capital	**1**	1
31	Share premium account	**2,448**	2,420
31	Treasury Shares and own shares	**(378)**	(19)
31	Other reserves	**87**	70
31	Foreign currency translation reserve	**(644)**	(547)
31	Retained income	**6,387**	5,843
		8,087	7,954
32	Minority interest	**70**	66
	Total equity	**8,157**	8,020
	LIABILITIES		
	Non-current liabilities		
23	Interest-bearing loans and borrowings	**6,277**	5,928
24	Derivative financial instruments	**84**	52
27	Deferred income tax liabilities	**1,461**	1,312
19	Trade and other payables	**137**	141
28	Retirement benefit obligations	**414**	95
26	Provisions for liabilities	**253**	248
29	Capital grants	**14**	11
	Total non-current liabilities	**8,640**	7,787
	Current liabilities		
19	Trade and other payables	**2,919**	2,956
	Current income tax liabilities	**186**	244
23	Interest-bearing loans and borrowings	**1,021**	570
24	Derivative financial instruments	**62**	70
26	Provisions for liabilities	**136**	141
	Total current liabilities	**4,324**	3,981
	Total liabilities	**12,964**	11,768
	Total equity and liabilities	**21,121**	19,788

K. McGowan, M. Lee, Directors

Group Cash Flow Statement

Notes		for the financial year ended 31 December 2008	
		2008 €m	2007 €m
	Cash flows from operating activities		
	Profit before tax	**1,628**	1,904
	Finance costs (net)	**343**	303
	Group share of associates' profit after tax	**(61)**	(64)
	Profit on disposal of non-current assets	**(69)**	(57)
	Group operating profit	**1,841**	2,086
13	Depreciation charge (including asset impairments)	**781**	739
7	Share-based payments	**24**	23
14	Amortisation of intangible assets	**43**	35
29	Amortisation of capital grants	**(3)**	(3)
	Other non-cash movements	**(15)**	(2)
26	Net movement on provisions	**(28)**	(49)
20	(Increase)/decrease in working capital	**(57)**	261
	Cash generated from operations	**2,586**	3,090
	Interest paid (including finance leases)	**(371)**	(352)
	Irish corporation tax paid	**(18)**	(18)
	Overseas corporation tax paid	**(304)**	(370)
	Net cash inflow from operating activities	**1,893**	2,350
	Cash flows from investing activities		
	Inflows		
16	Proceeds from disposal of non-current assets	**168**	156
	Interest received	**51**	64
29	Capital grants received	**4**	3
	Dividends received from associates	**42**	30
		265	253
	Outflows		
13	Purchase of property, plant and equipment	**(1,039)**	(1,028)
34	Acquisition of subsidiaries and joint ventures	**(777)**	(1,858)
15	Investments in and advances to associates	**(156)**	—
15	Advances to joint ventures and purchase of trade investments	**(50)**	(40)
20	Deferred and contingent acquisition consideration paid	**(34)**	(107)
		(2,056)	(3,033)
	Net cash outflow from investing activities	**(1,791)**	(2,780)
	Cash flows from financing activities		
	Inflows		
31	Proceeds from issue of shares	**6**	36
25	Decrease in liquid investments	**175**	29
	Increase in interest-bearing loans and borrowings	**1,379**	1,481
	Increase in finance lease liabilities	**3**	2
		1,563	1,548
	Outflows		
31	Ordinary Shares purchased (Treasury Shares and own shares), net	**(383)**	(31)
	Repayment of interest-bearing loans and borrowings	**(1,008)**	(753)
	Repayment of finance lease liabilities	**(16)**	(27)
25	Net cash movement in derivative financial instruments	**(100)**	(113)
11	Dividends paid to equity holders of the Company	**(347)**	(250)
11	Dividends paid to minority interests	**(5)**	(5)
		(1,859)	(1,179)

		for the financial year ended 31 December 2008	
		2008 €m	2007 €m
	Net cash (outflow)/inflow from financing activities	**(296)**	369
	Decrease in cash and cash equivalents	**(194)**	(61)
	Reconciliation of opening to closing cash and cash equivalents		
25	Cash and cash equivalents at 1 January	**1,006**	1,102
25	Translation adjustment	**(13)**	(35)
	Decrease in cash and cash equivalents	**(194)**	(61)
25	**Cash and cash equivalents at 31 December**	**799**	1,006

A reconciliation of cash & cash equivalents to net debt is presented in note 25 to the Financial Statements.

K. McGowan, M. Lee, Directors

Accounting Policies

Statement of compliance

The consolidated financial statements of CRH plc have been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union, which comprise standards and interpretations approved by the International Accounting Standards Board (IASB).

CRH plc, the parent company, is a public limited company incorporated and domiciled in the Republic of Ireland.

IFRS as adopted by the European Union differ in certain respects from IFRS as issued by the IASB. However, the consolidated financial statements for the financial years presented would be no different had IFRS as issued by the IASB been applied. References to IFRS hereafter should be construed as references to IFRS as adopted by the European Union.

Basis of preparation

The consolidated financial statements, which are presented in euro millions, have been prepared under the historical cost convention as modified by the measurement at fair value of share-based payments, retirement benefit obligations and certain financial assets and liabilities including derivative financial instruments.

The accounting policies set out below have been applied consistently by all the Group's subsidiaries, joint ventures and associates to all periods presented in these consolidated financial statements.

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. In addition, it requires management to exercise judgement in the process of applying the Company's accounting policies. The areas involving a high degree of judgement or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements, relate primarily to accounting for defined benefit pension schemes, provisions for liabilities, property, plant and equipment and goodwill impairment.

The financial year-ends of the Group's subsidiaries, joint ventures and associates are co-terminous.

Adoption of IFRS and International Financial Reporting Interpretations Committee (IFRIC) Interpretations

IFRS and IFRIC Interpretations adopted during the financial year

The Group adopted the following interpretations during the financial year: IFRIC Interpretation 11 Group and Treasury Share Transactions; and IFRIC Interpretation 14 IAS 19 – The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction. The application of IFRIC Interpretation 11 did not have any impact on the Group financial statements. Whilst defined benefit pension schemes are operated by certain of the subsidiaries and joint ventures in the Group, IFRIC Interpretation 14 will only be of relevance, under current circumstances, where surpluses emerge and those surpluses are of a sufficient magnitude to warrant application of the surplus cap.

IFRS and IFRIC Interpretations which are not yet effective

The Group has not applied the following standards and interpretations that have been issued but are not yet effective:

– IFRS 8 Operating Segments (effective date: CRH financial year beginning 1 January 2009);

– IFRS 2 Share-based Payments – Vesting Conditions and Cancellations (effective date: CRH financial year beginning 1 January 2009);

– IFRS 3R Business Combinations and IAS 27R Consolidated and Separate Financial Statements (effective date: CRH financial year beginning 1 January 2010);

– IAS 1 Presentation of Financial Statements (Revised) (effective date: CRH financial year beginning 1 January 2009);

– IAS 23 Borrowing Costs (Revised) (effective date: CRH financial year beginning 1 January 2009);

– Amendments to IAS 32 and IAS 1 Puttable Financial Instruments and Obligations Arising on Liquidation (effective date: CRH financial year beginning 1 January 2009);

– Amendments to IFRS 1 and IAS 27 Cost of an Investment in a Subsidiary, Jointly Controlled Entity or Associate (effective date: CRH financial year beginning 1 January 2009);

– Amendment to IAS 39 Eligible Hedged Items (effective date: CRH financial year beginning 1 January 2010);

– IFRIC Interpretation 13 Customer Loyalty Programmes (effective date: CRH financial year beginning 1 January 2009);

– IFRIC Interpretation 15 Agreements for the Construction of Real Estate (effective date: CRH financial year beginning 1 January 2009); and

The standards and interpretations addressed above will be applied for the purposes of the Group financial statements with effect from the dates listed. The application, at the appropriate times, of IFRS 2 Share-based Payments – Vesting Conditions and Cancellations, IAS 23 Borrowing Costs (Revised), the Amendments to IAS 32 and IAS 1 Puttable Financial Instruments and Obligations Arising on Liquidation, the Amendments to IFRS 1 and IAS 27 Cost of an Investment in a Subsidiary, Jointly Controlled Entity or Associate and the Amendment to IAS 39 Eligible Hedged Items are not envisaged to have any (or material, where relevant) impact on the Group financial statements. IFRIC Interpretations 13 and 15 are not applicable in the context of the Group's activities.

Whilst the application of IFRS 8 may result in amendments to the segment information note accompanying the Group financial statements, these amendments will not be of a recognition and measurement nature given the disclosure focus of the IFRS. IFRS 3R introduces a number of changes to the accounting for business combinations that will impact the amount of goodwill recognised, the reported results in the period that an acquisition occurs and future reported results. IAS 27R requires that a change in the ownership interest of a subsidiary (without loss of control) is accounted for as an equity transaction. The application of IAS 1 Presentation of Financial Statements (Revised) will give rise to some presentational changes in the Group financial statements but will not change the recognition, measurement or disclosure of specific transactions and other events required by other IFRS.

Basis of consolidation

The consolidated financial statements include the financial statements of the Parent Company and all subsidiaries, joint ventures and associates, drawn up to 31 December each year.

Subsidiaries

The financial statements of subsidiaries are included in the consolidated financial statements from the date on which control over the operating and financial decisions is obtained and cease to be consolidated from the date on which control is transferred out of the Group. Control exists when the Group has the power, directly or indirectly, to govern the financial and operating policies of an entity so as to obtain economic benefits from its activities. The existence and effect of potential voting rights that are currently exercisable or convertible are considered in determining the existence or otherwise of control.

Joint ventures

In line with IAS 31 Interests in Joint Ventures, the Group's share of results and net assets of joint ventures (jointly controlled entities), which are entities in which the Group holds an interest on a long-term basis and which are jointly controlled by the Group and one or more other venturers under a contractual arrangement, are accounted for on the basis of proportionate consolidation from the date on which the contractual agreements stipulating joint control are finalised and are derecognised when joint control ceases. The Group combines its share of the joint ventures' individual income and expenses, assets and liabilities and cash flows on a line-by-line basis with similar items in the consolidated financial statements.

Loans to joint ventures are classified as loans and receivables within financial assets and are recorded at amortised cost.

Associates

Entities other than subsidiaries and joint ventures in which the Group has a participating interest, and over whose operating and financial policies the Group is in a position to exercise significant influence, are accounted for as associates using the equity method and are included in the consolidated financial statements from the date on which significant influence is deemed to arise until the date on which such influence ceases to exist. If the Group's share of losses exceeds the carrying amount of an associate, the carrying amount is reduced to nil and recognition of further losses is discontinued except to the extent that the Group has incurred obligations in respect of the associate.

Equity Method

Under the equity method, which is used in respect of accounting for the Group's investments in associates, the Group Income Statement reflects the Group's share of profit after tax of the related associates. Investments in

associates are carried in the Group Balance Sheet at cost adjusted in respect of post-acquisition changes in the Group's share of net assets, less any impairment in value. Where indicators of impairment arise in accordance with the requirements of IAS 39 Financial Instruments: Recognition and Measurement, the carrying amount of the investment is tested for impairment by comparing its recoverable amount with its carrying amount.

Minority interests

Minority interests represent the portion of profit or loss and net assets not held by the Group and are presented separately in the Group Income Statement and within equity in the Group Balance Sheet, distinguished from Parent Company shareholders' equity. Acquisitions of minority interests are accounted for using the parent entity extension method whereby the difference between the consideration and the book value of the share of net assets acquired is recognised in goodwill.

Transactions eliminated on consolidation

Intra-group balances and transactions, income and expenses, and any unrealised gains or losses arising from such transactions, are eliminated in preparing the consolidated financial statements. Unrealised gains arising from transactions with joint ventures and associates are eliminated to the extent of the Group's interest in the entity. Unrealised losses are eliminated in the same manner as unrealised gains, but only to the extent that there is no evidence of impairment in the Group's interest in the entity.

Revenue recognition

Revenue represents the value of goods and services supplied to external customers and excludes intercompany sales, trade discounts and value added tax/sales tax. Other than in the case of construction contracts, revenue is recognised to the extent that it is subject to reliable measurement, that it is probable that economic benefits will flow to the Group and that the significant risks and rewards of ownership have passed to the buyer. Revenue on construction contracts is recognised in accordance with the percentage-of-completion method with the completion percentage being computed generally on an input cost basis.

Contract costs are recognised as incurred. When the outcome of a construction contract cannot be estimated reliably, contract revenue is recognised only to the extent of contract costs incurred that are likely to be recoverable. When the outcome of a construction contract can be estimated reliably and it is probable that the contract will be profitable, contract revenue is recognised over the period of the contract. When it is probable that total contract costs will exceed total contract revenue, the expected loss is recognised immediately as an expense. The percentage-of-completion method is used to determine the appropriate amount to recognise in a particular reporting period with the stage of completion assessed by reference to the proportion that contract costs incurred at the balance sheet date bear to the total estimated cost of the contract.

Segment reporting

A segment is a distinguishable component of the Group that is engaged either in providing products or services (business segment), or in providing products or services within a particular economic environment (geographical segment), which is subject to risks and returns different to those of other segments. Based on the Group's internal organisational and management structure and its system of internal financial reporting, segmentation by business is regarded as being the predominant source and nature of the risks and returns facing the Group and is thus the primary segment under IAS 14 Segment Reporting. Geographical segmentation is therefore the secondary segment.

Foreign currency translation

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates ("the functional currency"). The consolidated financial statements are presented in euro, which is the presentation currency of the Group and the functional currency of the Parent Company.

Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the rate of exchange ruling at the balance sheet date. All currency translation differences are taken to the Group Income Statement with the exception of differences on foreign currency borrowings; to the extent that such borrowings are used to provide a hedge against foreign equity investments, the translation differences are taken directly to equity together with the translation differences on the carrying amount of the related investments. Translation differences applicable to foreign currency borrowings are

taken directly to equity until disposal of the net investment, at which time they are recycled through the Group Income Statement.

Results and cash flows of subsidiaries, joint ventures and associates based in non-euro countries have been translated into euro at average exchange rates for the year, and the related balance sheets have been translated at the rates of exchange ruling at the balance sheet date. Adjustments arising on translation of the results of non-euro subsidiaries, joint ventures and associates at average rates, and on restatement of the opening net assets at closing rates, are dealt with in a separate translation reserve within equity, net of differences on related currency borrowings. All other translation differences are taken to the Group Income Statement.

On disposal of a foreign operation, accumulated currency translation differences are recognised in the Group Income Statement as part of the overall gain or loss on disposal. Goodwill and fair value adjustments arising on acquisition of a foreign operation are regarded as assets and liabilities of the foreign operation, are expressed in the functional currency of the foreign operation, are recorded in euro at the exchange rate at the date of the transaction and are subsequently retranslated at the applicable closing rates.

The principal exchange rates used for the translation of results, cash flows and balance sheets into euro were as follows:

	Average		Year-end	
euro 1 =	**2008**	**2007**	**2008**	**2007**
US Dollar	1.4708	1.3705	1.3917	1.4721
Pound Sterling	0.7963	0.6843	0.9525	0.7334
Polish Zloty	3.5121	3.7837	4.1535	3.5935
Ukrainian Hryvnya	7.7046	6.8982	10.8410	7.3588
Swiss Franc	1.5874	1.6427	1.4850	1.6547
Canadian Dollar	1.5594	1.4678	1.6998	1.4449
Argentine Peso	4.6443	4.2718	4.7924	4.5948
Israeli Shekel	5.2556	5.6270	5.3163	5.6201

Retirement benefit obligations

Costs arising in respect of the Group's defined contribution pension schemes are charged to the Group Income Statement in the period in which they are incurred. Under these schemes, the Group has no obligation, either legal or constructive, to pay further contributions in the event that the fund does not hold sufficient assets to meet its benefit commitments.

The liabilities and costs associated with the Group's defined benefit pension schemes (both funded and unfunded) are assessed on the basis of the projected unit credit method by professionally qualified actuaries and are arrived at using actuarial assumptions based on market expectations at the balance sheet date. The discount rates employed in determining the present value of the schemes' liabilities are determined by reference to market yields at the balance sheet date on high-quality corporate bonds of a currency and term consistent with the currency and term of the associated post-employment benefit obligations. When the benefits of a defined benefit scheme are improved, the portion of the increased benefit relating to past service by employees is recognised as an expense in the Group Income Statement on a straight-line basis over the average period until the benefits become vested. To the extent that the enhanced benefits vest immediately, the related expense is recognised immediately in the Group Income Statement. The net surplus or deficit arising on the Group's defined benefit pension schemes, together with the liabilities associated with the unfunded schemes, are shown either within non-current assets or non-current liabilities on the face of the Group Balance Sheet. The deferred tax impact of pension scheme surpluses and deficits is disclosed separately within deferred tax assets or liabilities as appropriate. Actuarial gains and losses are recognised immediately in the Statement of Recognised Income and Expense.

The defined benefit pension asset or liability in the Group Balance Sheet comprises the total for each plan of the present value of the defined benefit obligation (using a discount rate based on high-quality corporate bonds) less any past service cost not yet recognised and less the fair value of plan assets (measured at bid value; and stated net of any asset limit adjustments arising) out of which the obligations are to be settled directly.

The Group's obligation in respect of post-employment healthcare and life assurance benefits represents the amount of future benefit that employees have earned in return for service in the current and prior periods. The obligation is computed on the basis of the projected unit credit method and is discounted to present value using a discount rate equating to the market yield at the balance sheet date on high-quality corporate bonds of a currency and term consistent with the currency and estimated term of the post-employment obligations.

Share-based payments

The Group operates both Share Option Schemes and a Performance Share Plan. Its policy in relation to the granting of share options and the granting of awards under the Performance Share Plan together with the nature of the underlying market and non-market performance and other vesting conditions are addressed in the Report on Directors' Remuneration on page 74.

Share options

For equity-settled share-based payment transactions (i.e. the issuance of share options), the Group measures the services received and the corresponding increase in equity at fair value at the measurement date (which is the grant date) using a recognised valuation methodology for the pricing of financial instruments (i.e. the trinomial model). Given that the share options granted do not vest until the completion of a specified period of service and are subject to the realisation of demanding performance conditions, the fair value is determined on the basis that the services to be rendered by employees as consideration for the granting of share options will be received over the vesting period, which is assessed as at the grant date.

The share options granted by the Company are not subject to market-based vesting conditions as defined in IFRS 2 Share-Based Payment. Non-market vesting conditions are not taken into account when estimating the fair value of share options as at the grant date; such conditions are taken into account through adjusting the number of equity instruments included in the measurement of the transaction amount so that, ultimately, the amount recognised equates to the number of equity instruments that actually vest. The expense in the Group Income Statement in relation to share options represents the product of the total number of options anticipated to vest and the fair value of those options; this amount is allocated to accounting periods on a straight-line basis over the vesting period. The cumulative charge to the Group Income Statement is reversed only where the performance condition is not met or where an employee in receipt of share options relinquishes service prior to completion of the expected vesting period and those options lapse in consequence.

The proceeds received net of any directly attributable transaction costs are credited to share capital (nominal value) and share premium when the options are exercised.

The measurement requirements of IFRS 2 have been implemented in respect of share options that were granted after 7 November 2002. In accordance with the standard, the disclosure requirements of IFRS 2 have been applied in relation to all outstanding share-based payments regardless of their grant date.

To the extent that the Group receives a tax deduction relating to the services paid in shares, deferred tax in respect of share options is provided on the basis of the difference between the market price of the underlying equity as at the date of the financial statements and the exercise price of the option; where the amount of any tax deduction (or estimated future tax deduction) exceeds the amount of the related cumulative remuneration expense, the current or deferred tax associated with the excess is recognised directly in equity.

The Group has no exposure in respect of cash-settled share-based payment transactions and share-based payment transactions with cash alternatives as defined in IFRS 2.

Awards under the Performance Share Plan

The fair value of shares awarded under the Performance Share Plan is determined using a Monte Carlo simulation technique and is expensed in the Group Income Statement over the vesting period. The Performance Share Plan contains inter alia a Total Shareholder Return-based (and hence market-based) vesting condition, and accordingly, the fair value assigned to the related equity instruments on initial application of IFRS 2 is adjusted so as to reflect the anticipated likelihood as at the grant date of achieving the market-based vesting condition.

Property, plant and equipment

With the exception of the one-time revaluation of land and buildings noted below, items of property, plant and equipment are stated at historical cost less any accumulated depreciation and any accumulated impairments.

Depreciation and depletion

Depreciation is calculated to write off the book value of each item of property, plant and equipment over its useful economic life on a straight-line basis at the following rates:

Land and buildings: The book value of mineral-bearing land, less an estimate of its residual value, is depleted over the period of the mineral extraction in the proportion which production for the year bears to the latest estimates

of mineral reserves. Land other than mineral-bearing land is not depreciated. In general, buildings are depreciated at 2.5 per cent. per annum ("p.a.").

Plant and machinery: These are depreciated at rates ranging from 3.3 per cent. p.a. to 20 per cent. p.a. depending on the type of asset.

Transport: On average, transport equipment is depreciated at 20 per cent. p.a.

Certain items of property, plant and equipment that had been revalued to fair value prior to the date of transition to IFRS (1 January 2004) are measured on the basis of deemed cost, being the revalued amount as at the date the revaluation was performed.

The residual values and useful lives of property, plant and equipment are reviewed, and adjusted if appropriate, at each balance sheet date.

Impairment of property, plant and equipment

In accordance with IAS 36 Impairment of Assets, the carrying values of items of property, plant and equipment are reviewed for impairment at each reporting date and are subject to impairment testing when events or changes in circumstances indicate that the carrying values may not be recoverable. Where the carrying values exceed the estimated recoverable amount (being the greater of fair value less costs to sell and value-in-use), the assets or cash-generating units are written-down to their recoverable amount. Fair value less costs to sell is defined as the amount obtainable from the sale of an asset or cash-generating unit in an arm's length transaction between knowledgeable and willing parties, less the costs which would be incurred in disposal. Value-in-use is defined as the present value of the future cash flows expected to be derived through the continued use of an asset or cash-generating unit including those anticipated to be realised on its eventual disposal. In assessing value-in-use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the future cash flow estimates have not been adjusted. The estimates of future cash flows exclude cash inflows or outflows attributable to financing activities and income tax. For an asset that does not generate largely independent cash inflows, the recoverable amount is determined by reference to the cash-generating unit to which the asset belongs.

Repair and maintenance expenditure

Repair and maintenance expenditure is included in an asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other repair and maintenance expenditure is charged to the Group Income Statement during the financial period in which it is incurred.

Borrowing costs re items of property, plant and equipment

Borrowing costs incurred in the construction of major assets which take a substantial period of time to complete are capitalised in the financial period in which they are incurred.

Business combinations

The purchase method of accounting is employed in accounting for the acquisition of subsidiaries, joint ventures and associates by the Group.

The cost of a business combination is measured as the aggregate of the fair values at the date of exchange of assets given, liabilities incurred or assumed and equity instruments issued in exchange for control together with any directly attributable expenses.

To the extent that settlement of all or any part of a business combination is deferred, the fair value of the deferred component is determined through discounting the amounts payable to their present value at the date of exchange. The discount component is unwound as an interest charge in the Group Income Statement over the life of the obligation. Where a business combination agreement provides for an adjustment to the cost of the combination contingent on future events, the amount of the adjustment is included in the cost at the acquisition date if the adjustment is probable and can be reliably measured. Contingent consideration is included in the acquisition balance sheet on a discounted basis.

The assets and liabilities (and contingent liabilities, if relevant) arising on business combination activity are measured at their fair values at the date of acquisition. In the case of a business combination which is completed in stages, the fair values of the identifiable assets, liabilities and contingent liabilities are determined at the date of each

exchange transaction. When the initial accounting for a business combination is determined provisionally, any adjustments to the provisional values allocated to the identifiable assets and liabilities (and contingent liabilities, if relevant) are made within twelve months of the acquisition date.

The interest of minority shareholders is stated at the minority's proportion of the fair values of the assets and liabilities recognised; goodwill is not allocated to the minority interest. Subsequently, any losses applicable to the minority interest in excess of the minority interest are allocated against the interests of the parent.

Goodwill

Goodwill is the excess of the consideration paid over the fair value of the identifiable assets and liabilities (and contingent liabilities, if relevant) in a business combination and relates to the future economic benefits arising from assets which are not capable of being individually identified and separately recognised.

Goodwill applicable to jointly controlled entities is accounted for on the basis of proportionate consolidation and is therefore included in the goodwill caption in the Group Balance Sheet, net of any impairments assessed in accordance with the methodology discussed below. The carrying amount of goodwill in respect of associates is included in investments in associates (i.e. within financial assets) under the equity method in the Group Balance Sheet; such goodwill is not subject to annual impairment testing in accordance with IAS 28.

Where a subsidiary is disposed of or terminated through closure, the carrying value of any goodwill which arose on acquisition of that subsidiary, net of any impairments, is included in the determination of the net profit or loss on disposal/termination.

To the extent that the Group's interest in the net fair value of the identifiable assets and liabilities (and contingent liabilities, if relevant) acquired exceeds the cost of a business combination, the identification and measurement of the related assets and liabilities and contingent liabilities are revisited and the cost is reassessed with any remaining balance being recognised immediately in the Group Income Statement.

Goodwill acquired in a business combination is allocated, from the acquisition date, to the cash-generating units that are anticipated to benefit from the combination's synergies. Following initial recognition, goodwill is measured at cost less any accumulated impairment losses. The cash-generating units represent the lowest level within the Group at which goodwill is monitored for internal management purposes and these units are not larger than the primary and secondary reporting segments determined in accordance with IAS 14 Segment Reporting. Goodwill is subject to impairment testing on an annual basis and at any time during the year if an indicator of impairment is considered to exist. In the year in which a business combination is effected, and where some or all of the goodwill allocated to a particular cash-generating unit arose in respect of that combination, the cash-generating unit is tested for impairment prior to the end of the relevant annual period. Impairment is determined by assessing the recoverable amount of the cash-generating unit to which the goodwill relates. Where the recoverable amount of the cash-generating unit is less than the carrying amount, an impairment loss is recognised. Impairment losses arising in respect of goodwill are not reversed once recognised.

Intangible assets (other than goodwill) arising on business combinations

An intangible asset, which is an identifiable non-monetary asset without physical substance, is capitalised separately from goodwill as part of a business combination to the extent that it is probable that the expected future economic benefits attributable to the asset will flow to the Group and that its cost can be measured reliably. The asset is deemed to be identifiable when it is separable (i.e. capable of being divided from the entity and sold, transferred, licensed, rented or exchanged, either individually or together with a related contract, asset or liability) or when it arises from contractual or other legal rights, regardless of whether those rights are transferable or separable from the Group or from other rights and obligations.

Subsequent to initial recognition, intangible assets are carried at cost less any accumulated amortisation and any accumulated impairment losses. The carrying values of definite-lived intangible assets are reviewed for indicators of impairment at each reporting date and are subject to impairment testing when events or changes in circumstances indicate that the carrying values may not be recoverable.

The amortisation of intangible assets is calculated to write-off the book value of definite-lived intangible assets over their useful lives on a straight-line basis on the assumption of zero residual value. In general, definite-lived intangible assets are amortised over periods ranging from one to ten years, depending on the nature of the intangible asset.

Other financial assets

All investments are initially recognised at the fair value of the consideration given plus any directly attributable transaction costs. Where equity investments are actively traded in organised financial markets, fair value is determined by reference to Stock Exchange quoted market bid prices at the close of business on the balance sheet date. Unquoted equity investments are recorded at historical cost and are included within financial assets in the Group Balance Sheet given that it is impracticable to determine fair value in accordance with IAS 39. Where non-derivative financial assets meet the definition of "loans and receivables" under IAS 39 Financial Instruments: Recognition and Measurement, such balances are, following initial recognition, recorded at amortised cost using the effective interest method less any allowance for impairment. Gains and losses are recognised in profit or loss when the loans and receivables are derecognised or impaired as well as through the amortisation process.

Leases

Assets held under finance leases, which are leases where substantially all the risks and rewards of ownership of the asset have transferred to the Group, and hire purchase contracts, are capitalised in the Group Balance Sheet and are depreciated over their useful lives with any impairment being recognised in accumulated depreciation. The asset is recorded at an amount equal to the lower of its fair value and the present value of the minimum lease payments at the inception of the finance lease. The capital elements of future obligations under leases and hire purchase contracts are included in liabilities in the Group Balance Sheet and analysed between current and non-current amounts. The interest elements of the rental obligations are charged to the Group Income Statement over the periods of the relevant agreements and represent a constant proportion of the balance of capital repayments outstanding in line with the implicit interest rate methodology.

Leases where the lessor retains substantially all the risks and rewards of ownership are classified as operating leases. Operating lease rentals are charged to the Group Income Statement on a straight-line basis over the lease term.

Inventories and construction contracts

Inventories are stated at the lower of cost and net realisable value. Cost is based on the first-in, first-out principle (and weighted average, where appropriate) and includes all expenditure incurred in acquiring the inventories and bringing them to their present location and condition. Raw materials are valued on the basis of purchase cost on a first-in, first-out basis. In the case of finished goods and work-in-progress, cost includes direct materials, direct labour and attributable overheads based on normal operating capacity and excludes borrowing costs. Net realisable value is the estimated proceeds of sale less all further costs to completion, and less all costs to be incurred in marketing, selling and distribution.

Amounts recoverable on construction contracts, which are included in debtors, are stated at the net sales value of the work done less amounts received as progress payments on account. Cumulative costs incurred, net of amounts transferred to cost of sales, after deducting foreseeable losses, provisions for contingencies and payments on account not matched with revenue, are included as construction contract balances in inventories. Cost includes all expenditure related directly to specific projects and an allocation of fixed and variable overheads incurred in the Group's contract activities based on normal operating capacity.

Trade and other receivables and payables

Trade and other receivables and payables are stated at cost, which approximates fair value given the short-dated nature of these assets and liabilities.

Trade receivables are carried at original invoice amount less an allowance for potentially uncollectible debts. Provision is made when there is objective evidence that the Group will not be in a position to collect the associated debts. Bad debts are written-off in the Group Income Statement on identification.

Cash and cash equivalents

Cash and cash equivalents comprise cash balances held for the purposes of meeting short-term cash commitments and investments which are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value. Where investments are categorised as cash equivalents, the related balances have a maturity of three months or less from the date of acquisition. Bank overdrafts are included within current interest-bearing loans and borrowings in the Group Balance Sheet. Where the overdrafts are repayable on demand and form an integral part of cash management, they are netted against cash and cash equivalents.

Liquid investments

Liquid investments comprise short-term deposits and current asset investments which are held as readily disposable stores of value and include investments in government gilts and commercial paper and deposits of less than one year in duration. The maturity of these investments falls outside the three months timeframe for classification as cash and cash equivalents under IAS 7 Cash Flow Statements, and accordingly these investments are treated as financial assets and are categorised as either "held for trading" or "loans and receivables" in accordance with IAS 39. Where relevant, the fair value of liquid investments is determined by reference to the traded value of actively traded instruments.

Derivative financial instruments and hedging practices

The Group employs derivative financial instruments (principally interest rate and currency swaps and forward foreign exchange contracts) to manage interest rate and foreign currency risks and to realise the desired currency profile of borrowings.

At the inception of a transaction entailing the usage of derivatives, the Group documents the relationship between the hedged item and the hedging instrument together with its risk management objective and the strategy underlying the proposed transaction. The Group also documents its assessment, both at the inception of the hedging relationship and subsequently on an ongoing basis, of the effectiveness of the hedging instrument in offsetting movements in the fair values or cash flows of the hedged items.

Derivative financial instruments are stated at fair value. Where derivatives do not fulfil the criteria for hedge accounting, they are classified as "held-for-trading" in accordance with IAS 39 and changes in fair values are reported in operating costs in the Group Income Statement. The fair value of interest rate and currency swaps is the estimated amount the Group would pay or receive to terminate the swap at the balance sheet date taking into account interest and currency rates at that date and the creditworthiness of the swap counterparties. The fair value of forward exchange contracts is calculated by reference to forward exchange rates for contracts with similar maturity profiles and equates to the quoted market price at the balance sheet date (being the present value of the quoted forward price).

Fair value and cash flow hedges

The Group uses fair value hedges and cash flow hedges in its treasury activities. For the purposes of hedge accounting, hedges are classified either as fair value hedges (which entail hedging the exposure to movements in the fair value of a recognised asset or liability or an unrecognised firm commitment that could affect profit or loss) or cash flow hedges (which hedge exposure to fluctuations in future cash flows derived from a particular risk associated with a recognised asset or liability, or a highly probable forecast transaction that could affect profit or loss).

Where the conditions for hedge accounting are satisfied and the hedging instrument concerned is classified as a fair value hedge, any gain or loss stemming from the re-measurement of the hedging instrument to fair value is reported in the Group Income Statement. In addition, any gain or loss on the hedged item which is attributable to the hedged risk is adjusted against the carrying amount of the hedged item and reflected in the Group Income Statement. Where the adjustment is to the carrying amount of a hedged interest-bearing financial instrument, the adjustment is amortised to the Group Income Statement with the objective of achieving full amortisation by maturity.

Where a derivative financial instrument is designated as a hedge of the variability in cash flows of a recognised asset or liability or a highly probable forecast transaction that could affect profit or loss, the effective part of any gain or loss on the derivative financial instrument is recognised as a separate component of equity with the ineffective portion being reported in the Group Income Statement. The associated gains or losses that had previously been recognised in equity are transferred to the Group Income Statement contemporaneously with the materialisation of the hedged transaction. Any gain or loss arising in respect of changes in the time value of the derivative financial instrument is excluded from the measurement of hedge effectiveness and is recognised immediately in the Group Income Statement.

Hedge accounting is discontinued when the hedging instrument expires or is sold, terminated or exercised, or no longer qualifies for hedge accounting. At that point in time, any cumulative gain or loss on the hedging instrument recognised as a separate component of equity remains in equity until the forecast transaction occurs. If a hedged transaction is no longer anticipated to occur, the net cumulative gain or loss recognised in equity is transferred to the Group Income Statement in the period.

Net investment hedges

Where foreign currency borrowings provide a hedge against a net investment in a foreign operation (i.e. where these borrowings are equal to or less than the net assets of the foreign operation), and the hedge is deemed to be effective, foreign exchange differences are taken directly to a foreign currency translation reserve (being a separate component of equity). The ineffective portion of any gain or loss on the hedging instrument is recognised immediately in the Group Income Statement. Cumulative gains and losses remain in equity until disposal of the net investment in the foreign operation at which point the related differences are transferred to the Group Income Statement as part of the overall gain or loss on sale.

Interest-bearing loans and borrowings

All loans and borrowings are initially recorded at the fair value of the consideration received net of directly attributable transaction costs.

Subsequent to initial recognition, current and non-current interest-bearing loans and borrowings are, in general, measured at amortised cost employing the effective interest methodology. Fixed rate term loans, which have been hedged to floating rates (using interest rate swaps), are measured at amortised cost adjusted for changes in value attributable to the hedged risks arising from changes in underlying market interest rates. The computation of amortised cost includes any issue costs and any discount or premium materialising on settlement. Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the balance sheet date.

Gains and losses are recognised in the Group Income Statement through amortisation on the basis of the period of the loans and borrowings and/or on impairment and derecognition of the associated loans and borrowings.

Borrowing costs arising on financial instruments are recognised as an expense in the period in which they are incurred (unless capitalised as part of the cost of property, plant and equipment).

Provisions for liabilities

A provision is recognised on a discounted basis when the Group has a present obligation (either legal or constructive) as a result of a past event; it is probable that a transfer of economic benefits will be required to settle the obligation; and a reliable estimate can be made of the amount of the obligation. Where the Group anticipates that a provision will be reimbursed, the reimbursement is recognised as a separate asset only when it is virtually certain that the reimbursement will arise. Provisions arising on business combination activity are recognised only to the extent that they would have qualified for recognition in the financial statements of the acquiree prior to acquisition.

Tax (current and deferred)

Current tax represents the expected tax payable (or recoverable) on the taxable profit for the year using tax rates enacted or substantively enacted at the balance sheet date and taking into account any adjustments stemming from prior years. Any interest or penalties arising are included within current tax.

Deferred tax is provided on the basis of the balance sheet liability method on all relevant temporary differences at the balance sheet date. Temporary differences are defined as the difference between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred tax assets and liabilities are not subject to discounting and are measured at the tax rates that are anticipated to apply in the period in which the asset is realised or the liability is settled based on tax rates and tax laws that have been enacted or substantively enacted at the balance sheet date.

Deferred tax liabilities are recognised for all taxable temporary differences (i.e. differences that will result in taxable amounts in future periods when the carrying amount of the asset or liability is recovered or settled) with the exception of the following:

- where the deferred tax liability arises from the initial recognition of goodwill or the initial recognition of an asset or a liability in a transaction that is not a business combination and affects neither the accounting profit nor the taxable profit or loss at the time of the transaction; and
- where, in respect of taxable temporary differences associated with investments in subsidiaries and joint ventures, the timing of the reversal of the temporary difference is subject to control by the Group and it is probable that reversal will not materialise in the foreseeable future.

Deferred tax assets are recognised in respect of all deductible temporary differences (i.e. differences that give rise to amounts which are deductible in determining taxable profits in future periods when the carrying amount of the asset or liability is recovered or settled), carry-forward of unused tax credits and unused tax losses to the extent that it is probable that taxable profits will be available against which to offset these items. The following exceptions apply in this instance:

- where the deferred tax asset arises from the initial recognition of an asset or a liability in a transaction that is not a business combination and affects neither the accounting profit nor the taxable profit or loss at the time of the transaction; and

- where, in respect of deductible temporary differences associated with investments in subsidiaries, joint ventures and associates, a deferred tax asset is recognised only if it is probable that the deductible temporary difference will reverse in the foreseeable future and that sufficient taxable profits will be available against which the temporary difference can be utilised.

The carrying amounts of deferred tax assets are subject to review at each balance sheet date and are reduced to the extent that future taxable profits are considered to be inadequate to allow all or part of any deferred tax asset to be utilised.

Where items are accounted for directly through equity (for example, in the context of certain derivative financial instruments, share-based payments and actuarial gains and losses on defined benefit pension schemes), the related income tax is charged or credited to equity. In all other circumstances, income tax is recognised in the Group Income Statement.

Government grants

Capital grants are recognised at their fair value where there is reasonable assurance that the grant will be received and all attaching conditions have been complied with. When the grant relates to an expense item, it is recognised as income over the periods necessary to match the grant on a systematic basis to the costs that it is intended to compensate. Where the grant relates to an asset, the fair value is treated as a deferred credit and is released to the Group Income Statement over the expected useful life of the relevant asset through equal annual instalments.

Share capital

Treasury shares

Own equity instruments (i.e. Ordinary Shares) acquired by the Parent Company are deducted from equity and presented on the face of the Group Balance Sheet. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the Parent Company's Ordinary Shares.

Own shares

Ordinary Shares purchased by the Parent Company under the terms of the Performance Share Plan are recorded as a deduction from equity on the face of the Group Balance Sheet.

Dividends

Dividends on Ordinary Shares are recognised as a liability in the consolidated financial statements in the period in which they are declared by the Parent Company.

Emission rights

Emission rights are accounted for such that a liability is recognised only in circumstances where emission rights have been exceeded from the perspective of the Group as a whole and the differential between actual and permitted emissions will have to be remedied through the purchase of the required additional rights at fair value; assets and liabilities arising in respect of under and over-utilisation of emission credits respectively are accordingly netted against one another in the preparation of the consolidated financial statements. To the extent that excess emission rights are disposed of during a financial period, the profit or loss materialising thereon is recognised immediately within operating costs in the Group Income Statement.

Notes on Financial Statements

1. Segment Information

Analysis by class of business and by geography

The Group is organised into four Divisions, Europe Materials (including activities in China, India and Turkey) and Europe Products & Distribution; Americas Materials (in the United States) and Americas Products & Distribution (in the United States, Canada, Argentina, Chile and Mexico). These activities comprise six reporting segments across the following businesses:

Materials businesses are involved in the production of cement, aggregates, asphalt and readymixed concrete.

Products businesses are involved in the production of concrete products and a range of construction-related products and services.

Distribution businesses are engaged in the marketing and sale of builders' supplies to the construction industry and of materials and products for the DIY market.

Intersegment revenue is not material.

Group Income Statement

	Continuing operations – year ended 31 December							
	Materials		Products		Distribution		Total Group	
	2008	2007	2008	2007	2008	2007	2008	2007
	€m	€m	€m	€m	€m	€m	€m	€m
Segment revenue								
Europe	**3,696**	3,651	**3,686**	3,628	**3,812**	3,435	**11,194**	10,714
Americas	**5,007**	5,445	**3,243**	3,510	**1,443**	1,323	**9,693**	10,278
	8,703	9,096	**6,929**	7,138	**5,255**	4,758	**20,887**	20,992

Segment revenue includes €3,593 million (2007: €3,706 million) in respect of revenue applicable to construction contracts. Revenue derived through the supply of services is not material to the Group.

Group operating profit before depreciation and amortisation (EBITDA)

Europe	**806**	746	**392**	461	**258**	261	**1,456**	1,468
Americas	**724**	834	**369**	468	**116**	90	**1,209**	1,392
	1,530	1,580	**761**	929	**374**	351	**2,665**	2,860

Depreciation charge (including asset impairments)

Europe	**174**	159	**156**	145	**59**	46	**389**	350
Americas	**260**	263	**117**	112	**15**	14	**392**	389
	434	422	**273**	257	**74**	60	**781**	739

Amortisation of intangible assets

Europe	**1**	1	**12**	8	**5**	3	**18**	12
Americas	**2**	1	**14**	16	**9**	6	**25**	23
	3	2	**26**	24	**14**	9	**43**	35

Group operating profit (EBIT)

Europe	**631**	586	**224**	308	**194**	212	**1,049**	1,106
Americas	**462**	570	**238**	340	**92**	70	**792**	980
	1,093	1,156	**462**	648	**286**	282	**1,841**	2,086

Profit on disposal of non-current assets

	Continuing operations – year ended 31 December							
	Materials		Products		Distribution		Total Group	
	2008	2007	2008	2007	2008	2007	2008	2007
	€m	€m	€m	€m	€m	€m	€m	€m
Europe	**16**	29	**15**	11	**15**	3	**46**	43
Americas	**20**	11	**2**	2	**1**	1	**23**	14
	36	40	**17**	13	**16**	4	**69**	57

Segment result (profit before finance costs)

Europe	**647**	615	**239**	319	**209**	215	**1,095**	1,149
Americas	**482**	581	**240**	342	**93**	71	**815**	994
	1,129	1,196	**479**	661	**302**	286	**1,910**	2,143

Finance costs (net)	**(343)**	(303)
Group share of associates' profit after tax (note 9)	**61**	64
Profit before tax	**1,628**	1,904
Income tax expense	**(366)**	(466)
Group profit for the financial year	**1,262**	1,438

Group Balance Sheet

	Continuing operations – year ended 31 December							
	Materials		Products		Distribution		Total Group	
	2008	2007	2008	2007	2008	2007	2008	2007
	€m	€m	€m	€m	€m	€m	€m	€m
Segment assets								
Europe	**4,319**	3,815	**3,191**	3,295	**2,174**	1,939	**9,684**	9,049
Americas	**5,481**	5,030	**2,662**	2,561	**738**	703	**8,881**	8,294
	9,800	8,845	**5,853**	5,856	**2,912**	2,642	**18,565**	17,343

Reconciliation to total assets as reported in the Group Balance Sheet		
Investments accounted for using the equity method	**743**	574
Other financial assets	**127**	78
Derivative financial instruments (current and non-current)	**426**	133
Deferred income tax assets	**333**	336
Liquid investments	**128**	318
Cash and cash equivalents	**799**	1,006
Total assets as reported in the Group Balance Sheet	**21,121**	19,788

Segment liabilities								
Europe	**966**	823	**759**	777	**465**	405	**2,190**	2,005
Americas	**896**	858	**569**	567	**204**	151	**1,669**	1,576
	1,862	1,681	**1,328**	1,344	**669**	556	**3,859**	3,581

Reconciliation to total liabilities as reported in the Group Balance Sheet		
Interest-bearing loans and borrowings (current and non-current)	**7,298**	6,498
Derivative financial instruments (current and non-current)	**146**	122
Income tax liabilities (current and deferred)	**1,647**	1,556
Capital grants	**14**	11
Total liabilities as reported in the Group Balance Sheet	**12,965**	11,768

Geographical analysis

The following is a geographical analysis of the segmental data presented above with Ireland (including Northern Ireland), the Benelux (which comprises Belgium, the Netherlands and Luxembourg) and Poland separately analysed on the basis of the aggregation thresholds contained in IAS 14:

Group Income Statement

	Continuing operations – year ended 31 December											
	Ireland		Benelux		Poland		Rest of Europe		Americas		Total Group	
	2008	2007	2008	2007	2008	2007	2008	2007	2008	2007	2008	2007
	€m	€m	€m	€m	€m	€m	€m	€m	€m	€m	€m	€m
Segment revenue	**1,116**	1,402	**3,070**	2,918	**849**	710	**6,150**	5,672	**9,702**	10,290	**20,887**	20,992
Group EBITDA	**160**	207	**354**	354	**262**	218	**680**	687	**1,209**	1,394	**2,665**	2,860
Depreciation charge (including asset impairments)	**49**	48	**93**	82	**42**	37	**205**	183	**392**	389	**781**	739
Amortisation of intangible assets	**1**	—	**4**	2	**—**	—	**13**	10	**25**	23	**43**	35
Group operating profit	**110**	159	**257**	270	**220**	181	**462**	494	**792**	982	**1,841**	2,086
Profit on disposal of non-current assets	**12**	26	**18**	7	**—**	—	**16**	9	**23**	15	**69**	57
Segment result (profit before finance costs)	**122**	185	**275**	277	**220**	181	**478**	503	**815**	997	**1,910**	2,143
Group Balance Sheet												
Segment assets	**1,016**	959	**2,266**	2,468	**700**	636	**5,714**	4,981	**8,869**	8,299	**18,565**	17,343
Segment liabilities	**426**	282	**474**	487	**128**	113	**1,157**	1,122	**1,674**	1,577	**3,859**	3,581

Other segment information – capital expenditure

	Continuing operations – year ended 31 December							
	Materials		Products		Distribution		Total Group	
	2008	2007	2008	2007	2008	2007	2008	2007
	€m	€m	€m	€m	€m	€m	€m	€m
By business segment								
Europe	**429**	291	**106**	153	**70**	72	**605**	516
Americas	**304**	334	**121**	159	**9**	19	**434**	512
	733	625	**227**	312	**79**	91	**1,039**	1,028
Geographical analysis								
Ireland							**172**	119
Benelux							**59**	88
Poland							**116**	53
Rest of Europe							**258**	256
Americas							**434**	512
							1,039	1,028

2. Proportionate Consolidation of Joint Ventures

Impact on Group Income Statement

	Year ended 31 December	
	2008	2007
	€m	€m
Group share of:		
Revenue	**1,172**	1,076
Cost of sales	**(806)**	(734)
Gross profit	**366**	342
Operating costs	**(229)**	(229)
Operating profit	**137**	113
Profit on disposal of non-current assets	**1**	—
Profit before finance costs	**138**	113
Finance costs (net)	**(13)**	(14)
Profit before tax	**125**	99
Income tax expense	**(26)**	(25)
Group profit for the financial year	**99**	74
Depreciation	**50**	43

Impact on Group Balance Sheet

	As at 31 December	
	2008	2007
	€m	€m
Group share of:		
Non-current assets	**1,333**	1,002
Current assets	**423**	380
Total assets	**1,756**	1,382
Total equity	**1,143**	835
Non-current liabilities	**333**	265
Current liabilities	**280**	282
Total liabilities	**613**	547
Total equity and liabilities	**1,756**	1,382
Net debt included above	**(153)**	(164)

Impact on Group Cash Flow Statement

	Year ended 31 December	
	2008	2007
	€m	€m
Group share of joint venture cashflows:		
Net cash inflow from operating activities	**103**	106
Net cash outflow from investing activities[(i)]	**(330)**	(224)
Net cash inflow from financing activities[(i)]	**241**	145
Net increase in cash and cash equivalents	**14**	27
Cash and cash equivalents at 1 January	**77**	51
Translation adjustment	**(1)**	(1)
Cash and cash equivalents at 31 December	**90**	77
Reconciliation of cash and cash equivalents to net debt		
Cash and cash equivalents as above	**90**	77
Liquid investments	**—**	1
Derivative financial instruments (current and non-current)	**1**	—
Interest-bearing loans and borrowings (current and non-current)	**(244)**	(242)
Net debt at 31 December	**(153)**	(164)

(i) Figures include €256 million (2007: €165 million) which is eliminated on consolidation.

The Group's share of net debt in joint ventures is non-recourse to the Group.

A listing of the principal joint ventures is contained elsewhere herein.

3. Operating Costs

	2008	2007
	€m	€m
Selling and distribution costs	**2,753**	2,675
Administrative expenses	**1,486**	1,474
Other operating expenses	**82**	58
Other operating income	**(13)**	(16)
Total	**4,308**	4,191

Other operating expenses and income comprise the following charges/(credits):

Other operating expenses		
Share-based payment expense (note 7)	**24**	23
Amortisation of intangible assets (note 14)	**43**	35
Impairment losses on property, plant and equipment (note 13)	**14**	—
Mark-to-market of undesignated derivative financial instruments (held for trading)	**1**	—
Total	**82**	58
Other operating income		
Excess of fair value of identifiable net assets over consideration paid (note 34)	**(6)**	(4)
Mark-to-market of undesignated derivative financial instruments (held for trading)	**(2)**	(5)
Income from financial assets	**(2)**	(4)
Capital grants released (note 29)	**(3)**	(3)
Total	**(13)**	(16)

4. Group Operating Profit

Group operating profit has been arrived at after charging the following amounts (including the Group's proportionate share of amounts in joint ventures):

	2008 €m	2007 €m
Depreciation (including asset impairments)		
– included in cost of sales	**563**	559[(i)]
– included in operating costs	**218**	180[(i)]
Total	**781**	739
Foreign exchange gains and losses (net)		
– included in cost of sales	**—**	1
– included in operating costs	**(6)**	—
Total	**(6)**	1
Operating lease rentals		
– hire of plant and machinery	**104**	109
– land and buildings	**145**	120
– other operating leases	**36**	39
Total	**285**	268
Auditors' remuneration (included in administrative expenses)		
Audit fees, including Sarbanes-Oxley attestation	**14**	16
Non-audit services[(ii)]	3	1

(i) Prior year disclosures have been amended to conform to current year presentation.

(ii) In addition to the due diligence fees expensed in the Group Income Statement and included in the non-audit service caption above, further due diligence fees of €0.6 million (2007: €1.7 million) paid to the auditors have been included in the fair value of purchase consideration of business combinations for the respective periods; these amounts are reflected in the totals presented in note 34.

5. Directors' Emoluments and Interests

Directors' emoluments (which are included in administrative expenses in note 3) and interests are given in the Report on Directors' Remuneration on pages 74 to 82.

6. Employment

The average number of employees (including CRH's proportionate share of employees in joint ventures) is as follows:

Year ended 31 December 2008	Materials	Products	Distribution	Total Group
Europe	**14,560**	**21,265**	**11,499**	**47,324**
Americas	**22,028**	**20,227**	**3,993**	**46,248**
Total	**36,588**	**41,492**	**15,492**	**93,572**
Year ended 31 December 2007				
Europe	14,583	19,298	10,381	44,262
Americas	23,521	20,538	3,712	47,771
Total	38,104	39,836	14,093	92,033

Employment costs charged in the Group Income Statement (including the Group's proportionate share of joint ventures' costs) are analysed as follows:

	2008 €m	2007 €m
Wages and salaries	**3,077**	3,018
Social welfare costs	**377**	377
Other employment-related costs	**401**	355
Share-based payment expense (note 7)	**24**	23
Total pension costs (note 28)	**176**	194
Total	**4,055**	3,967
Total charge analysed between:		
Cost of sales	**2,061**	2,047[(i)]
Operating costs	**2,009**	1,935[(i)]
Finance costs (net) – applicable to defined benefit pension schemes (note 8)	**(15)**	(15)
Total	**4,055**	3,967

(i) Prior year disclosures have been amended to conform to current year presentation.

7. Share-based Payments

	2008 €m	2007 €m
Share option expense	**17**	18
Performance Share Plan expense	**7**	5
	24	23

€1 million (2007: €2 million) of the total expense reported in the Group Income Statement relates to the Directors.

Share Option Schemes

The Group operates share option schemes, which were approved by shareholders in May 2000 (replacing the schemes which were approved in May 1990), and savings-related share option schemes, also approved by shareholders in May 2000. The general terms and conditions applicable to the share options granted by CRH under the share option schemes are set out in the Report on Directors' Remuneration on pages 74 to 82.

The Group's employee share options are equity-settled share-based payments as defined in IFRS 2 Share-based Payment. The measurement requirements of IFRS 2 have been implemented in respect of share options that were granted after 7 November 2002. As options to acquire Ordinary Shares in the Company are traditionally granted in April of each year, the expense reflected in administrative expenses in the Group Income Statement of €17 million (2007: €18 million) relates to options granted in April 2003 and in the subsequent periods. The expense has been arrived at through applying a trinomial valuation technique; this is a lattice option-pricing model in accordance with IFRS 2.

Details of options granted under the share option schemes

A summary of activity under the Company's share option schemes in the two years ended 31 December 2008 and 31 December 2007 together with the weighted average exercise price of the share options is as follows:

Share options	Weighted average exercise price	Number of options 2008	Weighted average exercise price	Number of options 2007
Outstanding at beginning of year	**€20.38/Stg£16.06**	**23,304,553**	€18.33/Stg£13.85	23,785,368
Granted (a)	**€23.87/Stg£19.06**	**2,912,000**	€32.90/Stg£22.43	2,807,900
Exercised	**€15.89/Stg£13.06**	**(1,558,866)**	€15.54/Stg£10.99	(2,810,420)
Lapsed	**€22.89/Stg£18.22**	**(632,441)**	€19.83/Stg£17.91	(478,295)
Outstanding at end of year	**€21.03/Stg£16.46**	**24,025,246**	€20.38/Stg£16.06	23,304,553
Exercisable at end of year	**€17.53/Stg£12.48**	**14,118,956**	€16.73/Stg£11.26	8,652,124

(a) Pursuant to the 2000 share option schemes, employees were granted options over 2,912,000 (2007:2,807,900) of the Company's Ordinary Shares on 14 April 2008. These options may be exercised after the expiration of three years from their date of grant, subject to specified EPS growth targets being achieved. All options granted have a life of ten years.

Analysis of share options – outstanding at end of year

		31 December 2008		31 December 2007	
Options by exercise price	Exercise prices	Number of options	Actual remaining life	Number of options	Actual remaining life
€ options	**€ 12.64**	**—**	**—**	354,221	0.3
	€ 14.57	**161,328**	**0.3**	268,364	1.3
	€ 14.66	**372,399**	**0.3**	494,307	1.3
	€ 17.26	**1,423,633**	**1.3**	1,559,918	2.3
	€ 18.01	**1,314,912**	**1.3**	1,505,809	2.3
	€ 18.28	**2,089,428**	**2.3**	2,248,403	3.3
	€ 19.68	**2,484,445**	**3.3**	2,669,495	4.3
	€ 13.15	**1,478,043**	**4.3**	1,555,943	5.3
	€ 13.26	**1,220,480**	**4.3**	1,382,980	5.3
	€ 16.71	**1,856,221**	**5.3**	1,983,221	6.3
	€ 16.73	**1,495,800**	**5.3**	1,564,300	6.3
	€ 20.79	**1,139,551**	**6.3**	1,235,640	7.3
	€ 20.91	**1,015,000**	**6.3**	1,073,000	7.3
	€ 24.83	**200,000**	**7.5**	200,000	8.5
	€ 29.00	**2,206,001**	**7.3**	2,301,070	8.3
	€ 32.70	**1,387,790**	**8.3**	1,442,090	9.3
	€ 33.12	**1,290,000**	**8.3**	1,317,500	9.3
	€ 23.87	**2,743,011**	**9.3**	—	—
Stg£ options	**Stg£10.99**	**12,750**	**1.3**	13,945	2.3
	Stg£11.16	**8,100**	**2.3**	8,897	3.3
	Stg£12.04	**15,024**	**3.3**	17,580	4.3
	Stg£9.06	**3,658**	**4.3**	3,717	5.3
	Stg£11.13	**6,769**	**5.3**	6,769	6.3
	Stg£14.37	**30,560**	**6.3**	37,010	7.3
	Stg£19.99	**30,542**	**7.3**	31,623	8.3
	Stg£22.43	**28,101**	**8.3**	28,751	9.3
	Stg£19.06	**11,700**	**9.3**	**—**	—
Total outstanding as at 31 December		**24,025,246**		23,304,553	

Analysis of share options – exercisable at end of year

Options by exercise price	Exercise prices	31 December 2008 Number of options	31 December 2008 Actual remaining life	31 December 2007 Number of options	31 December 2007 Actual remaining life
€ options	**€ 12.64**	**—**	**—**	354,221	0.3
	€ 14.57	**161,328**	**0.3**	268,364	1.3
	€ 14.66	**372,399**	**0.3**	494,307	1.3
	€ 17.26	**1,423,633**	**1.3**	1,559,918	2.3
	€ 18.01	**1,314,912**	**1.3**	1,505,809	2.3
	€ 18.28	**2,089,428**	**2.3**	939,903	3.3
	€ 19.68	**2,484,445**	**3.3**	922,895	4.3
	€ 13.15	**1,478,043**	**4.3**	587,443	5.3
	€ 13.26	**1,220,480**	**4.3**	504,480	5.3
	€ 16.71	**738,076**	**5.3**	812,076	6.3
	€ 16.73	**604,800**	**5.3**	651,800	6.3
	€ 20.79	**1,139,551**	**6.3**	—	—
	€ 20.91	**1,015,000**	**6.3**	—	—
Stg£ options	**Stg£10.99**	**12,750**	**1.3**	13,945	2.3
	Stg£11.16	**8,100**	**2.3**	8,897	3.3
	Stg£12.04	**15,024**	**3.3**	17,580	4.3
	Stg£9.06	**3,658**	**4.3**	3,717	5.3
	Stg£11.13	**6,769**	**5.3**	6,769	6.3
	Stg£14.37	**30,560**	**6.3**	—	—
Total exercisable as at 31 December		**14,118,956**		8,652,124	

The weighted average fair values assigned to options granted in 2008 and 2007 under the 2000 Share Option Scheme, which were computed in accordance with the trinomial valuation methodology, were as follows:

	Denominated in € 3-year	Denominated in Stg£* 3-year
Granted during 2008 (amounts in €)	**4.46**	**4.46**
Granted during 2007 (amounts in €)	6.65	6.60

* *€ equivalents at the date of grant*

The fair values of these options were determined using the following assumptions:

	2008 3-year	2007 3-year
Weighted average exercise price (amounts in €)	**23.87**	32.90
Risk-free interest rate (%)	**3.61**	4.08
Expected dividend payments over the expected life (€ cent)	**401.26**	503.05
Expected volatility (%)	**21.7**	21.3
Expected life in years	**5**	5

The expected volatility was determined using an historical sample of 61 month-end CRH share prices. Share options are granted at market value at the date of grant. The expected lives of the options are based on historical data and are therefore not necessarily indicative of exercise patterns that may materialise.

Other than the assumptions listed above, no other features of options grants were factored into the determination of fair value.

The terms of the options granted under the share option scheme do not contain any market conditions within the meaning of IFRS 2.

No relevant modifications were effected to the share option schemes during the course of 2008 or 2007.

Details of options granted under the savings-related share option schemes

Savings-related share options	Weighted average exercise price	Number of options 2008	Weighted average exercise price	Number of options 2007
Outstanding at beginning of year	**€18.37/Stg£12.53**	**1,259,082**	€15.85/Stg£10.97	1,263,622
Granted (a)	**€20.40/Stg£16.07**	**520,741**	€26.89/Stg£18.61	265,300
Exercised	**€ 11.07/Stg£8.34**	**(487,350)**	€ 14.95/Stg£9.83	(211,702)
Lapsed	**€22.67/Stg£15.88**	**(259,402)**	€20.56/Stg£14.00	(58,138)
Outstanding at end of year	**€21.20/Stg£15.51**	**1,033,071**	€18.37/Stg£12.53	1,259,082
Exercisable at end of year	**€11.87/Stg£10.69**	**20,086**	€ 15.20/Stg£9.94	3,313

(a) Pursuant to the savings-related share option schemes operated by the Company in the Republic of Ireland and the United Kingdom, employees were granted options over 520,741 of the Company's Ordinary Shares on 16 May 2008 (302,405) and 3 April 2008 (218,336) respectively (2007: 122,039 share options on 11 April 2007 and 143,261 share options on 5 April 2007). This figure comprises options over 248,572 (2007: 144,138) shares and 272,169 (2007: 121,162) shares which are normally exercisable within a period of six months after the third or the fifth anniversary of the contract, whichever is applicable, and are not subject to specified EPS growth targets being achieved. The exercise price at which the options are granted under the schemes represents a discount of 15 per cent. to the market price on the date of grant.

Analysis of savings-related share options – outstanding at end of year

		31 December 2008		31 December 2007	
Options by exercise price	Exercise prices	Number of options	Weighted average remaining contractual life (years)	Number of options	Weighted average remaining contractual life (years)
€ options	**€ 16.09**	**—**	**—**	725	0.1
	€ 10.63	**15,525**	**0.1**	198,186	0.9
	€ 14.45	**21,663**	**0.9**	26,793	1.8
	€ 17.99	**22,046**	**1.6**	46,576	2.0
	€ 23.16	**95,048**	**1.9**	131,749	2.9
	€ 26.89	**72,337**	**3.0**	120,321	4.0
	€ 20.40	**270,015**	**4.3**	—	—
Stg£ options	**Stg£10.08**	**—**	**—**	1,149	0.1
	Stg£ 7.18	**457**	**0.1**	232,289	0.9
	Stg£ 9.66	**55,883**	**0.9**	59,356	1.9
	Stg£12.38	**39,217**	**1.9**	114,047	1.7
	Stg£15.68	**154,785**	**1.7**	191,425	2.7
	Stg£18.61	**104,469**	**2.7**	136,466	3.6
	Stg£16.07	**181,626**	**3.8**	—	—
Total outstanding as at 31 December		**1,033,071**		1,259,082	

As at 31 December 2008, 20,086 (2007: 3,313) options were exercisable under the savings-related share option schemes.

The weighted average fair values assigned to options issued under the savings-related share option schemes, which were computed in accordance with the trinomial valuation methodology, were as follows:

	Denominated in			
	€	€	Stg£*	Stg£*
	3-year	5-year	3-year	5-year
Granted during 2008 (amounts in €)	**5.85**	**6.41**	**5.98**	**6.56**
Granted during 2007 (amounts in €)	7.09	8.55	7.23	8.71

** € equivalents at the date of grant*

The fair values of these options were determined using the following assumptions:

	2008		2007	
	3-year	5-year	3-year	5-year
Weighted average exercise price (amounts in €)	**20.72**	**20.57**	27.20	27.10
Risk-free interest rate (%)	**3.95/3.58**	**4.00/3.69**	4.08	4.10
Expected dividend payments over the expected life (€ cent)	**219.73**	**401.26**	246.06	503.05
Expected volatility (%)	**21.6/21.8**	**20.9/21.7**	17.3	21.3
Expected life in years	**3**	**5**	3	5

The expected volatility was determined using an historical sample of 37 month-end CRH share prices in respect of the three-year savings-related share options and 61 month-end share prices in respect of the five-year savings-related share options. The expected lives of the options are based on historical data and are therefore not necessarily indicative of exercise patterns that may materialise.

Other than the assumptions listed above, no other features of option grants were factored into the determination of fair value.

The terms of the options issued under the savings-related share option schemes do not contain any market conditions within the meaning of IFRS 2.

No modifications were effected to the savings-related share option schemes during the course of 2008 or 2007.

Performance Share Plan

The Group operates a Performance Share Plan which was approved by shareholders in May 2006. The general terms and conditions applicable to shares awarded by CRH under this Plan (which are termed "own shares" in these consolidated financial statements) are set out in the Report on Directors' Remuneration on pages 74 to 82.

Shares awarded under the Group's Performance Share Plan are equity-settled share-based payments as defined in IFRS 2 Share-based Payment. The expense of €7 million (2007: €5 million) reflected in administrative expenses in the Group Income Statement has been arrived at through applying a Monte Carlo simulation technique to model the combination of market-based and non-market-based performance conditions in the Plan.

	Share price at date of award	Period to earliest release date	Number of Shares			Fair value
			Initial Award	Cumulative Lapses to Date	Net Outstanding	
Granted in 2006						
Performance Share Plan	€24.82	3 years	627,750	48,500	579,250	€12.11
Granted in 2007						
Performance Share Plan	€33.29	3 years	594,750	31,500	563,250	€17.14
Granted in 2008						
Performance Share Plan	€23.45	3 years	741,000	34,500	706,500	€10.27

The fair value of the shares awarded was determined using a Monte Carlo simulation technique taking account of peer group total shareholder return volatilities and correlations, together with the following assumptions:

	2008	2007
Risk-free interest rate (%)	**3.49**	4.07
Expected volatility (%)	**21.8**	20.0

The expected volatility was determined using an historical sample of 37 month-end CRH share prices.

8. Finance Costs and Finance Revenue

	2008 €m	2007 €m
Finance costs		
Interest payable on bank loans and overdrafts repayable wholly within five years:		
– by instalments	**11**	17
– not by instalments	**275**	230
Interest payable under finance leases and hire purchase contracts	**2**	2
Interest payable on other borrowings	**123**	137
Total interest payable	**411**	386
Unwinding of discount element of provisions for liabilities (note 26)	**16**	17
Unwinding of discount applicable to deferred and contingent acquisition consideration	**5**	5
Income on interest rate and currency swaps	**(34)**	(31)
Mark-to-market of designated fair value hedges and related debt and ineffectiveness of net investment hedges:		
– interest rate swaps [(i)]	**(283)**	(90)
– currency swaps and forward contracts	**3**	2
– hedged fixed rate debt [(i)]	**287**	92
Interest cost on defined benefit pension scheme liabilities	**98**	92
Total finance costs	**503**	473
Finance revenue		
Interest receivable on loans to joint ventures and associates	**(4)**	(4)
Interest receivable on liquid investments	**(8)**	(18)
Interest receivable on cash and cash equivalents	**(35)**	(41)
	(47)	(63)
Expected return on defined benefit pension scheme assets	**(113)**	(107)
Total finance revenue	**(160)**	(170)
Finance costs (net)	**343**	303

(i) The Group uses interest rate swaps to convert fixed rate debt to floating rate. Fixed rate debt, which has been converted to floating rate through the use of interest rate swaps, is stated in the Group Balance Sheet at adjusted fair value to reflect movements in underlying fixed rates. The movement on this adjustment, together with the offsetting movement in the fair value of the related interest rate swaps, is taken to income in each reporting period.

9. Group Share of Associates' Profit after Tax

The Group's share of associates' profit after tax is equity-accounted and is presented as a single-line item in the Group Income Statement. The Group's share of profit after tax generated by associates is analysed as follows between the principal Group Income Statement captions:

	2008 €m	2007 €m
Group share of:		
Revenue	**1,006**	806
Profit before finance costs	**86**	91
Finance costs (net)	**(3)**	(1)
Profit before tax	**83**	90
Income tax expense	**(22)**	(26)
Profit after tax [(i)]	**61**	64

(i) The Group's share of associates' profit after tax comprises €45 million (2007: €52 million) in Europe Materials, €5 million (2007: €2 million) in Europe Products, €11 million (2007: €10 million) in Europe Distribution and nil (2007: nil) in both Americas Materials and Americas Products.

The aggregated balance sheet data (analysed between current and non-current assets and liabilities) in respect of the Group's investment in associates together with the relevant segmental data are presented in note 15.

10. Income Tax Expense

	2008 €m	2007 €m
Current tax		
Republic of Ireland		
Corporation tax at 12.5% (2007: 12.5%)	**21**	17
Less: manufacturing relief	**(3)**	(4)
	18	13
Overseas tax	**239**	398
Tax on disposal of non-current assets	**20**	15
Total current tax	**277**	426
Deferred tax		
Origination and reversal of temporary differences:		
Defined benefit pension obligations	**5**	8
Share-based payments	**2**	(4)
Derivative financial instruments	**(1)**	(1)
Other items	**83**	37
Total deferred tax	**89**	40
Income tax expense	**366**	466
Reconciliation of applicable tax rate to effective tax rate		
Profit before tax (€m)	**1,628**	1,904
Tax charge expressed as a percentage of profit before tax (effective tax rate):		
– current tax expense only	**17.0%**	22.4%
– total income tax expense (current and deferred)	**22.5%**	24.5%

The following table reconciles the applicable Republic of Ireland statutory tax rate to the effective tax rate (current and deferred) of the Group:

	% of profit before tax	
Irish corporation tax rate	**12.5**	12.5
Manufacturing relief in the Republic of Ireland	**(0.2)**	(0.2)
Higher tax rates on overseas earnings	**10.5**	12.0
Other items (comprising items not chargeable to tax/expenses not deductible for tax)	**(0.3)**	0.2
Total effective tax rate	**22.5**	24.5

Current and deferred tax movements applicable to items recognised directly within equity

	€m	€m
Current tax		
Share option exercises	**2**	13
Deferred tax		
Defined benefit pension obligations	**67**	(46)
Share-based payments	**(15)**	(39)
Cash flow hedges	**4**	(2)
Total	**58**	(74)

Factors that may affect future tax charges and other disclosure requirements

Excess of capital allowances over depreciation

Based on current capital investment plans, the Group expects to continue to be in a position to claim capital allowances in excess of depreciation in future years.

Unremitted earnings in subsidiaries, joint ventures and associates

No provision has been recognised in respect of the unremitted earnings of subsidiaries and joint ventures as there is no commitment to remit earnings. A deferred tax liability has been recognised in relation to unremitted earnings of associates on the basis that the exercise of significant influence would not necessarily prevent earnings being remitted by other shareholders in the undertaking.

Investments in subsidiaries and associates and interests in joint ventures

No provision has been made for temporary differences applicable to investments in subsidiaries and interests in joint ventures as the Group is in a position to control the timing of reversal of the temporary differences and it is probable that the temporary differences will not reverse in the foreseeable future. Due to the absence of control in the context of associates (significant influence only), deferred tax liabilities are recognised where appropriate in respect of CRH's investments in these entities. Given that participation exemptions and tax credits would be available in the context of the Group's investments in subsidiaries and joint ventures in the majority of the jurisdictions in which the Group operates, the aggregate amount of temporary differences in respect of which deferred tax liabilities have not been recognised would be immaterial (with materiality defined in the context of the year-end 2008 financial statements).

Other considerations

The total tax charge in future periods will be affected by any changes to the corporation tax rates in force in the countries in which the Group operates. The current tax charge will also be impacted by changes in the excess of tax depreciation (capital allowances) over accounting depreciation and the use of tax credits.

11. Dividends

As shown in note 30, the Company has various classes of share capital in issue comprising Ordinary Shares, 5% Cumulative Preference Shares and 7% 'A' Cumulative Preference Shares. The dividends paid and proposed in respect of these classes of share capital are as follows:

	2008 €m	2007 €m
Dividends to shareholders		
Preference		
5% Cumulative Preference Shares €3,175 (2007: €3,175)	—	—
7% "A' Cumulative Preference Shares €77,521 (2007: €77,521)	—	—
Equity		
Final – paid 48.00c per Ordinary Share in May 2008 (38.50c paid in May 2007)	**260**	209
Interim – paid 20.50c per Ordinary Share (2007: 20.00c)	109	109
Total	**369**	318
Dividends proposed (memorandum disclosure)		
Equity		
Final 2008 – proposed 48.50c per Ordinary Share (2007: 48.00c)	**258**	260
Reconciliation to Cash Flow Statement		
Dividends to shareholders	**369**	318
Less: issue of shares in lieu of dividend [(i)]	**(22)**	(68)
Dividends paid to equity holders of the Company	**347**	250
Dividends paid by subsidiaries to minority interests (note 32)	**5**	5
Total dividends paid	**352**	255

(i) In accordance with the scrip dividend scheme, shares to the value of €22 million (2007: €68 million) were issued in lieu of dividends.

12. Earnings per Ordinary Share

	2008 €m	2007 €m
The computation of basic and diluted earnings per Ordinary Share is set out below:		
Numerator computations – basic and diluted earnings per Ordinary Share		
Group profit for the financial year	**1,262**	1,438
Profit attributable to minority interest	**(14)**	(8)
Profit attributable to equity holders of the Company	**1,248**	1,430
Preference dividends	**—**	—
Profit attributable to ordinary equity holders of the Company	**1,248**	1,430
Amortisation of intangible assets	**43**	35
Profit attributable to ordinary equity holders of the Company excluding amortisation of intangible assets	**1,291**	1,465
Depreciation charge (including asset impairments)	**781**	739
Numerator for "cash" earnings per Ordinary Share [(i)]	**2,072**	2,204
Denominator computations		
Denominator for basic earnings per Ordinary Share		
Weighted average number of Ordinary Shares (millions) outstanding for the year [(ii)]	**535.5**	544.3
Effect of dilutive potential Ordinary Shares (employee share options) (millions) (ii) and (iii)	**3.0**	4.8
Denominator for diluted earnings per Ordinary Share	**538.5**	549.1
Basic earnings per Ordinary Share		
– including amortisation of intangible assets	**233.1c**	262.7c
– excluding amortisation of intangible assets	**241.1c**	269.2c
Diluted earnings per Ordinary Share		
– including amortisation of intangible assets	**231.8c**	260.4c
– excluding amortisation of intangible assets	**239.7c**	266.8c
"Cash" earnings per Ordinary Share [(i)]	**386.9c**	404.9c

(i) "Cash" earnings per Ordinary Share, which is computed through adding amortisation of intangible assets, depreciation and asset impairments to profit attributable to ordinary equity holders of the Company, is presented here for information as management believes it is a useful indicator of the Group's ability to generate cash from operations. Cash earnings per share is not a recognised measure under generally accepted accounting principles.

(ii) Basic and diluted earnings per Ordinary Shares: The weighted average number of Ordinary Shares included in the computation of basic and diluted earnings per Ordinary Shares has been adjusted to exclude shares awarded under the Performance Share Plan and Ordinary Shares repurchased and held by the Company (CRH plc) as Treasury Shares given that these shares do not rank for dividend. The number of Ordinary Shares so held at the balance sheet date is detailed in Note 31.

(iii) The issue of certain Ordinary Shares in respect of employee share options is contingent upon the satisfaction of specified performance conditions in addition to the passage of time. In accordance with IAS 33 Earnings per Share, these contingently issuable Ordinary Shares (totalling 9,906,290 at 31 December 2008 and 14,652,429 at 31 December 2007) are excluded from the computation of diluted earnings per Ordinary Share where the conditions governing exercisability have not been satisfied as at the end of the reporting period. Although vesting of shares awarded under the Performance Share Plan is also contingent upon satisfaction of specified performance conditions and such shares would therefore fulfil the definition of "contingently issuable" under IAS 33, the related shares have already been excluded from the computation of diluted earnings per ordinary share as discussed above.

13. Property, Plant and Equipment

	Land and buildings	Plant and machinery	Transport	Assets in course of construction	Total
	€m	€m	€m	€m	€m
At 31 December 2008					
Cost/deemed cost	**5,434**	**6,952**	**847**	**620**	**13,853**
Accumulated depreciation (and impairment charges)	**(1,113)**	**(3,385)**	**(467)**	**—**	**(4,965)**
Net carrying amount	**4,321**	**3,567**	**380**	**620**	**8,888**
At 1 January 2008, net of accumulated depreciation	**4,030**	**3,416**	**378**	**402**	**8,226**
Translation adjustment	**61**	**8**	**13**	**(26)**	**56**
Reclassifications of assets in course of construction	**58**	**128**	**(4)**	**(182)**	—
Additions at cost	**141**	**413**	**71**	**414**	**1,039**
Arising on acquisition (note 34)	**218**	**179**	**20**	**12**	**429**
Disposals at net carrying amount	**(41)**	**(33)**	**(7)**	—	**(81)**
Depreciation charge for year	**(140)**	**(536)**	**(91)**	—	**(767)**
Impairment charge for year	**(6)**	**(8)**	—	—	**(14)**
At 31 December 2008, net of accumulated depreciation (and impairment charges)	**4,321**	**3,567**	**380**	**620**	**8,888**
The equivalent disclosure for the prior year is as follows:					
At 31 December 2007					
Cost/deemed cost	4,963	6,303	731	402	12,399
Accumulated depreciation	(933)	(2,887)	(353)	—	(4,173)
Net carrying amount	4,030	3,416	378	402	8,226
At 1 January 2007, net of accumulated depreciation	3,857	3,010	311	302	7,480
Translation adjustment	(233)	(193)	(24)	(18)	(468)
Reclassifications of assets in course of construction	19	177	9	(205)	—
Additions at cost	148	473	91	316	1,028
Arising on acquisition (note 34)	423	486	83	7	999
Disposals at net carrying amount	(38)	(29)	(7)	—	(74)
Depreciation charge for year	(146)	(508)	(85)	—	(739)
At 31 December 2007, net of accumulated depreciation	4,030	3,416	378	402	8,226
As at 1 January 2007					
Cost/deemed cost	4,689	5,675	656	302	11,322
Accumulated depreciation	(832)	(2,665)	(345)	—	(3,842)
Net carrying amount	3,857	3,010	311	302	7,480

The carrying value of mineral-bearing land included in the land and buildings category above amounted to €1,780 million at the balance sheet date (2007: €1,690 million).

Borrowing costs capitalised during the financial year amounted to €13 million (2007: €3 million). The average capitalisation rate employed was 5.5 per cent. (2007: 5.5 per cent.).

Revaluation of land and buildings

Land and buildings purchased since 31 December 1980 are reflected at cost. Land and buildings (excluding buildings of a specialised nature) purchased prior to 31 December 1980 were revalued by professional valuers at that date on an existing use basis; this revaluation was carried forward as deemed cost under the transitional provisions of IFRS 1 First-time Adoption of International Financial Reporting Standards. Other than the aforementioned revaluation, all items of property, plant and equipment are recorded at cost.

The original historical cost of revalued assets cannot be obtained without unreasonable expense. The analysis of land and buildings assets held at deemed cost and at cost is as follows:

	2008 €m	2007 €m
At deemed cost as at 31 December 1980	**55**	55
At cost post 31 December 1980	**5,379**	4,908
Total	**5,434**	4,963

Assets held under finance leases

The net carrying amount and the depreciation charge during the period in respect of assets held under finance leases, and capitalised in property, plant and equipment, are as follows:

	2008 €m	2007 €m
Cost	**91**	101
Accumulated depreciation	**(43)**	(38)
Net carrying amount	**48**	63
Depreciation charge for year	**8**	11

Future purchase commitments for property, plant and equipment

Contracted for but not provided in the financial statements	**433**	612
Authorised by the Directors but not contracted for	**133**	466

14. Intangible Assets

	Goodwill	Other intangible assets			Total
		Marketing-related	Customer-related(i)	Contract-based	
	€m	€m	€m	€m	€m
At 31 December 2008					
Cost	**3,934**	**36**	**278**	**22**	**4,270**
Accumulated impairment charges and amortisation	**(50)**	**(14)**	**(93)**	**(5)**	**(162)**
Net carrying amount	**3,884**	**22**	**185**	**17**	**4,108**
At 1 January 2008, net of accumulated impairment charges and amortisation	**3,482**	**18**	**175**	**17**	**3,692**
Translation adjustment	**37**	**—**	**4**	**1**	**42**
Arising on acquisition (note 34)	**366**	**9**	**42**	**1**	**418**
Disposals	**(1)**	**—**	**—**	**—**	**(1)**
Amortisation charge for year (ii)	**—**	**(5)**	**(36)**	**(2)**	**(43)**
At 31 December 2008, net of accumulated impairment charges and amortisation	**3,884**	**22**	**185**	**17**	**4,108**
The equivalent disclosure for the prior year is as follows:					
At 31 December 2007					
Cost	3,532	27	230	21	3,810
Accumulated impairment losses and amortisation	(50)	(9)	(55)	(4)	(118)
Net carrying amount	3,482	18	175	17	3,692
At 1 January 2007, net of accumulated impairment charges and amortisation	2,841	17	97	11	2,966
Translation adjustment	(166)	(1)	(10)	(1)	(178)
Arising on acquisition (note 34)	807	6	117	9	939
Amortisation charge for year (ii)	—	(4)	(29)	(2)	(35)
At 31 December 2007, net of accumulated impairment charges and amortisation	3,482	18	175	17	3,692
At 1 January 2007					
Cost	2,891	23	126	12	3,052
Accumulated impairment losses and amortisation	(50)	(6)	(29)	(1)	(86)
Net carrying amount	2,841	17	97	11	2,966

(i) The customer-related intangible assets relate predominantly to non-contractual customer relationships.

(ii) Goodwill is not subject to amortisation under IFRS. The useful lives of all other intangible assets are finite and, in general, range from one to ten years dependent on the nature of the asset.

Due to the asset-intensive nature of operations in the Materials business segments (and the fact that goodwill arising on transactions in this segment is typically relatively small), no significant intangible assets are recognised on business combinations in these segments. Business combinations in the Group's Products and Distribution segments, wherein the majority of goodwill arises, do not exhibit the same level of asset intensity and intangible assets are recognised, where appropriate, on such combination activity.

Goodwill

The goodwill balances disclosed above include goodwill arising on the acquisition of joint ventures which are accounted for on the basis of proportionate consolidation. Goodwill arising in respect of investments in associates is included in investments in associates in the Group Balance Sheet (see note 15).

The net book value of goodwill capitalised under previous GAAP (Irish GAAP) as at the transition date to IFRS (1 January 2004) has been treated as deemed cost. Goodwill arising on acquisition since that date is capitalised at cost.

Impairment testing

Goodwill is subject to impairment testing on an annual basis.

No impairment losses were recognised by the Group in 2008 (2007: nil).

Cash-generating units

Goodwill acquired through business combination activity has been allocated to cash-generating units for the purposes of impairment testing based on the business segment into which the business combination will be assimilated. The cash-generating units represent the lowest level within the Group at which the associated goodwill is monitored for internal management purposes and are not larger than the primary and secondary segments determined in accordance with IAS 14 Segment Reporting. A total of 27 (2007: 24) cash-generating units have been identified and these are analysed below between the six business segments in the Group; with the exception of the two Materials segments, which are analysed on a regional basis, the analysis is by product group. All businesses within the various cash-generating units exhibiting similar and/or consistent profit margin and asset intensity characteristics.

	Cash-generating units		Goodwill	
	2008	2007	2008	2007
			€m	€m
Europe Materials	**10**	7	**747**	627
Europe Products	**4**	5	**708**	636
Europe Distribution	**1**	1	**558**	492
Americas Materials	**6**	5	**992**	906
Americas Products	**5**	5	**603**	564
Americas Distribution	**1**	1	**276**	257
Total cash-generating units	**27**	24	**3,884**	3,482

Impairment testing methodology and results

The recoverable amount of each of the 27 cash-generating units is determined based on a value-in-use computation. The cash flow forecasts employed for the value-in-use computation are extracted from a five-year strategic plan document formally approved by senior management and the Board of Directors and specifically exclude incremental profits and other cash flows stemming from future acquisition activity (the "base case" scenario). The five-year cash flows obtained from this document are projected forward for an additional five years using the lower of historical compound annual growth and anticipated inflation as the relevant growth factor. A 20-year annuity-based terminal value is calculated using the average of the last five years' cash flows adjusted to take account of cumulative inflation to year 10 (being the end of the projection period); the terminal value computation assumes zero growth in real cash flows beyond the evaluation period. The recoverable amount (i.e. value-in-use) stemming from this exercise represents the present value of the future cash flows, including the terminal value, discounted at a before-tax weighted average cost of capital appropriate to the cash-generating unit being assessed for impairment; the before-tax discount rates range from 8.1 per cent. to 13.4 per cent. (2007: 7.4 per cent. to 10.7 per cent.). The average before-tax discount rate is in line with the Group's estimated before-tax weighted average cost of capital as at the date of impairment testing.

Key assumptions factored into the cash flow forecasts include management's estimates of future profitability, replacement capital expenditure requirements, trade working capital investment needs and tax considerations inter alia. The duration of the discounted cash flow model and the discount rate applied to the cash flows are significant factors in determining the fair value of the cash-generating units and have been arrived at taking account of the Group's strong financial position, its established history of earnings and cash flow generation across business cycles, its proven ability to pursue and integrate value-enhancing acquisitions and the nature of the building materials industry where product obsolescence risk is very low.

Additional disclosures – significant goodwill amounts

The goodwill allocated to each of the 27 (2007: 24) cash-generating units accounts for between 10 per cent. and 20 per cent. of the total carrying amount of €3,884 million in two instances and less than 10 per cent. of the total

carrying amount in all other cases. The additional disclosures required under IAS 36 Impairment of Assets in relation to significant goodwill amounts arising in each of these two cash-generating units (Europe Distribution and APAC within the Americas Materials) are as follows:

	Europe Distribution		APAC	
	2008	2007	2008	2007
Carrying amount of goodwill allocated to the cash-generating unit	**€ 492m**	€ 342m	**€ 412m**	€ 332m
Carrying amount of indefinite-lived intangible assets allocated to the cash-generating unit	**Nil**	Nil	**Nil**	Nil
Basis on which the recoverable amount of the cash-generating unit has been assessed	**Value-in-use**	Value-in-use	**Value-in-use**	Value-in-use
Discount rate applied to the cash flow projections (real before-tax)	**10.2%**	9.3%	**8.7%**	8.1%
Excess of value-in-use over carrying amount	**€ 938m**	€ 593m	**€ 192m**	€ 112m

The key assumptions used for the value-in-use computations for these cash-generating units were in line with those addressed above. The values applied to each of the key assumptions were derived from a combination of internal and external factors based on historical experience and took into account the stability of cash flows typically associated with these businesses.

The cash flows for the two cash-generating units were projected in line with the methodology disclosed above with the cash flows arising after the five-year period in the strategic plan document being projected forward for an additional five years using inflation as the relevant growth factor (with inflation being less than the compound annual growth rate).

Given the magnitude of the excess of value-in-use over carrying amount in both instances, and the reasonableness of the key assumptions employed, no further disclosures relating to sensitivity of the value-in-use computations for these CGUs were considered to be warranted.

Key sources of estimation uncertainty

Expected future cash flows are inherently uncertain and are therefore liable to material change over time. The key assumptions employed in arriving at the estimates of future cash flows factored into impairment testing are discussed above; chief amongst these items are projected EBITDA (i.e. operating profit before depreciation and amortisation of intangible assets) margins, net cash flows, profit before tax and the discount rates used.

Sensitivity analysis has been conducted on the "base case" estimates of the aforementioned items in respect of three of the 27 CGUs falling for testing; these three CGUs had aggregate goodwill of €240 million at the date of testing.

The following table identifies the amounts by which each of these assumptions may either decline or increase to arrive at a zero excess of the present value of future cash flows over the book value of net assets in the three CGUs selected for sensitivity analysis testing; each of these changes is assumed to take effect over the 30-year life of the associated cash flows (including the 20-year annuity-based terminal value referred to above):

Reduction in EBITDA margin	0.8 to 1.5 percentage points
Reduction in profit before tax	11.7% to 19.3%
Reduction in net cash flow	10.4% to 13.4%
Increase in before-tax discount rate	1.4 to 1.6 percentage points

15. Financial Assets

	Investments accounted for using the equity method (i.e. associates)				
	Share of net assets	Goodwill	Loans	Total	Other[(i)]
	€m	€m	€m	€m	€m
At 1 January 2008	**465**	**105**	**4**	**574**	**78**
Translation adjustment	**2**	**1**	**—**	**3**	**5**
Arising on acquisition (note 34)	**1**	**—**	**—**	**1**	**2**
Investments and advances	**54**	**102**	**—**	**156**	**50**
Disposals	**(8)**	**—**	**(1)**	**(9)**	**(8)**
Retained profit less dividends paid	**18**	**—**	**—**	**18**	**—**
At 31 December 2008	**532**	**208**	**3**	**743**	**127**
The equivalent disclosure for the prior year is as follows:					
At 1 January 2007	444	107	3	554	97
Translation adjustment	(1)	(2)	—	(3)	(1)
Arising on acquisition (note 34)	(3)	—	1	(2)	(42)
Investments and advances	—	—	—	—	40
Disposals	(9)	—	—	(9)	(16)
Retained profit less dividends paid	34	—	—	34	—
At 31 December 2007	465	105	4	574	78

The investment in associates (including goodwill and loans payable) is analysed as follows:

	2008 €m	2007 €m
Non-current assets	**792**	617
Current assets	**469**	378
Non-current liabilities	**(248)**	(225)
Current liabilities	**(270)**	(196)
Net assets	**743**	574

The segmental analysis of the carrying value of the Group's investment in associates is as follows:

Europe Materials	**499**	491
Europe Products	**8**	12
Europe Distribution	**226**	61
Americas Products	**1**	1
Americas Materials	**9**	9
	743	574

The Group holds a 21.66 per cent. stake (2007: 21.66 per cent.) in Groupe SAMSE, a publicly-quoted distributor of building materials to the merchanting sector in France which is accounted for as an associate investment above. The fair value of this investment as at the balance sheet date amounted to €40 million (2007: €70 million).

A listing of the principal associates is contained elsewhere herein.

(i) Other financial assets comprise trade investments carried at historical cost together with quoted investments at fair value and loans extended by the Group to joint ventures (which are treated as loans and receivables under IAS 39 Financial Instruments: Recognition and Measurement and are included within financial assets at amortised cost). The balance as at 31 December 2008 comprises €15 million in respect of trade and quoted investments and €112 million in respect of loans to joint ventures (2007: €15 million and €63 million respectively).

16. Disposal of Non-current Assets

	2008 €m	2007 €m
Non-current assets disposed of at net carrying amount:		
– property, plant and equipment (note 13)	**81**	74
– intangible assets (note 14)	**1**	—
– financial assets (note 15)	**17**	25
Total	**99**	99
Profit on disposal of non-current assets	**69**	57
Proceeds from disposal of non-current assets – Group Cash Flow Statement	**168**	156

17. Inventories

	2008 €m	2007 €m
Raw materials	**749**	617
Work-in-progress [(i)]	**110**	116
Finished goods	**1,614**	1,493
Total inventories at the lower of cost and net realisable value	**2,473**	2,226

(i) Work-in-progress includes €nil million (2007: €15 million) in respect of the cumulative costs incurred, net of amounts transferred to cost of sales under percentage-of-completion accounting, for construction contracts in progress at the balance sheet date.

Write-downs of inventories recognised as an expense within cost of sales amounted to €17 million in the 2008 financial year (2007: €20 million).

None of the above carrying amounts has been pledged as security for liabilities entered into by the Group.

18. Trade and Other Receivables

	2008 €m	2007 €m
All current		
Trade receivables	**1,939**	2,166
Amounts receivable in respect of construction contracts [(i)]	**458**	480
Total trade receivables, net	**2,397**	2,646
Other receivables [(ii)]	**486**	386
Amounts receivable from associates	—	1
Prepayments and accrued income	**213**	166
Total	**3,096**	3,199

(i) Unbilled revenue at the balance sheet date in respect of construction contracts amounted to €119 million (2007: €131 million).

(ii) Retentions held by customers in respect of construction contracts at the balance sheet date amounted to €94 million (2007: €97 million).

Trade receivables and amounts receivable in respect of construction contract activity are in general receivable within 90 days of the balance sheet date. The figures disclosed above are stated net of provisions for impairment. The movements in the provision for impairment of receivables during the financial year were as follows:

	€m	€m
At 1 January	**158**	129
Translation adjustment	**1**	(6)
Arising on acquisition	**3**	30
Provided during year	**60**	45
Written-off during year	**(51)**	(32)
Recovered during year	**(10)**	(8)
At 31 December	**161**	158

The aged analysis of gross trade receivables and amounts receivable in respect of construction contracts at the balance sheet date was as follows:

	2008 €m	2007 €m
Neither past due nor impaired	**2,148**	2,350
Past due but not impaired:		
Less than 60 days	**71**	80
60 days or greater but less than 120 days	**65**	70
Greater than 120 days	**40**	45
Past due and impaired (partial or full provision)	**234**	259
Total	**2,558**	2,804

A general discussion of the terms and conditions applicable to related party receivables is provided in note 35 to the financial statements.

19. Trade and Other Payables

	2008 €m	2007 €m
Current		
Trade payables	**1,440**	1,475
Irish employment-related taxes	**3**	5
Other employment-related taxes	**78**	70
Value added tax	**92**	93
Deferred and contingent acquisition consideration	**44**	49
Other payables[(i)]	**495**	441
Accruals and deferred income	**731**	801
Amounts payable to associates	**36**	22
Subtotal – current	**2,919**	2,956
Non-current		
Other payables	**36**	33
Deferred and contingent acquisition consideration (stated at net present cost) due as follows:		
– between one and two years	**33**	42
– between two and five years	**36**	36
– after five years	**32**	30
Subtotal – non-current	**137**	141
Total	**3,056**	3,097

[(i)] Billings in excess of costs incurred together with advances received from customers in respect of work to be performed under construction contracts and foreseeable losses thereon amounted to €190 million at the balance sheet date (2007: €216 million).

20. Movement in Working Capital

	Inventories	Trade and other receivables	Trade and other payables	Total
	€m	€m	€m	€m
At 1 January 2008	**2,226**	**3,199**	**(3,097)**	**2,328**
Translation adjustment	**8**	**26**	**(15)**	**19**
Arising on acquisition (note 34)	**66**	**126**	**(89)**	**103**
Deferred and contingent acquisition consideration:				
– arising on acquisitions during the year (note 34)	—	—	**(12)**	**(12)**
– paid during the year	—	—	**34**	**34**
Interest accruals	—	**(4)**	**(12)**	**(16)**
Increase/(decrease) in working capital	**173**	**(251)**	**135**	**57**
At 31 December 2008	**2,473**	**3,096**	**(3,056)**	**2,513**
The equivalent disclosure for the prior year is as follows:				
At 1 January 2007	2,036	3,172	(2,948)	2,260
Translation adjustment	(110)	(149)	160	(99)
Arising on acquisition (note 34)	263	411	(313)	361
Deferred and contingent acquisition consideration:				
– arising on acquisitions during the year (note 34)	—	—	(31)	(31)
– paid during the year	—	—	107	107
Interest accruals	—	(1)	(8)	(9)
Increase/(decrease) in working capital	37	(234)	(64)	(261)
At 31 December 2007	2,226	3,199	(3,097)	2,328

21. Capital and Financial Risk Management

Capital management

Overall summary

The primary objectives of CRH's capital management strategy are to ensure that the Group maintains a strong credit rating to support its business and to create shareholder value by managing the debt and equity balance and the cost of capital.

The Board periodically reviews the capital structure of the Group, including the cost of capital and the risks associated with each class of capital. The Group manages and, if necessary, adjusts its capital structure taking account of underlying economic conditions; any material adjustments to the Group's capital structure in terms of the relative proportions of debt and equity are approved by the Board. In order to maintain or adjust the capital structure, the Group may issue new shares, dispose of assets, amend investment plans, alter dividend policy or return capital to shareholders. The Group is committed to optimising the use of its balance sheet within the confines of the overall objective to maintain an investment grade credit rating. During the course of 2006, a decision was taken to implement a phased reduction in dividend cover with the objective of achieving dividend cover of 3.5 times for the 2008 financial year; dividend cover for the year ended 31 December 2008 amounted to 3.4 times (2007: 3.9 times). In addition, as part of the Board's capital management strategy, a share buyback programme was initiated in January 2008; details of the number of shares re-purchased on foot of this programme together with subsequent re-issues are provided in note 31. This programme was terminated in November 2008.

The capital structure of the Group, which comprises net debt and capital and reserves attributable to the Company's equity holders, may be summarised as follows:

	2008 €m	2007 €m
Capital and reserves attributable to the Company's equity holders	**8,087**	7,954
Net debt (note 25)	**6,091**	5,163
Capital and net debt	**14,178**	13,117

Financial risk management objectives and policies

The Group uses financial instruments throughout its businesses: interest-bearing loans and borrowings, cash and cash equivalents, short-dated liquid investments and finance leases are used to finance the Group's operations; trade receivables and trade payables arise directly from operations; and derivatives, principally interest rate and currency swaps and forward foreign exchange contracts, are used to manage interest rate risks and currency exposures and to achieve the desired profile of borrowings. The Group does not trade in financial instruments nor does it enter into any leveraged derivative transactions.

The Group's corporate treasury function provides services to the business units, co-ordinates access to domestic and international financial markets, and monitors and manages the financial risks relating to the operations of the group. The Group Treasurer reports to the Finance Director and the activities of Group Treasury are subject to regular internal audit. Systems are in place to monitor and control the Group's liquidity risks. The Group's net debt position forms part of the monthly documentation presented to the Board of Directors.

The main risks attaching to the Group's financial instruments are interest rate risk, foreign currency risk, credit risk and liquidity risk. Commodity price risk is of minimal relevance given that exposure is confined to a small number of contracts entered into for the purpose of hedging future movements in energy costs. The Board reviews and agrees policies for the prudent management of each of these risks as documented below.

Interest rate risk

The Group's exposure to market risk for changes in interest rates stems predominantly from its long-term debt obligations. Interest cost is managed by the Group's corporate treasury function using a mix of fixed and floating rate debt; in recent years, the Group's target has been to fix interest rates on approximately 50% of net debt as at the period-end. With the objective of managing this mix in a cost-efficient manner, the Group enters into interest rate swaps, under which the Group contracts to exchange, at predetermined intervals, the difference between fixed and variable interest amounts calculated by reference to a pre-agreed notional principal. Such contracts enable the Group to mitigate the risk of changing interest rates on the fair value of issued fixed rate debt and the cash flow exposures of issued floating rate debt.

The majority of these swaps are designated under IAS 39 to hedge underlying debt obligations and qualify for hedge accounting; undesignated financial instruments are termed "not designated as hedges" in the analysis of derivative financial instruments presented in note 24 below. The following table demonstrates the impact on profit before tax of a range of possible changes in the interest rates applicable to net floating rate borrowings, with all other variables held constant:

Percentage change in cost of borrowing		+/- 1%	+/- 0.5%
Impact on profit before tax	**2008**	**-/+ €32m**	**-/+ €16m**
	2007	-/+ €28m	-/+ €14m

Foreign currency risk

Due to the nature of building materials, which in general exhibit a low value-to-weight ratio, CRH's activities are conducted primarily in the local currency of the country of operation resulting in low levels of foreign currency transaction risk; variances arising in this regard are reflected in operating costs or cost of sales in the Group Income Statement in the period in which they arise and are shown in note 4 above.

Given the Group's presence in 35 countries worldwide, the principal foreign exchange risk arises from fluctuations in the euro value of the Group's net investment in a wide basket of currencies other than the euro; such changes are reported separately within the Statement of Recognised Income and Expense. A currency profile of the Group's net debt and net worth is presented in note 25. The Group's established policy is to spread its net worth across the

currencies of its various operations with the objective of limiting its exposure to individual currencies and thus promoting consistency with the geographical balance of its operations. In order to achieve this objective, the Group manages its borrowings, where practicable and cost effective, partially to hedge its foreign currency assets. Hedging is done using currency borrowings in the same currency as the assets being hedged or through the use of other hedging methods such as currency swaps.

The following table demonstrates the sensitivity of profit before tax and equity to selected movements in the relevant € / US$ exchange rate (with all other variables held constant); the US Dollar has been selected as the appropriate currency for this analysis given the materiality of the Group's activities in the United States:

Percentage change in relevant €/US$ exchange rate		+/- 5%	+/- 2.5%
Impact on profit before tax	**2008**	**-/+ €29m**	**-/+€15m**
	2007	-/+ €37m	-/+ €19m
Impact on equity	**2008**	**-/+ €160m**	**-/+ 82m**
	2007	-/+ €164m	-/+ 84m

Credit risk

In addition to cash at bank and in hand, the Group holds significant cash balances which are invested on a short-term basis and are classified as either cash equivalents or liquid investments (see note 22). These deposits and other financial instruments (principally certain derivatives and loans and receivables included within financial assets) give rise to credit risk on amounts due from counterparties. Credit risk is managed by limiting the aggregate amount and duration of exposure to any one counterparty primarily depending on its credit rating and by regular review of these ratings. Acceptable credit ratings are high investment grade ratings – generally counterparties have ratings of A2/A from Moody's/Standard & Poor's ratings agencies. The maximum exposure arising in the event of default on the part of the counterparty is the carrying value of the relevant financial instrument.

Credit risk arising in the context of the Group's operations is not significant with the total bad debt provision at the balance sheet date amounting to circa 6.3 per cent. of gross trade receivables (2007: 5.6 per cent.). Customers who wish to trade on credit terms are subject to strict verification procedures prior to credit being advanced and are subject to continued monitoring at operating company level; receivables balances are in general unsecured and non-interest-bearing. The trade receivables balances disclosed in note 18 comprise a large number of customers spread across the Group's activities and geographies with balances classified as neither past due nor impaired representing 84 per cent. of the total receivables balance at the balance sheet date (2007: 84 per cent.); amounts receivable from related parties (notes 18 and 35) are immaterial. Factoring and credit guarantee arrangements are employed in certain of the Group's operations where deemed relevant by operational management.

Liquidity risk

The principal liquidity risks faced by the Group stem from the maturation of debt obligations and derivative transactions. The Group's corporate treasury function ensures that sufficient resources are available to meet such liabilities as they fall due through a combination of liquid investments, cash and cash equivalents, cash flows and undrawn committed bank facilities. Flexibility in funding sources is achieved through a variety of means including (i) maintaining cash and cash equivalents and liquid resources only with a diversity of highly-rated counterparties; (ii) limiting the maturity of such balances; (iii) borrowing the bulk of the Group's debt requirements under committed bank lines or other term financing; and (iv) having surplus committed lines of credit.

The undrawn committed facilities available to the Group as at the balance sheet date are quantified in note 23; these facilities span a wide number of highly-rated financial institutions thus minimising any potential exposure arising from concentrations in borrowing sources. The repayment schedule (analysed by maturity date) applicable to the Group's outstanding interest-bearing loans and borrowings as at the balance sheet date is also presented in note 23.

The tables below show the projected contractual undiscounted total cash outflows (principal and interest) arising from the Group's gross debt, trade and other payables and derivative financial instruments. The tables also include the gross cash inflows projected to arise from derivative financial instruments. These projections are based on the interest and foreign exchange rates applying at the end of the relevant financial year.

31 December 2008

	Within 1 year	Between 1 and 2 years	Between 2 and 3 years	Between 3 and 4 years	Between 4 and 5 years	After 5 Years	Total
	€m	€m	€m	€m	€m	€m	€m
Financial liabilities – cash outflows							
Trade and other payables	2,919	72	14	14	15	41	3,075
Finance leases	6	4	2	1	1	5	19
Interest-bearing loans and borrowings	1,016	1,303	783	1,043	571	2,129	6,845
Interest payments on finance leases	1	1	1	—	—	2	5
Interest payments on interest-bearing loans and borrowings	377	323	268	195	169	649	1,981
Cross-currency swaps – gross cash outflows	1,394	42	42	41	428	351	2,298
Other derivative financial instruments	14	4	2	1	—	—	21
Gross projected cash outflows	5,727	1,749	1,112	1,295	1,184	3,177	14,244
Derivative financial instruments – cash inflows							
Interest rate swaps – net cash inflows	(60)	(60)	(57)	(37)	(30)	(108)	(352)
Cross-currency swaps – gross cash inflows	(1,342)	(34)	(34)	(33)	(438)	(291)	(2,172)
Other derivative financial instruments	(3)	—	(1)	—	—	—	(4)
Gross cash inflows	(1,405)	(94)	(92)	(70)	(468)	(399)	(2,528)

31 December 2007

	Within 1 year	Between 1 and 2 years	Between 2 and 3 years	Between 3 and 4 years	Between 4 and 5 years	After 5 Years	Total
	€m	€m	€m	€m	€m	€m	€m
Financial liabilities – cash outflows							
Trade and other payables	2,956	78	14	14	15	39	3,116
Finance leases	14	5	4	1	1	5	30
Interest-bearing loans and borrowings	556	2,230	243	706	837	1,773	6,345
Interest payments on finance leases	2	1	1	1	—	1	6
Interest payments on interest-bearing loans and borrowings	350	282	217	189	124	512	1,674
Interest rate swaps – net cash outflows	3	3	3	3	2	3	17
Cross-currency swaps – gross cash outflows	1,135	370	18	18	18	405	1,964
Other derivative financial instruments	3	—	—	—	—	—	3
Gross projected cash outflows	5,019	2,969	500	932	997	2,738	13,155
Derivative financial instruments – cash inflows							
Interest rate swaps – net cash inflows	(13)	(12)	(11)	(11)	(6)	(14)	(67)
Cross-currency swaps – gross cash inflows	(1,070)	(330)	(20)	(20)	(21)	(397)	(1,858)
Other derivative financial instruments	(7)	(2)	—	—	—	—	(9)
Gross cash inflows	(1,090)	(344)	(31)	(31)	(27)	(411)	(1,934)

Commodity price risk

The Group's exposure to price risk in this regard is minimal with the fair value of derivatives used to hedge future energy costs being €19 million unfavourable as at the balance sheet date (2007: €7 million favourable).

22. Liquid Investments and Cash and Cash Equivalents

Liquid investments

Liquid investments comprise short-term deposits and current asset investments which are held as readily disposable stores of value and include investments in government gilts and commercial paper and deposits of less than one year in duration. The maturity of these investments falls outside the three months timeframe for classification as cash and cash equivalents under IAS 7 Cash Flow Statements, and accordingly, the related balances have been separately reported in the Group Balance Sheet and have been categorised as either "held-for-trading" or "loans and receivables" in accordance with IAS 39 Financial Instruments: Recognition and Measurement in the table below. The credit risk attaching to these items is documented in note 21.

	2008	2007
	€m	€m
Held-for-trading (fair value through profit or loss)	**127**	316
Loans and receivables	**1**	2
Total	**128**	318

Cash and cash equivalents

In accordance with IAS 7, cash and cash equivalents comprise cash balances held for the purposes of meeting short-term cash commitments and investments which are readily convertible to a known amount of cash and are subject to an insignificant risk of change in value. Where investments are categorised as cash equivalents, the related balances have a maturity of three months or less from the date of investment. Bank overdrafts are included within current interest-bearing loans and borrowings in the Group Balance Sheet.

Cash and cash equivalents are reported at fair value and are analysed as follows:

	2008	2007
	€m	€m
Cash at bank and in hand	**483**	592
Investments (short-term deposits)	**316**	414
Included in Group Balance Sheet and Group Cash Flow Statement	**799**	1,006

Cash at bank earns interest at floating rates based on daily deposit bank rates. Short-term deposits are made for varying periods of between one day and three months depending on the immediate cash requirements of the Group, and earn interest at the respective short-term deposit rates.

Liquid investments and cash and cash equivalents balances are spread across a wide number of highly-rated financial institutions with no material concentrations in credit or liquidity risk.

23. Interest-bearing Loans and Borrowings

	2008 €m	2007 €m
Bank loans and overdrafts:		
– unsecured	**2,250**	2,487
– secured *	**28**	63
Other term loans:		
– unsecured	**4,754**	3,664
– secured *	**22**	42
Group share of joint ventures' interest-bearing loans and borrowings (non-current and current)	**244**	242
Interest-bearing loans and borrowings (non-current and current)	**7,298**	6,498
Included in current liabilities in the Group Balance Sheet:		
– loans repayable within one year	**(872)**	(386)
– bank overdrafts	**(149)**	(184)
Current interest-bearing loans and borrowings	**(1,021)**	(570)
Non-current interest-bearing loans and borrowings	**6,277**	5,928

* *Secured on specific items of property, plant and equipment; these figures include finance leases*

Repayment schedule		
Within one year	**1,021**	570
Between one and two years	**1,309**	2,235
Between two and three years	**811**	247
Between three and four years	**1,148**	721
Between four and five years	**631**	892
After five years	**2,378**	1,833
	7,298	6,498
Categorisation by manner of repayment		
Loans fully repayable within five years:		
– not by instalments	**4,747**	4,432
– by instalments	**145**	191
Subtotal	**4,892**	4,623
Loans fully repayable in more than five years:		
– not by instalments	**2,364**	1,797
– by instalments**	**42**	78
Subtotal	**2,406**	1,875
Interest-bearing loans and borrowings (non-current and current)	**7,298**	6,498

** €14 million (2007: €36 million) falls due for repayment after five years

Borrowing facilities

The Group manages its borrowing ability by entering into committed borrowing agreements. Revolving committed bank facilities are generally available to the Group for periods of up to five years from the date of inception. The

undrawn committed facilities available as at 31 December 2008 and 31 December 2007, in respect of which all conditions precedent had been met, mature as follows:

	2008	2007
	€m	€m
Within one year	**589**	195
Between one and two years	**519**	1,282
Between two and three years	**160**	51
Between three and four years	**196**	—
Between four and five years	**53**	71
After five years	**49**	—
	1,566	1,599

Included in the figures above is an amount of €304 million in respect of the Group's share of facilities available to joint ventures (2007: €248 million).

Guarantees

The Company has given letters of guarantee to secure obligations of subsidiary undertakings as follows: €7,051 million in respect of loans, bank advances, derivative obligations and future lease obligations (2007: €6,205 million), €7 million in respect of deferred and contingent acquisition consideration (2007: €6 million), €419 million in respect of letters of credit (2007: €284 million) and €43 million in respect of other obligations (2007: €50 million).

Pursuant to the provisions of Section 17, Companies (Amendment) Act, 1986, the Company has guaranteed the liabilities of its wholly-owned subsidiary undertakings and of Concrete Building Systems Limited and the Oldcastle Finance Company general partnership in the Republic of Ireland for the financial year ended 31 December 2008 and, as a result, such subsidiary undertakings and the general partnership have been exempted from the filing provisions of Section 7, Companies (Amendment) Act, 1986 and Regulation 20 of the European Communities (Accounts Regulations), 1993 respectively.

The Company has not guaranteed any debt or other obligations of joint ventures or associates.

Lender covenants

The Group's major bank facilities and debt issued pursuant to Note Purchase Agreements in private placements require the Group to maintain its consolidated EBITDA/net interest cover (excluding share of joint ventures) at no lower than 4.5 times for twelve-month periods ending 30 June and 31 December. Non-compliance with financial covenants would give the relevant lenders the right to terminate facilities and demand early repayment of any sums thereunder thus altering the maturity profile of the Group's debt and the Group's liquidity.

24. Derivative Financial Instruments

The fair values of derivative financial instruments are analysed by year of maturity and by accounting designation as follows:

31 December 2008	Total	Within 1 year	Between 1 and 2 years	Between 2 and 3 years	Between 3 and 4 years	Between 4 and 5 years	After 5 years
	€m	€m	€m	€m	€m	€m	€m
ASSETS							
Fair value hedges	**301**	**—**	**—**	**26**	**100**	**57**	**118**
Cash flow hedges	**2**	**2**	**—**	**—**	**—**	**—**	**—**
Net investment hedges	**7**	**7**	**—**	**—**	**—**	**—**	**—**
Not designated as hedges (held-for-trading)	**116**	**1**	**—**	**1**	**—**	**—**	**114**
	426	**10**	**—**	**27**	**100**	**57**	**232**
Analysed as:							
Non-current assets	**416**						
Current assets	**10**						
Total	**426**						
LIABILITIES							
Fair value hedges	**(40)**	**(26)**	**—**	**—**	**—**	**(14)**	**—**
Cash flow hedges	**(81)**	**(13)**	**(4)**	**(3)**	**(1)**	**—**	**(60)**
Net investment hedges	**(23)**	**(23)**	**—**	**—**	**—**	**—**	**—**
Not designated as hedges (held-for-trading)	**(2)**	**—**	**—**	**—**	**—**	**—**	**(2)**
	(146)	**(62)**	**(4)**	**(3)**	**(1)**	**(14)**	**(62)**
Analysed as:							
Non-current liabilities	**(84)**						
Current liabilities	**(62)**						
Total	**(146)**						
Net asset arising on derivative financial instruments	**280**						

The equivalent disclosure for the prior year is as follows:

31 December 2007	Total	Within 1 year	Between 1 and 2 years	Between 2 and 3 years	Between 3 and 4 years	Between 4 and 5 years	After 5 years
	€m	€m	€m	€m	€m	€m	€m
ASSETS							
Fair value hedges	122	—	—	—	14	54	54
Cash flow hedges	9	7	2	—	—	—	—
Not designated as hedges (held-for-trading)	2	2	—	—	—	—	—
	133	9	2	—	14	54	54
Analysed as:							
Non-current assets	124						
Current assets	9						
Total	133						
LIABILITIES							
Fair value hedges	(67)	(25)	(42)	—	—	—	—
Cash flow hedges	(1)	(1)	—	—	—	—	—
Net investment hedges	(50)	(40)	—	—	—	—	(10)
Not designated as hedges (held-for-trading)	(4)	(4)	—	—	—	—	—
	(122)	(70)	(42)	—	—	—	(10)
Analysed as:							
Non-current liabilities	(52)						
Current liabilities	(70)						
Total	(122)						
Net asset arising on derivative financial instruments	11						

Fair value hedges consist of interest rate swaps and currency swaps. These instruments hedge risks arising from changes in asset/liability fair values due to interest rate and foreign exchange rate movements. In accordance with *IAS 39 Financial Instruments: Recognition and Measurement*, fair value hedges and the related hedged items are marked-to-market at each reporting date with any movement in the fair values of the hedged item and the hedging instrument being reflected in the Group Income Statement.

Cash flow hedges consist of forward foreign exchange and commodity contracts and interest rate and currency swaps. These instruments hedge risks arising to future cash flows from movements in foreign exchange rates, commodity prices and interest rates. Cash flow hedges are expected to affect profit and loss over the period to maturities. To the extent that the hedging instrument satisfies effectiveness testing, any movements in the fair values of the hedged item and the hedging instrument are reflected in equity. Ineffectiveness is reflected in the Group Income Statement.

Net investment hedges comprise cross-currency swaps and hedge changes in the value of net investments due to currency movements.

The profit/(loss) arising on fair value, cash flow and net investment hedges reflected in the Group Income Statement is shown below:

	2008	2007
	€m	€m
Fair value hedges	**284**	91
Fair value of the hedged item	**(287)**	(92)
Net investment hedges – ineffectiveness	**2**	1

25. Analysis of Net Debt

Components of and reconciliation of opening to closing net debt

Net debt comprises cash and cash equivalents, liquid investments, derivative financial instrument assets and liabilities and current and non-current interest-bearing loans and borrowings.

	At 1 January	Cash flow	Acquisitions	Mark-to-market	Translation adjustment	At 31 December Book value	*At 31 December Fair value*[(i)]
	€m	€m	€m	€m	€m	€m	€m
31 December 2008							
Cash and cash equivalents (note 22)	**1,006**	**(262)**	**68**	**—**	**(13)**	**799**	***799***
Liquid investments (note 22)	**318**	**(175)**	**—**	**—**	**(15)**	**128**	***128***
Interest-bearing loans and borrowings (note 23)	**(6,498)**	**(358)**	**(55)**	**(287)**	**(100)**	**(7,298)**	***(6,324)***
Derivative financial instruments (net) (note 24)	**11**	**100**	**—**	**281**	**(112)**	**280**	***280***
Group net debt (including share of non-recourse debt in joint ventures)	**(5,163)**	**(695)**	**13**	**(6)**	**(240)**	**(6,091)**	***(5,117)***
Group net debt excluding proportionately consolidated joint ventures	**(4,999)**	**(678)**	**(19)**	**(6)**	**(236)**	**(5,938)**	***(4,964)***

The equivalent disclosure for the prior year is as follows:

	At 1 January	Cash flow	Acquisitions	Mark-to-market	Translation adjustment	At 31 December Book value	*At 31 December Fair value*[(i)]
	€m	€m	€m	€m	€m	€m	€m
31 December 2007							
Cash and cash equivalents (note 22)	1,102	(144)	83	—	(35)	1,006	*1,006*
Liquid investments (note 22)	370	(29)	—	—	(23)	318	*318*
Interest-bearing loans and borrowings (note 23)	(5,958)	(703)	(222)	(92)	477	(6,498)	*(6,363)*
Derivative financial instruments (net) (note 24)	(6)	113	—	86	(182)	11	*11*
Group net debt (including share of non-recourse debt in joint ventures)	(4,492)	(763)	(139)	(6)	237	(5,163)	*(5,028)*
Group net debt excluding proportionately consolidated joint ventures	(4,244)	(762)	(221)	(6)	234	(4,999)	*(4,864)*

(i) The fair values of cash and cash equivalents and floating rate loans and borrowings are based on their carrying amounts, which constitute a reasonable approximation of fair value. The carrying value of liquid investments is the market value of these investments with these values quoted on liquid markets. The carrying value of derivatives is fair value based on discounted future cash flows at current foreign exchange and interest rates. The fair value of fixed rate debt is calculated based on actual traded prices for publicly traded debt or discounted future cash flows reflecting market interest rate changes since issuance for other fixed rate debt.

Currency profile

The currency profile of the Group's net debt and net worth (capital and reserves attributable to the Company's equity holders) as at 31 December 2008 is as follows:

	euro	US Dollar	Pound Sterling	Swiss Franc	Other (ii)	Total
	€m	€m	€m	€m	€m	€m
Cash and cash equivalents – floating rate	**331**	**174**	**22**	**66**	**206**	**799**
Liquid investments – floating rate	**42**	**43**	**43**	**—**	**—**	**128**
Interest-bearing loans and borrowings – fixed rate	**(34)**	**(4,271)**	**(263)**	**(4)**	**(3)**	**(4,575)**
Interest-bearing loans and borrowings – floating rate	**(1,536)**	**(413)**	**(406)**	**(247)**	**(121)**	**(2,723)**
Net (debt)/cash by major currency excluding derivative financial instruments	**(1,197)**	**(4,467)**	**(604)**	**(185)**	**82**	**(6,371)**
Derivative financial instruments (including mark-to-market)	**(1,349)**	**1,543**	**542**	**(300)**	**(156)**	**280**
Net debt by major currency including derivative financial instruments	**(2,546)**	**(2,924)**	**(62)**	**(485)**	**(74)**	**(6,091)**
Non-debt assets and liabilities analysed as follows:						
Non-current assets	**4,662**	**6,512**	**470**	**790**	**1,765**	**14,199**
Current assets	**2,023**	**2,337**	**234**	**395**	**580**	**5,569**
Non-current liabilities	**(629)**	**(1,204)**	**(145)**	**(135)**	**(166)**	**(2,279)**
Current liabilities	**(1,200)**	**(1,365)**	**(181)**	**(196)**	**(299)**	**(3,241)**
Minority interest	**(27)**	**(6)**	**—**	**(8)**	**(29)**	**(70)**
Capital and reserves attributable to the Company's equity holders	**2,283**	**3,350**	**316**	**361**	**1,777**	**8,087**

The equivalent disclosure for the prior year is as follows:

	euro	US Dollar	Pound Sterling	Swiss Franc	Other (ii)	Total
	€m	€m	€m	€m	€m	€m
Cash and cash equivalents – floating rate	354	323	56	72	201	1,006
Liquid investments – floating rate	100	105	112	1	—	318
Interest-bearing loans and borrowings – fixed rate	(50)	(3,448)	(7)	(22)	(4)	(3,531)
Interest-bearing loans and borrowings – floating rate	(1,207)	(879)	(398)	(280)	(203)	(2,967)
Net debt by major currency excluding derivative financial instruments	(803)	(3,899)	(237)	(229)	(6)	(5,174)
Derivative financial instruments (including mark-to-market)	(1,152)	1,475	168	(208)	(272)	11
Net debt by major currency including derivative financial instruments	(1,955)	(2,424)	(69)	(437)	(278)	(5,163)
Non-debt assets and liabilities analysed as follows:						
Non-current assets	4,526	5,976	497	691	1,216	12,906
Current assets	2,102	2,247	312	346	418	5,425
Non-current liabilities	(432)	(1,037)	(136)	(96)	(106)	(1,807)
Current liabilities	(1,404)	(1,320)	(232)	(162)	(223)	(3,341)
Minority interest	(47)	(2)	—	(6)	(11)	(66)
Capital and reserves attributable to the Company's equity holders	2,790	3,440	372	336	1,016	7,954

(ii) The principal currencies included in this category are the Canadian Dollar, the Polish Zloty, the Argentine Peso, the Ukranian Hryvnya, the Israeli Shekel, the Turkish Lira, the Chinese Renminbi and the Indian Rupee.

Interest profile and analysis of gross debt and effective interest rates

31 December 2008

The fixed rate interest-bearing loans and borrowings including the impact of derivative financial instruments (interest rate and cross-currency swaps) as at 31 December 2008 are as follows:

	euro	US Dollar	Pound Sterling	Swiss Franc	Other (ii)	Total
	€m	€m	€m	€m	€m	€m
Interest-bearing loans and borrowings – fixed rate as above (iii)	**(34)**	**(4,271)**	**(263)**	**(4)**	**(3)**	**(4,575)**
Impact of derivative financial instruments on fixed rate debt	**(1,124)**	**2,553**	**263**	**—**	**(22)**	**1,670**
Net fixed rate interest-bearing loans and borrowings	**(1,158)**	**(1,718)**	**—**	**(4)**	**(25)**	**(2,905)**
Weighted average fixed interest rates	5.5%	6.3%	—	4.2%	6.6%	5.9%
Weighted average fixed periods – years	4.1	8.5	—	1.5	1.7	6.7
Gross debt by major currency – analysis of effective interest rates						
– interest rates excluding derivative financial instruments	6.6%	6.5%	5.6%	2.9%	6.2%	6.3%
– gross debt excluding derivative financial instruments	**(1,570)**	**(4,684)**	**(669)**	**(251)**	**(124)**	**(7,298)**
– interest rates including derivative financial instruments	5.8%	6.1%	3.7%	2.0%	5.8%	5.6%
– gross debt including derivative financial instruments	**(2,919)**	**(3,141)**	**(127)**	**(551)**	**(280)**	**(7,018)**

The equivalent disclosure for the prior year is as follows:

31 December 2007

The fixed rate interest-bearing loans and borrowings including the impact of derivative financial instruments (interest rate and cross-currency swaps) as at 31 December 2007 are as follows:

	euro	US Dollar	Pound Sterling	Swiss Franc	Other (ii)	Total
	€m	€m	€m	€m	€m	€m
Interest-bearing loans and borrowings – fixed rate as above (iii)	(50)	(3,448)	(7)	(22)	(4)	(3,531)
Impact of derivative financial instruments on fixed rate debt	(892)	2,174	(21)	—	(80)	1,181
Net fixed rate interest-bearing loans and borrowings	(942)	(1,274)	(28)	(22)	(84)	(2,350)
Weighted average fixed interest rates	*4.1%*	*6.7%*	*4.9%*	*3.4%*	*5.5%*	*5.6%*
Weighted average fixed periods – years	*3.1*	*6.3*	*0.9*	*0.8*	*0.8*	*4.8*
Gross debt by major currency – analysis of effective interest rates						
– interest rates excluding derivative financial instruments	*4.9%*	*6.3%*	*6.7%*	*2.9%*	*5.4%*	*5.8%*
– gross debt excluding derivative financial instruments	(1,257)	(4,327)	(405)	(302)	(207)	(6,498)
– interest rates including derivative financial instruments	*4.6%*	*6.5%*	*7.0%*	*2.9%*	*5.4%*	*5.4%*
– gross debt including derivative financial instruments	(2,409)	(2,852)	(237)	(510)	(479)	(6,487)

(ii) The principal currencies included in this category are the Canadian Dollar, the Polish Zloty, Argentine Peso, the Ukranian Hryvnya, the Israeli Shekel, the Turkish Lira, the Chinese Renminbi and the Indian Rupee.

(iii) Of the Group's gross fixed rate debt at 31 December 2008, €2,892 million (2007: €2,176 million) has been hedged to floating rate at inception using interest rate swaps. In accordance with IAS 39 Financial Instruments: Recognition and Measurement,hedged fixed rate debt is recorded at amortised cost adjusted for the change in value arising from changes in underlying market interest rates and the related hedging instruments (interest rate swaps) are stated at fair value. Adjustments to fixed rate debt values and the changes in the fair value of the hedging instrument are reflected in the Group Income Statement. The balance of gross fixed rate debt of €1,683 million (2007: €1,355 million) are financial liabilities measured at amortised cost in accordance with IAS 39.

Floating rate debt comprises bank borrowings and finance leases bearing interest at rates set in advance for periods ranging from overnight to less than one year largely by reference to inter-bank interest rates (US$ LIBOR, Sterling LIBOR, Swiss Franc LIBOR and Euribor).

Gains and losses arising on the re-translation of net worth are dealt with in the Group Statement of Recognised Income and Expense. Transactional currency exposures arise in a number of the Group's operations and these result in net currency gains and losses which are recognised in the Group Income Statement and are disclosed in note 4.

26. Provisions for Liabilities

	At 1 January	Translation adjustment	Arising on acquisition	Provided during year	Utilised during year	Reversed unused	Discount unwinding (note 8)	At 31 December
	€m	€m	€m	€m	€m	€m	€m	€m
Net present cost								
31 December 2008								
Insurance (i)	**209**	**7**	**1**	**66**	**(79)**	**—**	**10**	**214**
Guarantees and warranties (ii)	**23**	**—**	**—**	**7**	**(5)**	**(4)**	**1**	**22**
Rationalisation and redundancy (iii)	**13**	**—**	**—**	**23**	**(17)**	**(1)**	**1**	**19**
Environment and remediation (iv)	**64**	**3**	**1**	**9**	**(11)**	**(1)**	**2**	**67**
Other	**80**	**(2)**	**2**	**15**	**(22)**	**(8)**	**2**	**67**
Total	**389**	**8**	**4**	**120**	**(134)**	**(14)**	**16**	**389**
Analysed as:								
Non-current liabilities	**248**							**253**
Current liabilities	**141**							**136**
Total	**389**							**389**

The equivalent disclosure for the prior year is as follows:

	At 1 January	Translation adjustment	Arising on acquisition	Provided during year	Utilised during year	Reversed unused	Discount unwinding (note 8)	At 31 December
	€m	€m	€m	€m	€m	€m	€m	€m
31 December 2007								
Insurance (i)	233	(20)	1	83	(99)	—	11	209
Guarantees and warranties (ii)	25	(1)	1	6	(7)	(2)	1	23
Rationalisation and redundancy (iii)	23	—	1	19	(29)	(2)	1	13
Environment and remediation (iv)	73	(3)	1	11	(18)	(2)	2	64
Other	107	(2)	(18)	15	(21)	(3)	2	80
Total	461	(26)	(14)	134	(174)	(9)	17	389
Analysed as:								
Non-current liabilities	320							248
Current liabilities	141							141
Total	461							389

(i) Insurance

This provision relates to workers' compensation (employers' liability) and third-party liabilities or claims covered under the Group's self-insurance schemes. Reflecting the operation of these self-insurance schemes, a substantial portion of the total provision relates to claims which are classified as incurred but not reported in respect of which the Group will bear an excess which will not be recoverable from insurers. In addition, due to the extended timeframe which is typically involved in such claims, a significant component of the total provision is subject to actuarial valuation through the application of historical claims triangles. Where actuarial valuation is either inappropriate or impractical, other external assessments are made. The claims triangles applied in valuation indicate that these provisions have an average life of 3 years (2007: 3 years).

(ii) Guarantees and warranties

Some of the products sold by Group companies (subsidiaries and joint ventures) carry formal guarantees in relation to satisfactory performance spanning varying periods subsequent to purchase. Provision is accordingly made on a net present cost basis for the anticipated cost of honouring such guarantees and warranties at each balance sheet date. Although the expected timing of any payments is uncertain, best estimates have been made in determining a likely cash profile for the purposes of discounting using past experience as a guide; the average life of these provisions was 4 years at the balance sheet date (2007: 3 years).

(iii) Rationalisation and redundancy

These provisions relate to irrevocable commitments under various rationalisation and redundancy programmes throughout the Group, none of which is individually material. The Group expects that these provisions will be utilised within three years of the balance sheet date.

(iv) Environment and remediation

This provision comprises obligations governing site remediation and improvement costs to be incurred in compliance with either local or national environmental regulations together with constructive obligations stemming from established best practice. Whilst a significant element of the total provision will reverse in the medium-term (two to ten years), the majority of the legal and constructive obligations applicable to long-lived assets (principally mineral-bearing land) will unwind over a 30-year timeframe. In discounting the related obligations, expected future cash outflows have been determined with due regard to extraction status and anticipated remaining life.

27. Deferred Income Tax

The deductible and taxable temporary differences at the balance sheet date in respect of which deferred tax has been recognised are analysed as follows:

	2008 €m	2007 €m
Deferred income tax assets (deductible temporary differences)		
Deficits on Group defined benefit pension obligations (note 28)	**94**	38
Revaluation of derivative financial instruments to fair value	**13**	1
Share-based payments	**4**	21
Other deductible temporary differences (i)	**222**	276
Total	**333**	336

(i) These items relate principally to deferred tax assets arising on provisions for liabilities.

Deferred income tax assets have been recognised in respect of all deductible temporary differences.

Deferred income tax liabilities (taxable temporary differences)		
Taxable temporary differences principally attributable to accelerated tax depreciation and fair value adjustments arising on acquisition	**1,441**	1,280
Surpluses on Group defined benefit pension obligations (note 28)	**—**	5
Revaluation of derivative financial instruments to fair value	**1**	2
Rolled-over capital gains	**19**	25
Total	**1,461**	1,312

Movement in net deferred income tax liability		
At 1 January	**976**	812
Translation adjustment	**17**	(67)
Net charge for the year (note 10)	**89**	40
Arising on acquisition (note 34)	**81**	104
Movement in deferred tax asset on Group defined benefit pension obligations	**(67)**	46
Movement in deferred tax asset on share-based payments	**15**	39
Movement in deferred tax liability on cash flow hedges	**(4)**	2
Reclassification	**21**	—
At 31 December	**1,128**	976

28. Retirement Benefit Obligations

The Group operates either defined benefit or defined contribution pension schemes in all of its principal operating areas. Scheme assets are held in separate trustee administered funds.

At the year-end, €43 million (2007: €49 million) was included in other payables in respect of defined contribution pension liabilities and €1 million (2007: nil) was included in other receivables in respect of defined contribution pension prepayments.

The Group operates defined benefit pension schemes in the Republic of Ireland, Britain and Northern Ireland, the Netherlands, Belgium, Germany, Portugal, Switzerland and the United States; for the purposes of the disclosures which follow, the schemes in the Republic of Ireland, the Netherlands, Belgium, Germany and Portugal (49 per cent. joint venture) have been aggregated into a "Eurozone" category on the basis of common currency and financial assumptions. In line with the principle of proportionate consolidation, the assets, liabilities, income and expenses attaching to defined benefit pension schemes in joint ventures are reflected in the figures below on the basis of the Group's share of these entities. The majority of the defined benefit pension schemes operated by the Group are funded as disclosed in the analysis of the defined benefit obligation presented below with unfunded schemes restricted to one scheme in each of the Netherlands, Portugal, Switzerland and the United States and four schemes in Germany.

In addition to the aforementioned defined benefit pension schemes, provision has been made in the financial statements for post-retirement healthcare obligations in respect of certain current and former employees principally

in the United States and in Portugal and for long-term service commitments in respect of certain employees in the Eurozone and Switzerland. These obligations are unfunded in nature and the required disclosures are set out below.

In all cases, the projected unit credit method has been employed in determining the present value of the obligations arising, the related current service cost and, where applicable, past service cost.

The cumulative actuarial gains and losses attributable to the Group's defined benefit pension scheme obligations at 1 January 2004 (the date of transition to IFRS) were recognised in full as at that date and adjusted against retained income. Actuarial gains and losses and the associated movement in the net deferred tax asset are recognised via the Statement of Recognised Income and Expense.

Actuarial valuations – funding requirements

The funding requirements in relation to the Group's defined benefit schemes are assessed in accordance with the advice of independent and qualified actuaries and valuations are prepared in this regard either annually, where local requirements mandate that this be done, or at triennial intervals at a maximum in all other cases. In Ireland and Britain, either the attained age or projected unit credit methods are used in the valuations. In the Netherlands and Switzerland, the actuarial valuations reflect the current unit method, while the valuations are performed in accordance with the projected unit credit methodology in Portugal and Germany. In the United States, valuations are performed using a variety of actuarial cost methodologies – current unit, projected unit and aggregate cost. The actuarial valuations range from April 2005 to December 2008.

The assumptions which have the most significant effect on the results of the actuarial valuations are those relating to the rate of return on investments and the rates of increase in remuneration and pensions. In the course of preparing the funding valuations, it was assumed that the rate of return on investments would, on average, exceed annual remuneration increases by 2 per cent. and pension increases by 3 per cent. per annum.

In general, actuarial valuations are not available for public inspection; however, the results of valuations are advised to the members of the various schemes.

Financial assumptions

The financial assumptions employed in the valuation of the defined benefit liabilities arising on pension schemes, post-retirement healthcare obligations and long-term service commitments applying the projected unit credit methodology are as follows:

Scheme liabilities

The major long-term assumptions used by the Group's actuaries in the computation of scheme liabilities as at 31 December 2008 and 31 December 2007 are as follows:

	Eurozone		Britain and Northern Ireland		Switzerland		United States	
	2008	2007	**2008**	2007	**2008**	2007	**2008**	2007
	%	%	**%**	%	**%**	%	**%**	%
Rate of increase in:								
– salaries	**3.80**	4.25	**3.50**	4.00	**2.25**	2.25	**3.50**	4.50
– pensions in payment	**1.80**	2.25	**2.75-3.25**	3.25	**0.50**	1.00	**—**	—
Inflation	**1.80**	2.25	**2.75**	3.00	**1.50**	1.50	**2.00**	2.50
Discount rate	**5.80**	5.50	**6.25**	5.75	**3.50**	3.50	**6.25**	6.25
Medical cost trend rate	**5.25**	5.25	**n/a**	n/a	**n/a**	n/a	**10.00**	11.00

The mortality assumptions employed in determining the present value of scheme liabilities under IAS 19 are in accordance with the underlying funding valuations and represent actuarial best practice in the relevant jurisdictions taking account of mortality experience and industry circumstances.

Scheme assets

The long-term rates of return expected at 31 December 2008 and 31 December 2007, determined in conjunction with the Group's actuaries and analysed by class of investment, are as follows:

Equities	**9.00**	8.00	**9.00**	8.00	**7.50**	6.50	**9.00**	8.00
Bonds	**4.25**	4.50	**4.75**	4.50	**3.25**	3.25	**6.00**	6.00
Property	**7.00**	7.00	**7.00**	7.00	**4.50**	4.50	**7.00**	7.00
Other	**2.50**	4.00	**2.50**	5.50	**2.50**	2.50	**2.50**	4.25

(a) Impact on Group Income Statement

The total expense charged to the Group Income Statement in respect of defined contribution and defined benefit pension schemes, post-retirement healthcare obligations and long-term service commitments is as follows:

	2008 €m	2007 €m
Total defined contribution pension expense	**141**	147
Defined benefit		
Pension schemes (funded and unfunded)	**35**	46
Post-retirement healthcare schemes (unfunded)	**—**	—
Long-term service commitments (unfunded)	**—**	1
Total defined benefit expense	**35**	47
Total expense in Group Income Statement	**176**	194

Analysis of defined benefit expense

The total defined benefit expense (comprising funded and unfunded defined benefit pension schemes and unfunded post-retirement healthcare obligations and long-term service commitments) is analysed as follows:

	Eurozone		Britain and Northern Ireland		Switzerland		United States		Total Group	
	2008 €m	2007 €m	2008 €m	2007 €m	2008 €m	2007 €m	2008 €m	2007 €m	2008 €m	2007 €m
Charged in arriving at Group operating profit										
Current service cost	**18**	19	**11**	19	**16**	16	**6**	6	**51**	60
Past service cost: benefit enhancements	**(2)**	1	**1**	—	**2**	1	**—**	—	**1**	2
Curtailment gain	**—**	—	**(2)**	—	**—**	—	**—**	—	**(2)**	—
Subtotal	**16**	20	**10**	19	**18**	17	**6**	6	**50**	62
Included in finance revenue and finance costs respectively										
Expected return on scheme assets	**(52)**	(50)	**(30)**	(31)	**(21)**	(16)	**(10)**	(10)	**(113)**	(107)
Interest cost on scheme liabilities	**45**	38	**27**	32	**16**	12	**10**	10	**98**	92
Subtotal	**(7)**	(12)	**(3)**	1	**(5)**	(4)	**—**	—	**(15)**	(15)
Net charge to Group Income Statement	**9**	8	**7**	20	**13**	13	**6**	6	**35**	47
Actual return on pension scheme assets	**(200)**	2	**(82)**	32	**(48)**	3	**(34)**	9	**(364)**	46

No reimbursement rights have been recognised as assets in accordance with IAS 19 *Employee Benefits.*

(b) Impact on Group Balance Sheet

The net pension liability (comprising funded and unfunded defined benefit pension schemes and unfunded post-retirement healthcare obligations and long-term service commitments) as at 31 December 2008 and 31 December 2007 is analysed as follows:

	Eurozone		Britain and Northern Ireland		Switzerland		United States		Total Group	
	2008	2007	2008	2007	2008	2007	2008	2007	2008	2007
	€m	€m	€m	€m	€m	€m	€m	€m	€m	€m
Equities	**258**	455	**169**	290	**94**	128	**58**	89	**579**	962
Bonds	**214**	214	**114**	162	**216**	187	**50**	48	**594**	611
Property	**49**	81	**12**	18	**99**	83	**—**	—	**160**	182
Other	**10**	17	**5**	8	**59**	60	**7**	6	**81**	91
Bid value of assets	**531**	767	**300**	478	**468**	458	**115**	143	**1,414**	1,846
Actuarial value of liabilities (present value)	**(759)**	(793)	**(372)**	(526)	**(500)**	(439)	**(197)**	(173)	**(1,828)**	(1,931)
Asset limit adjustment	**—**	—	**—**	—	**—**	(10)	**—**	—	**—**	(10)
Recoverable (deficit)/surplus in schemes	**(228)**	(26)	**(72)**	(48)	**(32)**	9	**(82)**	(30)	**(414)**	(95)
Related deferred income tax asset/(liability)	**35**	9	**20**	13	**7**	(2)	**32**	13	**94**	33
Net pension (liability)/asset	**(193)**	(17)	**(52)**	(35)	**(25)**	7	**(50)**	(17)	**(320)**	(62)
Analysis of liabilities – funded and unfunded										
Funded										
Defined benefit pension schemes	**(715)**	(751)	**(372)**	(526)	**(495)**	(434)	**(186)**	(162)	**(1,768)**	(1,873)
Unfunded										
Defined benefit pension schemes	**(29)**	(26)	**—**	—	**—**	—	**(4)**	(4)	**(33)**	(30)
Total – defined benefit pension schemes	**(744)**	(777)	**(372)**	(526)	**(495)**	(434)	**(190)**	(166)	**(1,801)**	(1,903)
Post-retirement healthcare obligations (unfunded)	**(8)**	(8)	**—**	—	**—**	—	**(7)**	(7)	**(15)**	(15)
Long-term service commitments (unfunded)	**(7)**	(8)	**—**	—	**(5)**	(5)	**—**	—	**(12)**	(13)
Actuarial value of liabilities (present value)	**(759)**	(793)	**(372)**	(526)	**(500)**	(439)	**(197)**	(173)	**(1,828)**	(1,931)

The assumption made in relation to discount rates is a material source of estimation uncertainty as defined in IAS 1 *Presentation of Financial Statements*. The impact of a reduction of 25 basis points in the discount rates applied would be as follows with a corresponding increase in discount rates being inversely proportional:

	Eurozone		Britain and Northern Ireland		Switzerland		United States		Total Group	
	2008	2007	2008	2007	2008	2007	2008	2007	2008	2007
	€m	€m	€m	€m	€m	€m	€m	€m	€m	€m
Revised discount rate	**5.55**	5.25	**6.00**	5.50	**3.25**	3.25	**6.00**	6.00	**n/a**	n/a
Revised liabilities figure	**789**	824	**392**	554	**519**	456	**204**	179	**1,904**	2,013
Split of asset values	**%**	%	**%**	%	**%**	%	**%**	%	**%**	%
Equities	**48.6**	59.3	**56.3**	60.7	**20.1**	27.9	**50.4**	62.2	**41.0**	52.1
Bonds	**40.3**	27.9	**38.0**	33.9	**46.2**	40.8	**43.5**	33.6	**42.0**	33.1
Property	**9.2**	10.6	**4.0**	3.8	**21.1**	18.2	**—**	—	**11.3**	9.9
Other	**1.9**	2.2	**1.7**	1.6	**12.6**	13.1	**6.1**	4.2	**5.7**	4.9
Total	**100**	100	**100**	100	**100**	100	**100**	100	**100**	100

The asset values above include €3 million in respect of investment in Ordinary Shares of the Company (CRH plc) as at 31 December 2008 (2007: €7 million).

Analysis of amount included in the Statement of Recognised Income and Expense (SORIE)

	Eurozone		Britain and Northern Ireland		Switzerland		United States		Total Group	
	2008	2007	2008	2007	2008	2007	2008	2007	2008	2007
	€m	€m	€m	€m	€m	€m	€m	€m	€m	€m
Actual return less expected return on scheme assets	**(252)**	(48)	**(112)**	1	**(69)**	(13)	**(44)**	(1)	**(477)**	(61)
Experience (loss) / gain arising on scheme liabilities (present value)	**(11)**	(13)	**(3)**	—	**1**	(9)	**(2)**	(3)	**(15)**	(25)
Assumptions gain/(loss) arising on scheme liabilities (present value)	**59**	63	**61**	126	**17**	54	**(3)**	12	**134**	255
Asset limit adjustment	**—**	—	**—**	—	**10**	(10)	**—**	—	**10**	(10)
Actuarial (loss) / gain recognised in SORIE	**(204)**	2	**(54)**	127	**(41)**	22	**(49)**	8	**(348)**	159

Actuarial gains and losses and percentages of scheme assets and liabilities

	Eurozone		Britain and Northern Ireland		Switzerland		United States		Total Group	
	2008	2007	2008	2007	2008	2007	2008	2007	2008	2007
	€m	€m	€m	€m	€m	€m	€m	€m	€m	€m
Actual return less expected return on scheme assets	**(252)**	(48)	**(112)**	1	**(69)**	(13)	**(44)**	(1)	**(477)**	(61)
% of scheme assets	**(47.5%)**	(6.3%)	**(37.3%)**	0.2%	**(14.7%)**	(2.8%)	**(38.3%)**	(0.7%)	**(33.7%)**	(3.3%)
Experience (loss)/gain arising on scheme liabilities (present value)	**(11)**	(13)	**(3)**	—	**1**	(9)	**(2)**	(3)	**(15)**	(25)
% of scheme liabilities (present value)	**1.4%**	1.6%	**0.8%**	—	**(0.2%)**	2.1%	**1.0%**	1.7%	**0.8%**	1.3%
Actuarial (loss)/gain recognised in SORIE	**(204)**	2	**(54)**	127	**(41)**	22	**(49)**	8	**(348)**	159
% of scheme liabilities (present value)	**26.9%**	(0.3%)	**14.5%**	(24.1%)	**8.2%**	(5.0%)	**24.9%**	(4.6%)	**19.0%**	(8.2%)

The cumulative actuarial loss recognised in the SORIE, following transition to IFRS on 1 January 2004, is as follows:

	2008
	€m
Recognised in 2004 financial year	**(119)**
Recognised in 2005 financial year	**(86)**
Recognised in 2006 financial year	**155**
Recognised in 2007 financial year	**159**
Recognised in 2008 financial year	**(348)**
Cumulative actuarial loss recognised in SORIE	**(239)**

Reconciliation of scheme assets (bid value)

At 1 January	767	784	478	480	458	332	143	143	1,846	1,739
Movement in year										
Translation adjustment	—	—	(97)	(43)	51	(9)	6	(15)	(40)	(67)
Arising on acquisition (note 34)	—	2	—	—	10	131	—	—	10	133
Employer contributions paid	17	15	20	21	15	12	7	14	59	62
Contributions paid by plan participants	5	4	4	5	10	8	—	—	19	17
Benefit payments	(58)	(40)	(23)	(17)	(28)	(19)	(7)	(8)	(116)	(84)
Actual return on scheme assets	(200)	2	(82)	32	(48)	3	(34)	9	(364)	46
Bid value of assets	531	767	300	478	468	458	115	143	1,414	1,846
Asset limit adjustment	—	—	—	—	—	(10)	—	—	—	(10)
At 31 December	531	767	300	478	468	448	115	143	1,414	1,836

Reconciliation of actuarial value of liabilities

At 1 January	(793)	(818)	(526)	(662)	(439)	(328)	(173)	(193)	(1,931)	(2,001)
Movement in year										
Translation adjustment	—	—	114	49	(51)	11	(10)	19	53	79
Arising on acquisition (note 34)	(6)	(3)	—	—	(12)	(149)	—	—	(18)	(152)
Current service cost	(18)	(19)	(11)	(19)	(16)	(16)	(6)	(6)	(51)	(60)
Contributions paid by plan participants	(5)	(4)	(4)	(5)	(10)	(8)	—	—	(19)	(17)
Benefit payments	58	40	23	17	28	19	7	8	116	84
Past service cost: benefit enhancements	2	(1)	(1)	—	(2)	(1)	—	—	(1)	(2)
Interest cost on scheme liabilities	(45)	(38)	(27)	(32)	(16)	(12)	(10)	(10)	(98)	(92)
Actuarial (loss)/gain arising on:									—	
- experience variations	(11)	(13)	(3)	—	1	(9)	(2)	(3)	(15)	(25)
- changes in assumptions	59	63	61	126	17	54	(3)	12	134	255
Curtailment gain	—	—	2	—	—	—	—	—	2	—
At 31 December	(759)	(793)	(372)	(526)	(500)	(439)	(197)	(173)	(1,828)	(1,931)

Anticipated employer contributions payable in the 2009 financial year (expressed using average exchange rates for 2008) amount to €55 million in aggregate.

History of scheme assets, liabilities and actuarial gains and losses

	2008	2007	2006	2005	2004
	€m	€m	€m	€m	€m
Bid value of assets	**1,414**	1,846	1,739	1,771	1,465
Actuarial value of liabilities (present value)	**(1,828)**	(1,931)	(2,001)	(2,221)	(1,815)
Asset limit adjustment	**—**	(10)	—	—	—
Recoverable deficit	**(414)**	(95)	(262)	(450)	(350)
Actual return less expected return on scheme assets	**(477)**	(61)	45	177	17
% of scheme assets	**(33.7%)**	(3.3%)	2.6%	10.0%	1.2%
Experience (loss)/gain arising on scheme liabilities (present value)	**(15)**	(25)	(6)	42	(7)
% of scheme liabilities (present value)	**0.8%**	1.3%	0.3%	(1.9%)	0.4%

Post-retirement healthcare benefits – sensitivity analysis on key actuarial assumptions

The impact of the sensitivity analysis on the key actuarial assumptions employed in the valuation of post-retirement healthcare benefits as required under IAS 19 Employee Benefits is not material to the Group (with materiality defined in the context of the year-end 2008 financial statements).

29. Capital Grants

	2008 €m	2007 €m
At 1 January	**11**	10
Translation adjustment	**—**	1
Arising on acquisition (note 34)	**2**	—
Received	**4**	3
	17	14
Released to Group Income Statement	**(3)**	(3)
At 31 December	**14**	11

There are no unfulfilled conditions or other contingencies attaching to capital grants received.

30. Share Capital – Equity and Preference

	Equity		Preference	
31 December 2008	**Ordinary Shares of €0.32 each** €m	**Income Shares of €0.02 each** (i) €m	**5% Cumulative Preference Shares of €1.27 each** (ii) €m	**7% 'A' Cumulative Preference Shares of €1.27 each** (iii) €m
Authorised				
At 1 January and 31 December	**235**	**15**	**—**	**1**
Number of Shares (000s)	**735,000**	**735,000**	**150**	**872**
Allotted, called-up and fully paid				
At 1 January 2008	**175**	**11**	**—**	**1**
Share options and share participation schemes (iv)	**—**	**—**	**—**	**—**
Shares issued in lieu of dividends (v)	**—**	**—**	**—**	**—**
At 31 December 2008	**175**	**11**	**—**	**1**

The movement in the number of shares (expressed in '000s) during the financial year was as follows:

At 1 January 2008	**547,208**	**547,208**	**50**	**872**
Share options and share participation schemes (iv)	**401**	**401**	**—**	**—**
Shares issued in lieu of dividends (v)	**893**	**893**	**—**	**—**
At 31 December 2008	**548,502**	**548,502**	**50**	**872**

The corresponding disclosure in respect of the year ended 31 December 2007 is as follows:

Authorised				
At 1 January and 31 December 2007	235	15	—	1
Number of Shares (000s)	735,000	735,000	150	872
Allotted, called-up and fully paid				
At 1 January 2007	173	11	—	1
Share options and share participation schemes (iv)	2	—	—	—
Shares issued in lieu of dividends (v)	—	—	—	—
At 31 December 2007	175	11	—	1

The movement in the number of shares (expressed in '000s) during the financial year was as follows:

At 1 January 2007	542,790	542,790	50	872
Share options and share participation schemes (iv)	2,148	2,148	—	—
Shares issued in lieu of dividends (v)	2,270	2,270	—	—
At 31 December 2007	547,208	547,208	50	872

(i) Income Shares

The Income Shares were created on 29 August 1988 for the express purpose of giving shareholders the choice of receiving dividends on either their Ordinary Shares or on their Income Shares (by notice of election to the Company). The Income Shares carried a different tax credit to the Ordinary Shares. The creation of the Income Shares was achieved by the allotment of fully paid Income Shares to each shareholder equal to his/her holding of Ordinary Shares but the shareholder is not entitled to an Income Share certificate, as a certificate for Ordinary Shares is deemed to include an equal number of Income Shares and a shareholder may only sell, transfer or transmit Income Shares with an equivalent number of Ordinary Shares. Income Shares carry no voting rights. Due to changes in Irish tax legislation since the creation of the Income Shares, dividends on the Company's shares no longer carry a tax credit. As elections made by shareholders to receive dividends on their holding of Income Shares were no longer relevant, the Articles of Association were amended on 8 May 2002 to cancel such elections.

(ii) 5% Cumulative Preference Shares

The holders of the 5% Cumulative Preference Shares are entitled to a fixed cumulative preferential dividend at a rate of 5 per cent. per annum and priority in a winding-up to repayment of capital, but have no further right to participate in profits or assets and are not entitled to be present or vote at general meetings unless their dividend is in arrears. Dividends on the 5% Cumulative Preference Shares are payable half-yearly on 15 April and 15 October in each year.

(iii) 7% 'A' Cumulative Preference Shares

The holders of the 7% 'A' Cumulative Preference Shares are entitled to a fixed cumulative preference dividend at a rate of 7 per cent. per annum, and subject to the rights of the holders of the 5% Cumulative Preference Shares, priority in a winding-up to repayment of capital but have no further right to participate in profits or assets and are not entitled to be present or vote at general meetings unless their dividend is in arrears or unless the business of the meeting includes certain matters, which are specified in the Articles of Association. Dividends on the 7% 'A' Cumulative Preference Shares are payable half-yearly on 5 April and 5 October in each year.

(iv) Share schemes

Details of share options granted under the Company's share option schemes and savings-related share option schemes and the terms attaching thereto are provided in note 7 to the financial statements and in the Report on Directors' Remuneration on page 74. Under these schemes, options over a total of 2,046,216 Ordinary Shares were exercised during the financial year (2007: 3,022,122). Of this total, 19,380 (2007: 1,795,766) were satisfied by the issue of new shares for total proceeds of €0.3 million (2007: €27 million); 1,944,501 (2007: nil) by the re-issue of Treasury Shares and 82,335 (2007: 1,226,356) by the purchase of Ordinary Shares on the market by the Employee Benefit Trust.

Share participation schemes

At 31 December 2008, 6,466,707 (2007: 6,028,916) Ordinary Shares had been appropriated to participation schemes. In the financial year ended 31 December 2008, the appropriation of 55,849 was satisfied by the re-issue of Treasury Shares and the appropriation of 381,942 Shares was satisfied by the issue of new shares. In the prior financial year, the appropriation was satisfied by the issue of 352,547 new shares. The Ordinary Shares appropriated pursuant to these schemes were issued at market value on the dates of appropriation. The shares issued pursuant to these schemes are excluded from the scope of IFRS 2 Share-based Payment and are hence not factored into the expense computation and the associated disclosures in note 7.

During the ten-year period commencing on 3 May 2000, the total number of Ordinary Shares which may be issued in respect of the share option schemes, the savings-related share option schemes, the share participation schemes and any subsequent share option schemes, may not exceed 15 per cent. in aggregate of the issued Ordinary share capital from time to time.

(v) Shares issued in lieu of dividends

In May 2008, 893,242 (2007: 1,922,128) Ordinary Shares were issued to the holders of Ordinary Shares who elected to receive additional Ordinary Shares at a price of €24.15 (2007: €29.92) per share, instead of part or all of the cash element of their 2007 and 2006 final dividends. The 2008 interim dividend was paid wholly in cash. In November

2007, 347,752 Ordinary Shares were issued to the holders of Ordinary Shares who elected to receive additional Ordinary Shares at a price of €31.01 per share, instead of part or all of the cash element of their 2007 interim dividend.

31. Reserves

	2008				
	Share premium account	Treasury shares/ own shares	Other reserves	Foreign currency translation reserve	Retained income
	€m	€m	€m	€m	€m
At 1 January	**2,420**	**(19)**	**70**	**(547)**	**5,843**
Currency translation effects	**—**	**—**	**—**	**(97)**	**—**
Premium on shares issued	**28**	**—**	**—**	**—**	**—**
Share option expense (note 7)					
- share option schemes	**—**	**—**	**17**	**—**	**—**
- Performance Share Plan	**—**	**7**	**—**	**—**	**—**
Shares acquired by CRH plc (Treasury Shares)[(i)]	**—**	**(411)**	**—**	**—**	**—**
Treasury Shares re-issued in satisfaction of share option exercises	**—**	**48**	**—**	**—**	**(48)**
Shares acquired by Employee Benefit Trust (own shares)[(ii)]	**—**	**(3)**	**—**	**—**	—
Share option exercises (Note 30(iv))	**—**	**—**	**—**	**—**	**31**
Dividends (including shares issued in lieu of dividend) (note 11)	**—**	**—**	**—**	**—**	**(369)**
Actuarial loss on Group defined benefit pension obligations (note 28)	**—**	**—**	**—**	**—**	**(348)**
Movement in deferred tax asset on Group defined benefit pension obligations	**—**	**—**	**—**	**—**	**67**
Current tax impact of share option exercises	**—**	**—**	**—**	**—**	**2**
Movement in deferred tax asset on share-based payments	**—**	**—**	**—**	**—**	**(15)**
Losses relating to cash flow hedges	**—**	**—**	**—**	**—**	**(28)**
Movement in net deferred tax asset on cash flow hedges	**—**	**—**	**—**	**—**	**4**
Group profit for the financial year attributable to equity holders of the Company	**—**	**—**	**—**	**—**	**1,248**
At 31 December	**2,448**	**(378)**	**87**	**(644)**	**6,387**

The corresponding disclosure in respect of the year ended 31 December 2007 is as follows:

	2007				
	Share premium account	Treasury shares/ own shares	Other reserves	Foreign currency translation reserve	Retained income
	€m	€m	€m	€m	€m
At 1 January	2,318	(14)	52	(137)	4,659
Currency translation effects	—	—	—	(410)	—
Premium on shares issued	102	—	—	—	—
Share option expense (note 7)					
- share option schemes	—	—	18	—	—
- Performance Share Plan	—	5	—	—	—
Shares acquired by Employee Benefit Trust (own shares)[ii]	—	(10)	—	—	(41)
Share option exercises (Note 30 (iv))	—	—	—	—	20
Dividends (including shares issued in lieu of dividend) (note 11)	—	—	—	—	(318)
Actuarial gain on Group defined benefit pension obligations (note 28)	—	—	—	—	159
Movement in deferred tax asset on Group defined benefit pension obligations	—	—	—	—	(46)
Current tax impact of share option exercises	—	—	—	—	13
Movement in deferred tax asset on share-based payments	—	—	—	—	(39)
Gains relating to cash flow hedges	—	—	—	—	8
Movement in net deferred tax liability on cash flow hedges	—	—	—	—	(2)
Group profit for the financial year attributable to equity holders of the Company	—	—	—	—	1,430
At 31 December	2,420	(19)	70	(547)	5,843

(i) As at the balance sheet date, the total number of Treasury Shares held was 16,204,005 (2007: nil), reflecting purchases during the financial year ended 31 December 2008 of 18,204,355 shares (at an average price of €22.30 excluding associated costs) and shares re-issued totalling 2,000,350 (at an average price of €23.94) (see note 30 (iv) above). The nominal value of these Shares as at 31 December 2008 was €6 million (2007: nil).

(ii) In accordance with the terms of the Performance Share Plan (see note 7), which was approved by shareholders at the 2006 Annual General Meeting, Ordinary Shares have been purchased by the Employee Benefit Trust on behalf of CRH plc. There was no movement on these shares during the financial year. The number of these shares held as at the balance sheet date was as follows:

	Ordinary Shares	
	2008	2007
At 1 January	**937,750**	627,750
Shares acquired by Employee Benefit Trust under Performance Share Plan	—	310,000
At 31 December	**937,750**	937,750

The nominal value of own shares, on which dividends have been waived by the Trustees of the Performance Share Plan, amounted to €0.3 million at 31 December 2008 (2007: €0.3 million).

In accordance with section 148(8) of the Companies Act, 1963 and section 7(1A) of the Companies (Amendment) Act, 1986, the Company is availing of the exemption from presenting its individual profit and loss account to the Annual General Meeting and from filing it with the Registrar of Companies.

Reconciliation of shares issued to proceeds shown in Group Cash Flow Statement

	2008	2007
	€m	€m
Share issued at nominal amount (note 30):		
– share options and share participation schemes	**—**	2
Premium on shares issued	**28**	102
Total value of shares issued	**28**	104
Shares issued in lieu of dividends (note 11)	**(22)**	(68)
Proceeds from issue of shares – Group Cash Flow Statement	**6**	36

32. Minority Interest

	2008	2007
	€m	€m
At 1 January	**66**	41
Translation adjustment	**—**	(3)
Profit after tax (less attributable to associates)	**13**	8
Dividends paid by subsidiaries to minority interests	**(5)**	(5)
Arising on acquisition (note 34)	**(4)**	25
At 31 December	**70**	66

33. Commitments under Operating and Finance Leases

Operating leases

Future minimum rentals payable under non-cancellable operating leases at 31 December are as follows:

	2008	2007
	€m	€m
Within one year	**240**	230
After one year but not more than five years	**548**	498
More than five years	**396**	320
	1,184	1,048

Finance leases

Future minimum lease payments under finance leases together with the present value of the net minimum lease payments are as follows:

	2008		2007	
	Minimum payments	**Present value of payments**	Minimum payments	Present value of payments
	€m	**€m**	€m	€m
Within one year	**8**	**6**	16	14
After one year but not more than five years	**10**	**8**	14	11
More than five years	**5**	**5**	6	5
Total minimum lease payments	**23**		36	
Less: amounts allocated to future finance costs	**(4)**		(6)	
Present value of minimum lease payments	**19**	**19**	30	30

34. Acquisition of Subsidiaries and Joint Ventures

The principal business combinations completed during the year ended 31 December 2008 by reporting segment, together with the completion dates, were as follows; these transactions entailed the acquisition of a 100 per cent. stake where not indicated to the contrary:

Europe Materials

India: My Home Industries (45 per cent. acquired 22 May, additional 5 per cent. acquired 22 August); the Netherlands: Drentse Beton Centrale (30 September); Poland: Osielec quarry (4 January); Spain: Moron quarry (4 March); Switzerland: Belser (9 July); Turkey: 50 per cent. of readymixed concrete assets of Basaran RMC (15 January); Ukraine: BudUkrmaterial (15 August); United Kingdom: C4 Industries (30 January).

Europe Products

Belgium: Hela (29 January); China: Goldway Beijing & Sinasia (22 January); Germany: Hammerl (26 February); Hungary: Ferrobeton (3 April); Ireland: Concrete Stairs Systems (24 January); the Netherlands: Jonker Beton (15 April); Sweden: Distanssystem (12 May); United Kingdom: SWS (20 March) and Ancon (30 April).

Europe Distribution

France: Cleau (1 August); Germany: Paulsen (1 July); the Netherlands: Imabo Nieuwegein (20 May), Hagens Bouwmaterialen (28 May) and Hasco (1 August); Switzerland: Reco-Regusci (5 May) and Stürm (20 June).

Americas Materials

Colorado: Valco (22 January), Varra Companies (7 July) and Casey Concrete (1 August); Florida: Ace Asphalt (15 July); Idaho: American Paving (16 May); Iowa: Bedrock Ready Mix (13 June); Massachusetts: Kroboth Companies (14 January); Mississippi: Bonds (15 September); Nebraska: Mallard Sand & Gravel (30 January); New York: New Windsor Equipment Rentals and Service (13 June); North Carolina: Western Materials (16 June); Ohio: HP Streicher (18 January); Oregon: Dalton Rock (15 September); Tennessee: Renfro Construction Company (14 February) and Highland Sand Company (4 April); Utah: Dixie Redi-Mix (7 March), Holdaway Pit (15 April) and JR Ready Mix (21 November); Virginia: Floyd Asphalt Paving Company (2 January).

Americas Products

North America – California: Underground Precast Solutions (20 August); Florida: Pilot Steel Assets (28 April) and Gem Seal (21 July); Georgia: Southern Drainage Products & Supply (14 April); Iowa: Waupaca Northwoods (12 November, also Missouri, Wisconsin); Kentucky: remaining 50 per cent. of Landmark (1 February); Nevada: Tri-Delta (14 April); South America – Chile: 81 per cent. of Comercial Duomo (26 February).

Americas Distribution

North America – Illinois: Tri-State Roofing & Siding Wholesale (3 March, also Wisconsin).

34. Acquisition of Subsidiaries and Joint Ventures continued

	2008 €m	2007 €m
Identifiable net assets acquired (excluding net debt assumed)		
ASSETS		
Non-current assets		
Property, plant and equipment	**429**	999
Intangible assets: – goodwill	**366**	807
– excess of fair value of identifiable net assets over consideration paid	**(6)**	(4)
– other intangible assets	**52**	132
Investments in associates	**1**	(2)
Other financial assets[(i)]	**2**	(42)
Deferred income tax assets	**1**	18
Total non-current assets	**845**	1,908
Current assets		
Inventories	**66**	263
Trade and other receivables	**126**	411
Total current assets	**192**	674
Equity		
Minority interest	**4**	(25)
Total equity	**4**	(25)
LIABILITIES		
Non-current liabilities		
Deferred income tax liabilities	**(82)**	(122)
Retirement benefit obligations	**(8)**	(19)
Provisions for liabilities (stated at net present cost)	**—**	(3)
Capital grants	**(2)**	—
Total non-current liabilities	**(92)**	(144)
Current liabilities		
Trade and other payables	**(89)**	(313)
Current income tax liabilities	**(12)**	(6)
Provisions for liabilities (stated at net present cost)	**(4)**	17
Total current liabilities	**(105)**	(302)
Total consideration (enterprise value)	**844**	2,111
Consideration satisfied by		
Cash payments	**837**	1,922
Professional fees incurred on business combinations	**8**	19
Cash and cash equivalents acquired on acquisition	**(68)**	(83)
Net cash outflow	**777**	1,858
Net debt (other than cash and cash equivalents) assumed on acquisition:		
- non-current interest-bearing loans and borrowings and finance leases	**9**	22
- current interest-bearing loans and borrowings and finance leases	**46**	200
Deferred and contingent acquisition consideration (stated at net present cost)	**12**	31
Total consideration (enterprise value)	**844**	2,111

(i) The amount arising on acquisition in 2007 includes the derecognition of €44 million of loans to Cementbouw bv, a former joint venture, following the purchase of the remaining 55 per cent. stake during the year.

None of the business combinations completed during the financial year was considered sufficiently material to warrant separate disclosure of the attributable fair values.

No contingent liabilities were recognised on the business combinations completed during the financial year or the prior financial year.

The principal factor contributing to the recognition of goodwill on business combinations entered into by the Group is the realisation of cost savings and synergies with existing entities in the Group.

The carrying amounts of the assets and liabilities acquired determined in accordance with IFRS before completion of the combination, together with the adjustments made to those carrying values to arrive at the fair values disclosed above, were as follows:

	Book values	Fair value Adjustments	Accounting policy alignments	Adjustments to provisional fair values	Fair value
	€m	€m	€m	€m	€m
Non-current assets (excluding goodwill)	212	266	2	5	485
Current assets	193	—	(3)	2	192
Non-current liabilities	(23)	(68)	—	(1)	(92)
Current liabilities	(96)	(4)	3	(8)	(105)
Minority interest	4	—	—	—	4
Identifiable net assets acquired (excluding goodwill and net debt assumed)	290	194	2	(2)	484
Goodwill arising on acquisition	543	(194)	(2)	13	360
Total consideration (enterprise value)	833	—	—	11	844

The initial assignment of fair values to identifiable net assets acquired has been performed on a provisional basis in respect of a number of the business combinations disclosed above given the timing of closure of these deals; any amendments to these fair values made during the subsequent reporting window (within the twelve-month timeframe from the acquisition date imposed by IFRS 3) will be subject to subsequent disclosure. The total adjustments processed in 2008 to the fair values of business combinations completed during 2007 where those fair values were not readily or practicably determinable as at 31 December 2007 were as follows:

	Initial fair Value assigned	Adjustments to provisional fair values	Revised fair value
	€m	€m	€m
Non-current assets (excluding goodwill)	804	5	809
Current assets	540	2	542
Non-current liabilities	(52)	(1)	(53)
Current liabilities	(233)	(8)	(241)
Minority interest	(22)	—	(22)
Identifiable net assets acquired (excluding goodwill and net debt assumed)	1,037	(2)	1,035
Goodwill arising on acquisition	697	13	710
Total consideration (enterprise value)	1,734	11	1,745

34. Acquisition of Subsidiaries and Joint Ventures *continued*

The post-acquisition impact of business combinations completed during the year on Group profit for the financial year was as follows:

	2008	2007
	€m	€m
Revenue	**530**	1,215
Cost of sales	**(392)**	(881)
Gross profit	**138**	334
Operating costs	**(85)**	(233)
Group operating profit	**53**	101
Profit on disposal of non-current assets	**—**	—
Profit before finance costs	**53**	101
Finance costs (net)	**(26)**	(42)
Profit before tax	**27**	59
Income tax expense	**(8)**	(18)
Group profit for the financial year	**19**	41

The revenue and profit of the Group for the financial period determined in accordance with IFRS as though the acquisition date for all business combinations effected during the year had been the beginning of that year would be as follows:

	Pro-forma 2008			
	2008 acquisitions	CRH Group excluding 2008 acquisitions	Pro-forma consolidated Group	Pro-forma 2007
	€m	€m	€m	€m
Revenue	**817**	**20,357**	**21,174**	22,563
Group profit for the financial year	**28**	**1,243**	**1,271**	1,482

A number of business combinations have been completed subsequent to the balance sheet date. None of these combinations is individually material to the Group (with materiality defined in the context of the year-end 2008 financial statements) thereby requiring disclosure under either IFRS 3 or IAS 10 *Events after the Balance Sheet Date.* Development updates, giving details of acquisitions which do not require separate disclosure, are published in January and July each year.

35. Related Party Transactions

The principal related party relationships requiring disclosure in the consolidated financial statements of the Group under IAS 24 *Related Party Disclosures* pertain to: the existence of subsidiaries, joint ventures and associates; transactions with these entities entered into by the Group; and the identification and compensation of key management personnel.

Subsidiaries, joint ventures and associates

The consolidated financial statements include the financial statements of the Company (CRH plc, the ultimate parent) and its subsidiaries, joint ventures and associates as documented in the accounting policies on page 154. The Group's principal subsidiaries, joint ventures and associates are disclosed on pages 187 to 196.

Sales to and purchases from, together with outstanding payables to and receivables from, subsidiaries and joint ventures are eliminated in the preparation of the consolidated financial statements (either in full or to the extent of the Group's interest) in accordance with IAS 27 *Consolidated and Separate Financial Statements* and IAS 31 *Interests in Joint Ventures.* The amounts in respect of joint ventures are immaterial in the context of the year-end 2008 financial statements. Loans extended by the Group to joint ventures and associates (see note 15) are included in financial assets (whilst the Group's share of the corresponding loans payable by joint ventures are included in interest-bearing loans and borrowings due to the application of proportionate consolidation in accounting for the Group's interests in these entities). Sales to and purchases from associates during the financial year ended 31 December 2008 amounted to €17 million (2007: €19 million) and €584 million (2007: €497 million)

respectively. Amounts receivable from and payable to associates (arising from the aforementioned sales and purchases transactions) as at the balance sheet date are included as separate line items in notes 18 and 19 to the consolidated financial statements.

Terms and conditions of transactions with subsidiaries, joint ventures and associates

In general, the transfer pricing policy implemented by the Group across its subsidiaries is market-based. Sales to and purchases from other related parties (being joint ventures and associates) are conducted in the ordinary course of business and on terms equivalent to those that prevail in arm's-length transactions. The outstanding balances included in receivables and payables as at the balance sheet date in respect of transactions with associates are unsecured and settlement arises in cash. No guarantees have been either requested or provided in relation to related party receivables and payables. Loans to joint ventures and associates (the respective amounts being disclosed in note 15) are extended on normal commercial terms with interest accruing and, in general, paid to the Group at predetermined intervals.

Key management personnel

For the purposes of the disclosure requirements of IAS 24, the term "key management personnel" (i.e. those persons having authority and responsibility for planning, directing and controlling the activities of the Company) comprises the Board of Directors which manages the business and affairs of the Company. As identified in the Report on Directors' Remuneration on pages 74 to 82, the Directors, other than the non-executive Directors, serve as executive officers of the Company. Full disclosure in relation to the 2008 and 2007 compensation entitlements of the Board of Directors is provided in the Report on Directors' Remuneration.

36. Post Balance Sheet event

On 3 March 2009 the Group announced a fully underwritten Rights Issue to raise approximately €1.238 billion (net of expenses). The Rights Issue will involve the issue of 152,087,952 New Ordinary Shares (representing 28.57 per cent. of the existing issued share capital of the Company and 22.22 per cent. of the issued share capital of the Company including the New Ordinary Shares) at €8.40 per share, on the basis of: 2 New Ordinary Shares for every 7 Existing Ordinary Shares.

37. Board Approval

The Board of Directors approved and authorised for issue the financial statements on pages 85 to 152 in respect of the year ended 31 December 2008 on 3 March 2009.

Company Balance Sheet

as at 31 December 2008

Notes		2008 €m	2007 €m
	Non-current assets		
2	Financial assets	**460**	311
	Current assets		
3	Debtors	**5,683**	4,768
	Cash at bank and in hand	**149**	98
		5,832	4,866
	Creditors (amounts falling due within one year)		
4	Trade and other creditors	**1,636**	1,669
	Corporation tax liability	**2**	—
	Bank loans and overdrafts	**1**	2
		1,639	1,671
	Total assets less liabilities	**4,653**	3,506
6	**Capital and reserves**		
6	Called-up share capital	**186**	186
6	Preference share capital	**1**	1
6	Share premium	**2,452**	2,424
7	Treasury Shares and own shares	**(378)**	(19)
7	Revaluation reserve	**42**	42
7	Other reserves	**827**	60
7	Profit and loss account	**1,523**	812
	Shareholders' funds	**4,653**	3,506

K. McGowan, M. Lee, Directors

Notes to the Company Balance Sheet

1. Accounting Policies

Basis of accounting

The financial statements have been prepared under the historical cost convention in accordance with the Companies Acts, 1963 to 2006 and Generally Accepted Accounting Practice in the Republic of Ireland (Irish GAAP). The following paragraphs describe the principal accounting policies under Irish GAAP, which have been applied consistently.

Operating income and expense

Operating income and expense arises from the Company's principal activities as a holding company for the Group and is accounted for on an accruals basis.

Financial assets

Fixed asset investments, including investments in subsidiaries, are stated at cost (and at valuation at 31 December 1980 for those investments in existence at that date) and are reviewed for impairment if there are indications that the carrying value may not be recoverable.

Foreign currencies

The reporting currency of the Company is euro. Transactions in foreign currencies are translated at the rates of exchange ruling at the transaction date. Monetary assets and liabilities denominated in foreign currencies are translated into euro at the rates of exchange ruling at the balance sheet date, with a corresponding charge or credit to the profit and loss account.

Share issue expenses and share premium account

Costs of share issues are written-off against the premium arising on issues of share capital.

Share-based payments

The Company has applied the requirements of FRS 20 *Share-based Payment*.

The accounting policy applicable to share-based payments is consistent with that applied under IFRS and is accordingly addressed in detail on page 93 of the Group financial statements.

Cash flow statement

The Company has taken advantage of the exemption afforded by FRS 1 *Cash Flow Statements* not to provide a statement of cash flows.

Treasury Shares and own shares

Treasury Shares

Own equity instruments (i.e. Ordinary Shares) acquired by the Company are deducted from equity and presented on the face of the Company Balance Sheet. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the Company's Ordinary Shares.

Own Shares

Ordinary Shares purchased by the Company under the terms of the Performance Share Plan are recorded as a deduction from equity on the face of the Company Balance Sheet.

Dividends

Dividends on Ordinary Shares are recognised as a liability in the Company's financial statements in the period in which they are declared by the Company.

2. Financial assets

The Company's investment in its subsidiaries is as follows:

	Shares (i)	Other	Total
	€m	€m	€m
At 1 January 2008 at cost/valuation	**251**	**60**	**311**
Additions	**126**	**—**	**126**
Capital contribution in respect of employee share options expense	**—**	**16**	**16**
Capital contribution in respect of Performance Share Plan expense	**—**	**7**	**7**
At 31 December 2008 at cost/valuation	**377**	**83**	**460**

The equivalent disclosure for the prior year is as follows:

At 1 January 2007 at cost/valuation	1,030	44	1,074
Disposals	(779)	—	(779)
Capital contribution in respect of employee share options	—	11	11
Capital contribution in respect of Performance Share Plan expense	—	5	5
At 31 December 2007 at cost/valuation	251	60	311

(i) The Company's investment in shares in its subsidiaries was revalued at 31 December 1980 to reflect the surplus on revaluation of certain property, plant and equipment (land and buildings) of subsidiaries. The original historical cost of the shares equated to approximately €9 million. The analysis of the closing balance between amounts carried at valuation and at cost is as follows:

	2008	2007
	€m	€m
At valuation 31 December 1980	**47**	47
At cost post 31 December 1980	**330**	204
Total	**377**	251

3. Debtors

	2008	2007
	€m	€m
Amounts owed by subsidiary undertakings	**5,683**	4,768

4. Trade and Other Creditors

	2008	2007
	€m	€m
Amounts falling due within one year		
Amounts owed to subsidiary undertakings	**1,636**	1,669

5. Dividends Proposed (Memorandum Disclosure)

Details in respect of dividends proposed of €258 million (2007: €260 million) are presented in the dividends note (note 11) on page 113 of the notes to the Group's IFRS financial statements.

6. Called-up Share Capital

Details in respect of called-up share capital, Treasury Shares and own shares are presented in the share capital note (note 30) and in the reserves note (note 31) of the Notes on Financial Statements on pages 143 and 145, respectively.

7. Movement in Shareholders' Funds

	2008				
	Share premium account	Treasury shares/ own shares	Revaluation reserve	Other reserves	Profit and loss account
	€m	€m	€m	€m	€m
At 1 January	**2,424**	**(19)**	**42**	**60**	**812**
Currency translation effects	—	—	—	—	**4**
Premium on shares issued	**28**	—	—	—	—
Profit after tax before dividends	—	—	—	**750**	**1,093**
Shares acquired by CRH plc (Treasury Shares)	—	**(411)**	—	—	—
Treasury Shares re-issued in satisfaction of share option exercises	—	**48**	—	—	**(48)**
Shares acquired by Employee Benefit Trust (own shares)	—	**(3)**	—	—	—
Share option exercises	—	—	—	—	**31**
Employee share options	—	**7**	—	**17**	—
Dividends (including shares issued in lieu of dividend)	—	—	—	—	**(369)**
At 31 December	**2,452**	**(378)**	**42**	**827**	**1,523**

	2007				
	Share premium account	Own shares	Revaluation reserve	Other reserves	Profit and loss account
	€m	€m	€m	€m	€m
At 1 January	2,322	(14)	42	557	314
Currency translation effects	—	—	—	—	(2)
Premium on shares issued	102	—	—	—	—
Transfer to profit and loss account from other reserves	—	—	—	(515)	515
Profit before tax and dividends	—	—	—	—	24
Shares acquired by Employee Benefit Trust (own shares)	—	(10)	—	—	(41)
Share option exercises	—	—	—	—	20
Employee share options	—	5	—	18	—
Dividends received from subsidiaries	—	—	—	—	300
Dividends (including shares issued in lieu of dividend)	—	—	—	—	(318)
At 31 December	2,424	(19)	42	60	812

In accordance with section 148(8) of the Companies Act, 1963 and section 7(1A) of the Companies (Amendment) Act, 1986, the Company is availing of the exemption from presenting its individual profit and loss account to the Annual General Meeting and from filing it with the Registrar of Companies. The profit retained for the financial year dealt with in the Company financial statements amounted to €1,474 million (2007: €6 million).

8. Share-based Payments

The total expense of €24 million (2007: €23 million) reflected in note 7 to the Group's financial statements attributable to employee share options and the Performance Share Plan has been included as a capital contribution in financial assets (note 2) net of reimbursements receivable from subsidiaries.

9. Section 17 Guarantees

Pursuant to the provisions of Section 17, Companies (Amendment) Act, 1986, the Company has guaranteed the liabilities of its wholly-owned subsidiary undertakings and of Concrete Building Systems Limited and the Oldcastle Finance Company general partnership in the Republic of Ireland for the financial year ended 31 December 2008

and, as a result, such subsidiary undertakings and the general partnership have been exempted from the filing provisions of Section 7, Companies (Amendment) Act, 1986 and Regulation 20 of the European Communities (Accounts Regulations), 1993 respectively.

The Company has not guaranteed any debt or other obligations of joint ventures or associates.

10. Approval by Board

The Board of Directors approved and authorised for issue the Company financial statements on pages 153 to 157 in respect of the year ended 31 December 2008 on 3 March 2009.

4. Capitalisation and Indebtedness

The following table sets out the consolidated capitalisation and indebtedness of the Group as at 31 December 2008[(1)]:

	€m
Total Current Debt	
Guaranteed	853
Secured	36
Unguaranteed/Unsecured	132
Total Current Debt	**1,021**

	€m
Total Non-Current Debt (excluding current portion of long -term debt)	
Guaranteed	6,095
Secured	43
Unguaranteed/Unsecured	139
Total Non-Current Debt	**6,277**

EQUITY	€m
Equity share capital	186
Preference share capital	1
Share premium account	2,448
Own shares	(378)
Other reserves	87
Foreign currency translation reserve	(644)
Retained income	6,387
Minority interest	70
Total equity	**8,157**

LIQUIDITY	€m
Cash	483
Cash equivalents (short term deposits)	316
Trading Securities	128
Total Liquidity	**927**

CURRENT FINANCIAL PAYABLES	€m
Current bank debt	506
Current portion of non current debt	348
Other current financial debt	167
Current Financial Debt	1,021
Net Current Financial Indebtedness*	
Non current bank loans	1,782
Bonds issued	3,803
Other Non Current Loans	692
Non Current Financial Indebtedness	6,277

Indebtedness is shown as at 31 December 2008 and does not reflect the early repayment of €0.5bn of non-current guaranteed bank debt from the proceeds of the Rights Issue.

(1) Source: Unaudited management accounts and internal financial and operating reporting systems.

* Source: Current Financial Debt — Current Financial Receivable — Liquidity

5. Liquidity and Capital Resources

	Year ended 31 December		
	2008	2007	2006
	€m	€m	€m
Group Cash Flow			
Net cash flow from operating activities	1,893	2,350	1,728
Net cash flow from investing activities	(1,791)	(2,780)	(2,584)
Net cash flow from financing activities	(296)	369	844
Net decrease in cash and cash equivalents[1]	(194)	(61)	(12)
Cash and cash equivalents at 1 January	1,006	1,102	1,149
Effect of foreign exchange rates	(13)	(35)	(35)
Cash and cash equivalents at period end	799	1,006	1,102

(1) Current Financial Debt – Current Financial Receivable – Liquidity

(2) Net Current Financial Indebtedness – Non Current Financial Indebtedness

5.1 Cash flows

The consolidated statements of cash flows on page 72 set out the detailed cash inflows and outflows for each of the three years ended 31 December 2008, 2007 and 2006.

Details of movements in the various components of working capital during 2007 and 2008 are set out in note 20 of the notes on the 2008 Financial Statements (page 123).

Cash flow for 2007 compared with 2006

The charge for depreciation and amortisation of intangible assets of €774m was €85m higher than 2006 (€689m) mainly reflecting the impact of acquisitions completed in 2006 and 2007. While the substantial acquisition activity in 2006 and 2007 resulted in a significant increase in net finance costs to €303m (2006: €252m), EBITDA/net interest cover for the year remained very comfortable at 9.4 times (2006: 9.7 times).

Due to the seasonal nature of CRH's business, working capital movements exhibit a high degree of weather dependency and can significantly increase when measured during the peak trading season, generally May to September. The outflow as measured at 30 June 2007 amounted to €329m. A continuing strong focus on working capital management across the Group's heritage operations combined with a significant reduction in working capital levels at APAC, associated with the scaling back of its low margin contracting activities, resulted in a working capital decrease for the year of €261m compared with a €132m increase in 2006. Taxation payments were slightly higher than 2006. Interest payments of €352m in 2007 were €99m higher than in 2006 due to higher average gross debt levels related to acquisition activity.

Cash flow from financing largely consisted of funding from CRH's committed bank facilities.

Cash flow for 2008 compared with 2007

The charge for depreciation and amortisation increased by €42m to €781m in 2008, mainly reflecting the impact of acquisitions completed in 2007 and 2008. The increase of €57m in working capital for the year represents a good performance in managing receivables and payables in a challenging environment. The tax charge at 22.5 per cent. of Group profit before tax decreased compared with 2007 (24.5 per cent.). The decline in the tax charge largely reflects lower taxable profits in a number of the Group's overseas jurisdictions where higher tax rates apply. Accordingly, tax payments in 2008 were lower than in 2007.

While the level of capital expenditure in 2008 was broadly similar to 2007 at €1bn, the net outflow from investing activities was lower than 2007 due to the lower spend of €1bn on acquisitions and investments in 2008, compared with €2bn in 2007. This reflects a deliberate curtailment of development activity in the second half of 2008 as the economic environment deteriorated. The change in cash flows from financing activities from an inflow of €369m in 2007 to an outflow of €296m in 2008 includes the impact of the repurchase of approximately 18.2 million Ordinary Shares under the share purchase programme which was announced in January 2008 and terminated in November 2008. 2 million of these shares were used to satisfy the exercise of share options during the year and the proceeds from option holders is included in the net cost of share purchases.

5.2 Indebtedness

CRH has incurred and will continue to incur significant amounts of debt in order to finance its business and ongoing acquisition programme. As at 31 December 2008, CRH had outstanding net indebtedness of €6.1bn, (2007: €5.2bn, 2006: (€4.5bn). Further details of the liquidity and cashflows of CRH for the financial years ended 31 December 2006 and 31 December 2007, are set out on pages 57 to 64 of the 2007 20-F, which is incorporated by reference into this Prospectus. In 2008, 2007 and 2006, CRH has generated sufficient cash from operating activities to fund all cash outgoings other than acquisitions of, and investments in subsidiaries and joint ventures. As a result, all borrowing requirements in those years have arisen from acquisitions of, and investments in, subsidiaries and joint ventures.

A significant portion of CRH's cash flow from operations is dedicated to the payment of principal and interest on its indebtedness and will not be available for other purposes. In 2008 this portion was 22 per cent. (2007: 17 per cent., 2006: 29 per cent.). If CRH's earnings were to decline significantly, it could experience difficulty in servicing its debt instruments.

PART XIII – UNAUDITED PRO FORMA FINANCIAL INFORMATION

1. Effect of the Rights Issue

The unaudited pro forma financial information set out in this Part XIII has been prepared to illustrate the effect of the Rights Issue as if it had occurred on 31 December 2008. The unaudited pro forma financial information has been prepared for illustrative purposes only and, because of its nature, addresses a hypothetical situation and therefore does not represent the Group's actual financial position or results following the Rights Issue.

The unaudited pro forma statement of consolidated net assets has been prepared on the basis of the notes below.

	As at 31 December 2008	Adjustments for the Rights Issue[2]	Pro forma consolidated balance sheet
	€m	€m	€m
ASSETS			
Non-current assets			
Property, plant and equipment	8,888	—	8,888
Intangible assets	4,108	—	4,108
Investments in associates	743	—	743
Other financial assets	127	—	127
Derivative financial instruments	416	—	416
Deferred income tax assets	333	—	333
Total non-current assets	14,615	—	14,615
Current assets			
Inventories	2,473	—	2,473
Trade and other receivables	3,096	—	3,096
Derivative financial instruments	10	—	10
Liquid investments	128	—	128
Cash and cash equivalents	799	1,238	2,037
Total current assets	6,506	1,238	7,744
Total assets	21,121	1,238	22,359
EQUITY			
Capital and reserves attributable to the Company's equity holders			
Equity share capital	186	49	235
Preference share capital	1	—	1
Share premium account	2,448	1,189	3,637
Treasury Shares and own shares	(378)	—	(378)
Other reserves	87	—	87
Foreign currency translation reserve	(644)	—	(644)
Retained income	6,387	—	6,387
	8,087	1,238	9,325
Minority interest	70	—	70
Total equity	8,157	1,238	9,395
LIABILITIES			
Non-current liabilities			
Interest bearing loans and borrowings	6,277	—	6,277
Derivative financial instruments	84	—	84
Deferred income tax liabilities	1,461	—	1,461
Trade and other payables	137	—	137
Retirement benefit obligations	414	—	414
Provisions for liabilities	253	—	253
Capital grants	14	—	14
Total non-current liabilities	8,640	—	8,640
Current liabilities			
Trade and other payables	2,919	—	2,919
Current income tax liabilities	186	—	186
Interest-bearing loans and borrowings	1,021	—	1,021
Derivative financial instruments	62	—	62
Provisions for liabilities	136	—	136
Total current liabilities	4,324	—	4,324
Total liabilities	12,964	—	12,964
Total equity and liabilities	21,121	1,238	22,359

Notes:

(1) The financial information on the Group as at 31 December 2008 has been extracted without material adjustment from the 2008 Financial Statements.

(2) As set out in this Prospectus, CRH proposes to raise €1.238bn, net of expenses, by means of the Rights Issue. The net proceeds of the Rights Issue have been included in cash.

(3) The expenses of the Rights Issue have been estimated at €40m (including VAT).

(4) No account has been taken of the trading results of the Group since 31 December 2008.

(5) No account has been taken of any Ordinary Shares which may have been issued on the exercise of options granted under the CRH Share Schemes after 31 December 2008.

2. Report by Ernst & Young LLP on the unaudited pro forma financial information of the Group

The Directors
CRH plc
42 Fitzwilliam Square
Dublin 2
Ireland

3 March 2009

Dear Sirs

We report on the pro forma financial information (the "**Pro Forma Financial Information**") set out in Part XIII (*Unaudited Pro Forma Financial Information*) of the prospectus dated 3 March 2009 (the "**Prospectus**"), which has been prepared on the basis described in the notes contained in Part XIII *(Unaudited Pro Forma Financial Information)* of the Prospectus, for illustrative purposes only, to provide information about how the transaction might have affected the financial information presented on the basis of the accounting policies adopted by CRH plc in preparing the financial statements for the period ended 31 December 2008. This report is required by item 20.2 of Annex I of Commission Regulation (EC) No. 809/2004 (the "**EU Prospectus Regulation**") and is given for the purpose of complying with that item and for no other purpose.

Save for any responsibility arising under paragraph 2(2)(f) of Schedule 1 to the Prospectus (Directive 2003/71/EC) Regulations 2005 (S.I. 324 of 2005) of Ireland to any person as and to the extent there provided, to the fullest extent permitted by law we do not assume any responsibility and will not accept any liability to any other person for any loss suffered by any such other person as a result of, arising out of, or in connection with this report or our statement, required by and given solely for the purposes of complying with item 23.1 of Annex I to the EU Prospectus Regulation consenting to its inclusion in the Prospectus.

Responsibilities

It is the responsibility of the directors of CRH plc to prepare the Pro Forma Financial Information in accordance with item 20.2 of Annex I of the EU Prospectus Regulation.

It is our responsibility to form an opinion, as required by item 7 of Annex II of the EU Prospectus Regulation, as to the proper compilation of the Pro Forma Financial Information on a basis consistent with the accounting policies of CRH plc and to report that opinion to you.

In providing this opinion we are not updating or refreshing any reports or opinions previously made on any financial information used in the compilation of the Pro Forma Financial Information, nor do we accept responsibility for such reports.

Basis of opinion

We conducted our work in accordance with the Standards for Investment Reporting issued by the Auditing Practices Board for use in the United Kingdom and Ireland. The work that we performed for the purpose of making this report, which involved no independent examination of any of the underlying financial information, consisted primarily of comparing the unadjusted financial information with the source documents, considering the evidence supporting the adjustments and discussing the Pro Forma Financial Information with the directors of CRH plc.

We planned and performed our work so as to obtain the information and explanations we considered necessary in order to provide us with reasonable assurance that the Pro Forma Financial Information has been properly compiled on the basis stated and that such basis is consistent with the accounting policies of CRH plc.

Our work has not been carried out in accordance with auditing or other standards and practices generally accepted in other jurisdictions and accordingly should not be relied upon as if it had been carried out in accordance with those standards and practices.

Opinion

In our opinion:

a. the Pro Forma Financial Information has been properly compiled on the basis stated; and

b. such basis is consistent with the accounting policies of CRH plc.

Declaration

For the purposes of paragraph 2(2)(f) of Schedule 1 to the Prospectus (Directive 2003/71/EC) Regulations 2005 (S.I. 324 of 2005) of Ireland, we are responsible for this report as part of the Prospectus and declare that we have taken all reasonable care to ensure that the information contained in this report is, to the best of our knowledge, in accordance with the facts and contains no omission likely to affect its import. This declaration is included in the Prospectus in compliance with item 1.2 of Annexes I and III of the EU Prospectus Regulation.

Yours faithfully

Ernst & Young LLP

PART XIV – TAXATION

In this Part XIV *(Taxation):* (i) any reference to the New Ordinary Shares shall mean the Ordinary Shares and the unlisted Income Shares, issued with and tied to the Ordinary Shares, to be issued pursuant to the Rights Issue; and (ii) any reference to Existing Ordinary Shares shall mean the Ordinary Shares in issue at the Record Date and the unlisted Income Shares tied to such Ordinary Shares.

1. Irish Taxation

The following is a general summary of the main Irish tax considerations applicable to certain Irish investors who are the beneficial owners of New Ordinary Shares and is based on existing Irish law and practice in effect on the date of this Prospectus. Legislative, administrative or judicial changes may modify the tax consequences described below.

The statements do not constitute tax advice and are intended only as a general guide. Furthermore, this information applies only to New Ordinary Shares held as capital assets and does not apply to certain categories of CRH Shareholders, such as dealers in securities, trustees, insurance companies, collective investment schemes and CRH Shareholders who have, or who are deemed to have, acquired their New Ordinary Shares by virtue of an office or employment. This summary is not exhaustive and prospective purchasers should consult their own tax advisers as to the tax consequences in Ireland, or other relevant jurisdictions of the purchase, ownership and disposition of the New Ordinary Shares.

1.1 New Ordinary Shares acquired pursuant to the Rights Issue

The issue of New Ordinary Shares to Qualifying Shareholders up to their entitlements as Qualifying Shareholders, pursuant to the Rights Issue should be treated as a reorganisation of the share capital of the Company for the purposes of taxation of chargeable gains. Accordingly, the New Ordinary Shares issued to Qualifying Shareholders in accordance with their pro rata entitlements as Qualifying Shareholders should be treated as the same asset and as though acquired at the same time as the Existing Ordinary Shares.

The base cost for tax purposes of the Existing Ordinary Shares (which will be treated as including the New Ordinary Shares) will be deemed to have been increased by the amount of consideration paid for the New Ordinary Shares.

New Ordinary Shares acquired under the Rights Issue in excess of a Qualifying Shareholder's entitlement shall be treated as a new and separate acquisition.

If a Qualifying Shareholder disposes of all or part of the New Ordinary Shares provisionally allotted to him, or his right to subscribe for New Ordinary Shares, or if he allows or is deemed to allow his rights to lapse and receives a cash payment in respect of his rights, he may, depending on his circumstances, incur a liability to tax on any capital gain realised.

The rate of capital gains tax in Ireland is currently 22 per cent. An individual is entitled to a small gains exemption annually whereby currently the first €1,270 of an individual's chargeable gain is exempt.

A holder of New Ordinary Shares will not be subject to capital gains tax on a disposal of such New Ordinary Shares provided that such holder (i) is neither resident nor ordinarily resident in Ireland at the time of the disposal and provided that the unlisted Income Shares do not derive the greater part of their value from Irish land, minerals or mineral rights, and (ii) does not hold the New Ordinary Shares through or for the purposes of a trade carried on by an Irish branch or agency. Notwithstanding this, a holder who is an individual and who is temporarily a non-resident of Ireland may under anti-avoidance legislation still be liable to Irish taxation on any chargeable gain realised (subject to the availability of exemptions or reliefs).

1.2 Withholding Tax on Dividends

Dividend Withholding Tax ("**DWT**") must be deducted from dividends paid by an Irish resident company, unless a CRH Shareholder is entitled to an exemption and has submitted a properly completed exemption form to the Registrar. DWT applies to dividends paid by way of cash or by way of shares under a scrip dividend scheme and is deducted at the standard rate of income tax which is currently 20 per cent. Non-resident shareholders and Irish companies, trusts, pension schemes, investment undertakings and charities may, depending on their circumstances, be entitled to claim exemption from DWT.

1.3 Tax on Dividends paid on New Ordinary Shares

Irish resident individual shareholders are subject to Irish income tax and levies on the gross dividend at their marginal rate of tax. The gross dividend is the dividend received plus DWT withheld by the Company. Irish resident

individual shareholders are generally entitled to a credit for the DWT deducted against their income tax liability and to have refunded to them any amount by which DWT exceeds such income tax liability provided that they furnish the statement of DWT suffered to the Revenue Commissioners in Ireland.

Irish resident corporate shareholders are generally exempt from Irish tax on dividends received from the Company. If an Irish resident corporate shareholder is a close company, as defined under Irish legislation, it may, in certain circumstances, be liable to a 20 per cent. investment income surcharge.

Non-Irish resident shareholders are, unless entitled to exemption from DWT, liable to Irish income tax on dividends received from the Company. However, the DWT deducted by the Company discharges such liability to Irish income tax provided that they furnish the statement of DWT suffered to the Revenue Commissioners in Ireland. Where a non-resident shareholder is entitled to exemption from DWT, then no Irish income tax arises.

1.4 Capital Acquisitions Tax

Irish capital acquisitions tax ("**CAT**") is a tax on gifts, inheritances and on discretionary trusts. CAT could apply to a gift or inheritance of New Ordinary Shares irrespective of the place of residence, ordinary residence or domicile of the parties. This is because New Ordinary Shares are regarded as property situated in Ireland as the register of members of the Company is held in Ireland. The person who receives the gift or inheritance has primary liability for CAT.

CAT is levied at a rate of 22 per cent. above certain tax-free thresholds. The appropriate tax-free threshold is dependent upon (i) the relationship between the donor and the donee and (ii) the aggregation of the values of previous gifts and inheritances received by the donee from persons within the same group threshold. Gifts and inheritances passing between spouses are exempt from CAT.

1.5 Stamp Duty

No stamp duty should be payable on (i) the issue of Provisional Allotment Letters or split Provisional Allotment Letters (ii) the renunciation of Provisional Allotment Letters (whether nil paid or fully paid) or split Provisional Allotment Letters on or before the latest date for registration of renunciation (iii) the registration of the holders of Provisional Allotment Letters, (iv) the crediting of Nil Paid Rights or Fully Paid Rights to stock accounts in CREST or any issue in uncertificated form of the New Ordinary Shares, or (v) the transfer of Nil Paid or Fully Paid Rights held in CREST where the transfer is a renunciation of those Rights and is effected on or before the latest day for renunciation of those Rights.

A subsequent transfer of New Ordinary Shares (including a transfer effected through CREST) will (unless an exemption or relief is available) generally be liable to Irish stamp duty at the rate of 1 per cent. of the consideration paid or, in the case of a gift or where the purchase price is inadequate or unascertainable, the market value of the New Ordinary Shares being transferred. The person acquiring the New Ordinary Shares is liable for the stamp duty. However, in the case of a gift or a transfer at undervalue, all parties to the transfer are liable for the duty. To avoid interest and penalties, stamp duty should be paid within 30 days after the transfer is first executed.

2. United Kingdom Taxation

The following statements are intended only as a general guide to the position under current United Kingdom law and Her Majesty's Revenue & Customs published practice as at the date of this Prospectus, both of which are subject to change, possibly with retrospective effect. They relate only to certain limited aspects of the United Kingdom taxation treatment of Qualifying Shareholders and apply only to persons who are resident (and, in the case of an individual, ordinarily resident and domiciled) in the United Kingdom for United Kingdom tax purposes and who are beneficial owners of the New Ordinary Shares. They may not apply to certain CRH Shareholders, such as traders, broker-dealers, dealers in securities, intermediaries, insurance companies and collective investment schemes, shareholders who have (or are deemed to have) acquired their New Ordinary Shares by virtue of an office or employment or who are officers or employees or individual shareholders who own 10 per cent. or more of the issued share capital of the Company (including in certain circumstances, shares comprised in a settlement of which the shareholder is a settler and shares held by a connected person as well as shares transferred by a shareholder pursuant to a repurchase or stock lending arrangement). Such persons may be subject to special rules. The following statements may not apply where the Company offers scrip dividends in lieu of cash. Any person who is in any doubt as to his tax position, or who is resident or otherwise subject to taxation in any jurisdiction other than the United Kingdom, should consult his own professional adviser.

2.1 Taxation of chargeable gains

For the purposes of United Kingdom taxation of chargeable gains, the issue of the New Ordinary Shares should be regarded as a reorganisation of the share capital of the Company.

Accordingly, you should not be treated as making a disposal of all or part of your holding of the Existing Ordinary Shares by reason of taking up all or part of your rights to the New Ordinary Shares. No liability to United Kingdom tax on chargeable gains in respect of the New Ordinary Shares should arise if you take up your entitlement to the New Ordinary Shares in full.

Your Existing Ordinary Shares and New Ordinary Shares should be treated as the same asset acquired at the time you acquired your Existing Ordinary Shares. The subscription monies for your New Ordinary Shares should be added to the base cost of your Existing Ordinary Shares.

In the case of shareholders within the charge to UK corporation tax, indexation allowance will apply to the amount paid for the New Ordinary Shares only from the date the monies for the New Ordinary Shares are paid or liable to be paid. Indexation allowance or taper relief is not available for disposals by shareholders who are individuals.

New Ordinary Shares acquired by you in excess of your entitlement under the Rights Issue should be treated as a new and separate acquisition.

If you sell or otherwise dispose of all or some of the New Ordinary Shares allotted to you, or your rights to subscribe for them, or if you allow or are deemed to have allowed your rights to lapse and receive a cash payment in respect of them, you may, depending on your circumstances, incur a liability to tax on any chargeable gain realised.

If you dispose of all or part of your rights to subscribe for the New Ordinary Shares or allow or are deemed to allow them to lapse in return for a cash payment and the proceeds resulting from the disposal or lapse of rights are "small" as compared to the value of the Existing Ordinary Shares in respect of which the rights arose, you may be treated as making no disposal for the purpose of tax on chargeable gains. No liability to tax on chargeable gains will then arise as a result of the disposal or lapse of the rights, but the proceeds will be deducted from the base cost of your holding of Existing Ordinary Shares. Her Majesty's Revenue and Customs interprets "small" as 5 per cent. or less of the value of the Existing Ordinary Shares in respect of which the rights arose or £3,000 or less, regardless of whether or not it would pass the 5 per cent. test.

2.2 Dividends

A United Kingdom resident individual shareholder who receives a dividend from the Company will be entitled to a tax credit which may be set off against the shareholder's total income tax liability on the dividend. The tax credit will be equal to 10 per cent. of the aggregate of the dividend (before deduction of any Irish withholding tax) and the tax credit (the "**gross dividend**"). Such an individual shareholder who is liable to income tax at the basic rate will be subject to tax on the dividend at the rate of 10 per cent. of the gross dividend, so that the tax credit will satisfy in full such shareholder's liability to income tax on the dividend. In the case of such an individual shareholder who is liable to income tax at the higher rate, the tax credit will be set against but not fully match the shareholder's tax liability on the gross dividend and such shareholder will have to account for additional income tax equal to 22.5 per cent. of the gross dividend (which is also equal to 25 per cent. of the cash dividend (before deduction of any Irish withholding tax)) to the extent that the gross dividend when treated as the top slice of the shareholder's income falls above the threshold for higher rate income tax. The UK Government has announced proposals to introduce, with effect from 6 April 2011, a new tax rate of 45 per cent. for taxable non-savings and savings income above £150,000. Dividends which would otherwise be taxable at the new 45 per cent. rate would, however, be liable to income tax at a new proposed rate of 37.5 per cent.

Irish withholding tax withheld from the payment of a dividend may in certain circumstances be available as a credit against the income tax payable by an individual shareholder in respect of the dividend. A credit is generally unlikely to be available where the individual could have claimed exemption from Irish withholding tax as detailed in paragraph 1.3 above even if no such claim has been made.

A United Kingdom resident individual shareholder who is not liable to income tax in respect of the gross dividend and other United Kingdom resident taxpayers who are not liable to United Kingdom tax on dividends, including pension funds and charities, will not be entitled to claim repayment of the tax credit attaching to dividends paid by the Company.

Shareholders who are within the charge to corporation tax in respect of shares in the Company will generally be subject to corporation tax on the gross amount of any dividends paid by the Company, subject to any applicable credit for Irish withholding tax. The UK Government has announced the introduction (from a date to be appointed

by Treasury Order) of provisions which, if enacted in the form proposed in the draft legislation published on 9 December 2008, would result in shareholders who are within the charge to corporation tax being subject to corporation tax on dividends paid by the Company, unless the dividends fall within an exempt class and certain other conditions are met. It is expected that the dividends paid by the Company would generally be exempt.

2.3 Stamp Duty and Stamp Duty Reserve Tax

No UK stamp duty or UK stamp duty reserve tax ("**SDRT**") will be payable on the issue of Provisional Allotment Letters.

The purchase of rights to New Ordinary Shares represented by Provisional Allotment Letters (whether nil paid or fully paid) on or before the latest time for registration or renunciation will not generally be liable to UK stamp duty, nor (so long as the New Ordinary Shares are not registered in any register kept in the United Kingdom) will it be liable to SDRT.

No UK stamp duty or SDRT will be payable on the registration of Provisional Allotment Letters, whether by the original holders or their renouncees.

No UK stamp duty should be payable in connection with the issue of the New Ordinary Shares.

No UK stamp duty should be payable on the transfer of the New Ordinary Shares provided that any instrument of transfer is not executed in the United Kingdom and does not relate to any property situated, or to any matter or thing done or to be done, in the United Kingdom.

No SDRT should be payable on any agreement to transfer the New Ordinary Shares provided that the shares are not registered in any register kept in the United Kingdom.

Under the CREST system for paperless share transfers, no UK stamp duty should arise on a transfer of New Ordinary Shares into or within the system provided that any instrument of transfer is not executed in the United Kingdom and does not relate to any property situated, or to any matter or thing done, or to be done, in the United Kingdom, nor (so long as the New Ordinary Shares are not registered in any register kept in the United Kingdom) should SDRT arise on such transfers.

PART XV – ADDITIONAL INFORMATION

1. Responsibility

CRH and the Directors, whose names and positions are set out in section 5 of this Part XV, accept responsibility for the information contained in this Prospectus. To the best of the knowledge and belief of CRH and the Directors (who have taken all reasonable care to ensure that such is the case), the information contained in this Prospectus is in accordance with the facts and does not omit anything likely to affect the import of such information.

2. CRH's Share Capital

2.1 Authorised Share Capital

As at 31 December 2008 and 31 December 2007, the authorised share capital of the Company was as follows:

	Number		Value (€m)	
Class	2008	2007	2008	2007
Ordinary Shares of €0.32 each	735,000,000	735,000,000	235.20	235.20
Income Shares of €0.02 each	735,000,000	735,000,000	14.70	14.70
5% Cumulative Preference Shares of €1.27 each	150,000	150,000	0.19	0.19
7% "A" Cumulative Preference Shares of €1.27 each	872,000	872,000	1.11	1.11

2.2 Issued and Fully Paid Share Capital

As at 31 December 2008, the entire issued share capital of the Company was fully paid. As at 1 January 2008 and 31 December 2008, the allotted and fully paid share capital of the Company was as follows:

	Number			Value (€m)	
Class	As at 1 January 2008	Allotted during 2008	As at 31 December 2008	As at 1 January 2008	As at 31 December 2008
Ordinary Shares of €0.32 each	547,207,814	1,294,564	548,502,378	175.11	175.52
Income Shares of €0.02 each	547,207,814	1,294,564	548,502,378	10.94	10.97
5% Cumulative Preference Shares of €1.27 each	50,000	Nil	50,000	0.06	0.06
7% "A" Cumulative Preference Shares of €1.27 each	872,000	Nil	872,000	1.11	1.11

Ordinary Shares allotted/treasury shares re-issued for cash/non-cash in 2006, 2007 and 2008 were as follows:

	Cash		Non-cash (Scrip dividend)	
Year	Number	Percentage	Number	Percentage
2006	5,586,447	86.40	879,651	13.60
2007	2,148,313	48.62	2,269,880	51.38
2008	2,401,672	72.89	893,242	27.11

2.3 Treasury Shares

In the year ended 31 December 2008, the Company re-issued 2,000,350 treasury shares pursuant to the CRH Share Schemes. As at 31 December 2008, the Company held 16,204,005 Ordinary Shares as treasury shares, the nominal value of which was €5,509,362, and the book value of which was €363m. As at 27 February 2009, the latest practicable date prior to publication of this Prospectus, the Company held 16,194,543 Ordinary Shares as treasury shares.

2.4 Convertible and Exchangeable Securities and Capital Increases

Other than in connection with the CRH Share Schemes, no share capital of the Company or any of its subsidiaries is under option or subject to a conditional or unconditional agreement to grant an option thereover. Other than in connection with the CRH Share Schemes, there are no acquisition rights and or obligations over authorised but unissued capital of the Company, or undertakings to increase the capital.

2.5 Share Capital History

The only allotments or re-issues of Ordinary Shares during the financial years ended 31 December 2006, 2007 and 2008 are those set out in paragraph 2.2 of this Part XV, and were made pursuant to the CRH Share Schemes or the offer of a scrip dividend to the Company's shareholders. The only allotments of shares in CRH for non-cash consideration during this period were pursuant to the offer of a scrip dividend to the Company's shareholders.

By an ordinary resolution passed on 9 May 2001, the Company's authorised share capital was increased from €188,297,940 to €251,197,940 by the creation of 185,000,000 Ordinary Shares/Income Shares. At the Company's annual general meeting on 3 May 2006, the Directors were granted a five-year authority to allot Ordinary Shares up to an aggregate nominal amount equal to the authorised but unissued share capital at close of business on the date of the meeting, pursuant to Article 11(d) of the Articles of Association. At the Company's annual general meeting on 7 May 2008, the authority in Article 11(e) of the Articles of Association, which, *inter alia,* empowers the Directors to allot equity securities for cash without regard to statutory pre-emption rights in connection with a rights issue in favour of CRH Shareholders subject to such exclusions or other arrangements as the Directors may deem necessary or expedient to deal with legal or practical problems in respect of Overseas Shareholders, fractional entitlements or otherwise, was renewed.

2.6 Share Capital After Rights Issue

Assuming there is no change to the authorised share capital of the Company after the date of this Prospectus and prior to completion of the Rights Issue, the authorised share capital of CRH immediately following completion of the Rights Issue is expected to be as stated in the table set out in paragraph 2.1 of this Part XV.

Assuming there is no change to the issued share capital of the Company after the date of this Prospectus and prior to completion of the Rights Issue, the allotted and fully paid share capital of CRH immediately following completion of the Rights Issue is expected to be as follows:

Class	Number	Value €m
Ordinary Shares of €0.32 each	684,395,787	219.00
Income Shares of €0.02 each	684,395,787	13.70
5% Cumulative Preference Shares of €1.27 each	50,000	0.06
7% "A" Cumulative Preference Shares of €1.27 each	872,000	1.11

3. Memorandum and Articles of Association

3.1 Objects and Purposes

CRH is incorporated under the name CRH public limited company and is registered in Ireland with registered number 12965. Clause 4 of the Memorandum of Association provides that its objects include the business of quarry masters and proprietors, lessees and workers of quarries, sand and gravel pits, mines and the like generally; the business of road-makers and contractors, building contractors, builders merchants and providers and dealers in road making and building materials, timber merchants; and the carrying on of any other business calculated to benefit CRH. The Memorandum of Association grants CRH a range of corporate capabilities to effect these objects.

3.2 Directors

The Directors manage the business and affairs of CRH.

Directors who are in any way, whether directly or indirectly, interested in contracts or other arrangements with CRH must declare the nature of their interest at a meeting of the Directors, and, subject to certain exemptions, may not vote in respect of any contract or arrangement or other proposal whatsoever in which they have any material interest other than by virtue of their interest in shares or debentures in the Company. However, in the absence of some other material interest not indicated below, a Director is entitled to vote and to be counted in a quorum for the purpose of any vote relating to a resolution concerning the following matters:

- the giving of security or indemnity with respect to money lent or obligations taken by the Director at the request or for the benefit of the Company;
- the giving of security or indemnity to a third party with respect to a debt or obligation of the Company which the Director has assumed responsibility for under a guarantee, indemnity or the giving of security;
- any proposal under which the Director is interested concerning the underwriting of the Company's shares, debentures or other securities;

- any other proposal concerning any other company in which the Director is interested, directly or indirectly (whether as an officer, shareholder or otherwise) provided that the Director is not the holder of 1 per cent. or more of the voting interest in the shares of such company; and
- proposals concerning the modification of certain retirement benefits under which the Director may benefit and which have been approved or are subject to approval by the Revenue Commissioners in Ireland.

The Directors may exercise all the powers of the Company to borrow money, except that such general power is restricted to the aggregate amount of principal borrowed less cash balances of the Company and its subsidiaries not exceeding an amount twice the aggregate of (a) the share capital of the Company; and (b) the amount standing to the credit of retained income, foreign currency translation reserve and other reserves, capital grants, deferred taxation and minority shareholders' interest, less any repayable government grants; less (c) the aggregate amount of treasury shares and own shares held by the Company.

Pursuant to Article 31, the Directors may, in their absolute discretion and without giving any reason, decline to register the transfer of a share (not being a fully paid share) to a person of whom they do not approve, and they may also decline to register the transfer of a share on which the Company has a lien and shall not be bound to give any reason for such refusal.

Pursuant to Article 32, the Directors may also decline to recognise any instrument of transfer unless the instrument of transfer is accompanied by the certificate of the shares to which it relates (save in the case of a transfer by a stock exchange nominee within the meaning of section 1 of the Companies (Amendment) Act 1977) and such other evidence as the Directors may reasonably require to show the right of the transferor to make the transfer; and the instrument of transfer is in respect of one class of share only other than in respect of transfers of Ordinary Shares and Income Shares which must be on the same instrument.

Notwithstanding the foregoing, the Directors are entitled to disapply all or part of the provisions of Articles 31 and 32 described above to take account of the CREST Regulations.

The Company in general meeting from time to time determines the fees payable to the Directors. The Board may grant special remuneration to any of its number who being called upon, shall render any special or extra services to the Company or go or reside abroad in connection with the conduct of any of the affairs of the Company.

The qualification of a Director is the holding alone and not jointly with any other person of 1,000 Ordinary Shares in the capital of the Company.

Directors are required to submit themselves for re-election every three years in staggered intervals. No person may be appointed a Director who has attained the age of sixty-five years and a Director shall vacate office at the next annual general meeting of the Company after they attain the age of sixty-eight years; however, a person may be appointed as a Director after attaining the age of sixty-five years and a Director may continue in office and will not be required to retire upon attaining the age of sixty-eight years if the continuance as a Director is approved by a resolution of the Directors.

Under the Articles of Association, until otherwise determined by a general meeting of the Company the number of Directors shall not be less than three nor more than fifteen.

3.3 Shares

Subject to the provisions of the Companies Acts and the Articles of Association, the issue of shares in the Company is at the discretion of the Directors.

There are four classes of shares within the Company: Ordinary Shares of €0.32 each, Income Shares of €0.02 each, 5% Cumulative Preference Shares of €1.27 each and 7% "A" Cumulative Preference Shares of €1.27 each.

The Ordinary Shares and Income Shares are tied, in that holders of Income Shares are not entitled to an Income Share certificate, as a certificate for Ordinary Shares is deemed to include an equal number of Income Shares and a shareholder may only sell, transfer or transmit Income Shares with an equivalent number of Ordinary Shares. Income Shares carry no voting rights. The holders of the 5% Cumulative Preference Shares are entitled to a fixed cumulative preferential dividend at a rate of 5% per annum and priority in a winding-up to repayment of capital, but have no further right to participate in profits or assets and are not entitled to be present or vote at general meetings unless their dividend is six months in arrears or a resolution is proposed for the winding-up of the Company or otherwise affecting their rights and privileges. Dividends on the 5% Cumulative Preference Shares are payable half yearly on 15 April and 15 October in each year.

The holders of the 7% "A" Cumulative Preference Shares are entitled to a fixed cumulative preference dividend at a rate of 7% per annum, and priority in a winding-up to repayment of capital, both subject to the rights of the holders of the 5% Cumulative Preference Shares but have no further right to participate in profits or assets and are not entitled to be present or vote at general meetings unless their dividend is six months in arrears or a resolution is proposed for, *inter alia,* the winding-up of the Company, the reduction of the capital of the Company or the abrogation of any special rights or privileges of any preference shares. Dividends on the 7% "A" Cumulative Preference Shares are payable half yearly on 5 April and 5 October in each year.

CRH Shareholders may by ordinary resolution declare final dividends and the Directors may declare interim dividends but no final dividend may be declared in excess of the amount recommended by the Directors and no dividend may be paid otherwise than out of income available for that purpose in accordance with the Companies Acts. The preference shares rank for fixed rate dividends in priority to the Ordinary Shares and Income Shares for the time being of the Company. All dividends must be apportioned and paid proportionately to the amounts paid or credited as paid on the share during any portion or portions of the period in respect of which the dividend is paid, but if any share is issued on terms providing that it shall rank for dividend as from a particular date then that share shall rank for dividend accordingly. Any general meeting declaring a dividend can direct payment of such dividend wholly or partly by the distribution of specific assets.

The Directors may deduct from any dividend payable to any CRH Shareholder all sums of money immediately payable by that CRH Shareholder to the Company on account of calls or otherwise in relation to the shares. No interest is payable by the Company on any unclaimed dividends and all unclaimed dividends may be invested or otherwise used by the Directors for the benefit of the Company until claimed. Any dividend which has remained unclaimed for twelve years from the date of its declaration shall, if the Directors so decide, be forfeited and cease to remain owing by the Company.

There is provision to offer scrip dividends in lieu of cash. The Directors may on any occasion determine that the offer of scrip dividends shall not be made available to any CRH Shareholder who is a citizen of, or resident in, any territory where the circulation of an offer of rights of election in respect of scrip dividends or any exercise of such rights of election or any purported acceptance of the same would or might be unlawful.

The Articles of Association provide that, at shareholders' meetings, CRH Shareholders, either in person or by proxy, are entitled on a show of hands to one vote and on a poll to one vote per share. No member is entitled to vote at any general meeting unless all calls or other sums immediately payable in respect of their shares in the Company have been paid.

By not complying with a statutory notice or notice pursuant to Article 14 of the Articles of Association given by the Company requiring an indication in writing of: (a) the capacity in which the shares are held or any interest therein; (b) the persons who have an interest in the shares and the nature of their interest; or (c) whether any of the voting rights carried by such shares are the subject of any agreement or arrangement under which another person is entitled to control the shareholder's exercise of these rights, a shareholder may be issued with a disenfranchisement notice by the Directors, and shall not be entitled to attend or vote, either personally or by proxy at a general meeting or a meeting of the holders of any class of shares or to exercise any other rights conferred by membership in relation to general meetings of the Company or meetings of the holders of any class of shares.

In the event of the Company being wound-up, the liquidator may, with the sanction of a special resolution of CRH Shareholders, divide among the CRH Shareholders the whole or any part of the net assets of the Company (after the return of capital and payment of accrued dividends on the preference shares) in cash or in kind, and may set such values as he deems fair upon any property to be so divided and determine how such division will be carried out. The liquidator may, with a like sanction, vest such assets in trust as he thinks fit, but no shareholders will be compelled to accept any shares or other assets upon which there is any liability.

The Company may by ordinary resolution convert any paid up shares into stock, and reconvert any stock into paid up shares of any denomination.

The Company has power pursuant to section 207 and subject to Part XI of the Companies Act 1990 to issue shares that are redeemable at the option of the Company or the shareholder on such terms and in such manner as may be determined by the Company in general meeting on the recommendation of the Directors. The Company may convert any of its shares into redeemable shares pursuant to section 210 of the Companies Act 1990.

Where the Company has passed a special resolution empowering the Directors to allot equity securities (within the meaning of section 23 of the Companies Act 1983) for cash and the Directors have been authorised to allot relevant securities in accordance with section 20 of the Companies Act 1983, then the Directors are empowered to allot (pursuant to any such authority) equity securities for cash as if the statutory pre-emption rights pursuant to

section 23(1) of the Companies (Amendment) Act 1983 did not apply to any such allotment, provided that such power is limited:

(i) to the allotment of equity securities in connection with a rights issue in favour of CRH Shareholders where the equity securities respectively attributable to the interest of all such shareholders are proportionate (as nearly as may be) to the respective value of shares held by them but subject to such exclusions or other arrangements as the Directors may deem necessary or expedient to deal with legal or practical problems in respect of overseas shareholders, fractional entitlements or otherwise; and

(ii) to the allotment of equity securities pursuant to the terms of any share scheme for employees approved by the shareholders in general meeting; and

(iii) to the allotment (otherwise than pursuant to paragraphs (i) or (ii) above) of equity securities having in the case of relevant shares (within the meaning of section 23 of the Companies (Amendment) Act 1983) a nominal amount or, in case of other equity securities, giving the right to subscribe for or convert into relevant shares have a nominal amount not exceeding in aggregate the sum specified in such special resolution,

and such power shall (unless otherwise specified in such special resolution or varied or abrogated by special resolution passed at an intervening extraordinary general meeting) expire at the conclusion of the annual general meeting of the Company next following the passing of such special resolution save that the Company may before such expiry make an offer which would or might require equity securities to be allotted after such expiry date and the Directors may allot equity securities in pursuance of such offer or agreement as if such power had not expired.

3.4 Variations

Subject to the provisions of the Companies Acts, the rights attached to any class of shares may be varied with the consent in writing of the holders of not less than three-fourths in nominal value of the issued shares of that class, or with the sanction of a special resolution passed at a separate general meeting of the holders of those shares.

3.5 Meetings

All annual general meetings (**"AGM"**) shall be held in Ireland. Not more than 15 months shall pass between each AGM. The AGM shall be held at such time and place as the Directors shall appoint. All other general meetings other than the AGM shall be called extraordinary general meetings (**"EGM"**).

An AGM and an EGM called for the passing of a special resolution shall be called by at least twenty-one clear days' notice and all other EGMs shall be called by at least fourteen clear days' notice. The notice for an AGM must specify the time, date, place and general nature of the business to be transacted. In accordance with the Companies Acts, the Articles of Association state that the Directors shall convene an EGM on requisition, the requisition must state the objects of the EGM and must be signed by the requisitionists. All business that is transacted at an EGM shall be deemed special. Under the provisions of the Companies Acts the intention to propose the resolution as a special resolution must be given in the notice.

No business shall be transacted at any general meeting unless a quorum of members is present at the time when the meeting proceeds to business. Five members present in person and entitled to vote shall be a quorum.

Every CRH Shareholder is entitled to be present and vote at every AGM and EGM (**"General Meetings"**).

Other than in accordance with the provisions of the Companies Acts, the Takeover Rules and the Takeover Regulations, there are no rules or provisions that would have an effect of delaying, deferring or preventing a change in control of the Company.

3.6 Shareholder Ownership Threshold

There are no disclosure provisions in relation to shareholder ownership thresholds which are more stringent than those contained in the Companies Acts, the Takeover Rules and the Takeover Regulations.

Pursuant to the Companies Acts and Article 14 of the Articles of Association, the Company may send a notice to a person whom the Company knows or believes to be interested in the Company's shares. Please see paragraph 3.3 above for a summary of the provisions of Article 14.

3.7 Changes in Capital

Clause 6 of the Memorandum of Association states that, the rights and privileges attached to any class of shares in the Company's share capital shall not be modified, commuted, affected, abrogated, or dealt with except by an

agreement between the Company and any person or persons purporting to contract on behalf of such class, provided that such agreement is ratified in writing by the holders of three fourths in nominal value of the issued shares of such class, or is confirmed by an extraordinary resolution passed at separate general meetings of the holders of the shares of such class, such meetings to be summoned and held pursuant to the provisions contained in the Articles of Association.

The Company may from time to time by ordinary resolution; (a) increase its share capital; (b) consolidate and divide all or any of its share capital into shares of a larger amount than its existing shares; (c) subdivide its existing shares, or any of them, into shares of a smaller amount; and (d) cancel any shares which, at the date of passing the resolution, have not been taken or agreed to be taken by any person. The Company may from time to time by special resolution reduce its share capital, any capital redemption reserve fund or any share premium account in any manner and with and subject to any incident authorised, and consent required, by law.

4. Mandatory takeover bids, squeeze-out and sell-out rules

Other than as provided by the Takeover Rules, there are no rules or provisions relating to mandatory bids and/or squeeze-out and sell-out rules in relation to the Ordinary Shares.

5. Directors

The strategic direction of the Group is provided by the Board, which comprises Executive and Non-Executive Directors. Management is delegated to certain officers and some Board responsibilities are delegated to committees of the Board.

5.1 Directors' Roles and Terms of Office

The table below details the roles held by members of the Board, and the period during which they have served as Directors.

	Age	Position held	Period during which has served as Director*
K. McGowan	65	Chairman	10 years 4 months
M. Lee	55	Chief Executive	5 years 3 months
G.A. Culpepper	53	Finance Director	2 months
W.P. Egan	64	Non-Executive Director	2 years 2 months
U-H. Felcht	62	Non-Executive Director	1 year 7 months
N. Hartery	57	Non-Executive Director-Senior Independent Director	4 years 8 months
J.M. de Jong	63	Non-Executive Director	5 years 1 month
A. Manifold	46	Chief Operating Officer	2 months
T.V. Neill	63	Non-Executive Director	5 years 1 month
D.N. O'Connor	49	Non-Executive Director	2 years 8 months
J.M.C. O'Connor	62	Non-Executive Director	4 years 8 months
W.I. O'Mahony	62	Non-Executive Director	16 years 3 months
M.S. Towe	59	Chief Executive Officer-Oldcastle Inc	7 months

* from appointment to date of this Prospectus

In accordance with the Articles of Association, each Director, if eligible, must submit himself/herself for re-election by the shareholders of the Company every three years. The normal retirement age for Directors is 68.

Brief biographical details of the Directors are as follows:

5.2 Executive Directors

M. Lee BE, FCA

Myles Lee joined CRH in 1982. Prior to this he worked in a professional accountancy practice and in the oil industry. He was appointed General Manager Finance in 1988, Finance Director and a CRH Board Director in November 2003 and became Group Chief Executive with effect from 1 January 2009.

G.A. Culpepper

Glenn Culpepper joined CRH in 1989. A United States citizen, he has held a variety of positions in the Group's United States operations and was appointed Chief Financial Officer of Oldcastle Materials in 1995. He was appointed to his current position and a CRH Board Director with effect from 1 January 2009.

A. Manifold

Albert Manifold joined CRH in 1998. He has held a variety of senior positions in the Group, including Group Development Director, and was appointed Managing Director, Europe Materials in July 2007. He was appointed to his current position and a CRH Board Director with effect from 1 January 2009.

M.S. Towe

Mark Towe joined CRH in 1997. He was appointed President of Oldcastle Materials, Inc. in 2000 and became its Chief Executive Officer in 2006. He was appointed to his current position with effect from July 2008. A United States citizen, he is responsible for the Group's aggregates, asphalt and readymixed concrete operations in the United States and its products and distribution businesses in the Americas. He was appointed a CRH Board Director with effect from 31 July 2008.

5.3 Non-Executive Directors

K. McGowan

Kieran McGowan became Chairman of CRH in 2007 having been a Non-Executive Director since 1998. He retired as Chief Executive of IDA Ireland in December 1998. He is a director of a number of companies including Elan Corporation plc and United Drug plc.

W.P. Egan

Bill Egan became a Non-Executive Director in January 2007. He is founder and General Partner of Alta Communications and Marion Equity Partners LLC, Massachusetts-based venture capital firms. He is Past President and Chairman of the National Venture Capital Association and is a trustee of the University of Pennsylvania and a member of the board of overseers of the Wharton School of Finance at the University of Pennsylvania. He is a director of Cephalon, Inc. and the Irish venture capital company, Delta Partners Limited. He also serves on the boards of several privately held communications, cable and information technology companies.

U-H. Felcht

Utz-Hellmuth Felcht became a Non-Executive Director in July 2007. A German national, he was, until May of 2006, Chief Executive of Degussa GmbH, Germany's third largest chemical company. He is on the board of CIBA AG and is a partner in the private equity group One Equity Europe GmbH. He is a member of the Advisory Board of Hapag-Lloyd and of the Supervisory Boards of SGL Carbon AG, Jungbunzlauer Holding AG and Süd-Chemie Aktiengesellschaft.

N. Hartery CEng, FIEI, MBA

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 Chief Executive Officer at Verbatim Corporation, based in the United States.

J.M. de Jong

Jan Maarten de Jong, a Dutch national, became a Non-Executive Director in January 2004. 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 Adviser to the board of that company until April 2006. He also holds a number of other directorships of European companies including AON Groep Nederland B.V.

T.V. Neill MA, MSc (Econ.)

Terry Neill became a Non-Executive Director in January 2004. He was, until August 2001, Senior Partner in Accenture and had been Chairman of Accenture/Andersen Consulting's global board. He is a member of the Court of Bank of Ireland. He is also a member of the Governing Body of the London Business School, where he is Chair of the Finance Committee, and of the Trinity Foundation Board.

D.N. O'Connor BComm, FCA

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 a director of Allied Irish Banks, p.l.c.

J.M.C. O'Connor B.Soc. Sc., M.Soc. Sc., PhD

Joyce O'Connor became a Non-Executive Director in June 2004. She is President Emeritus of the National College of Ireland. She currently chairs the Digital Hub Development Agency and the Dublin Inner City Partnership. She is a non-executive director of the Hugh Lane Gallery and a Patron of Caring for Carers Association of Ireland. She is a board member of the National Centre for Partnership and Performance and the Steering Group on Active Citizenship, a Council Member of the Dublin Chamber of Commerce and an Eisenhower Fellow.

W.I. O'Mahony BE, BL, MBA, FIEI

Liam O'Mahony joined CRH in 1971. He has held various senior management positions including Managing Director, Republic of Ireland and UK Group companies and Chief Executive of American operations. He joined the CRH Board in 1992 and became Group Chief Executive in January 2000, a position he held until the end of 2008. He is Chairman of Smurfit Kappa Group plc, a director of Project Management Limited and a member of The Irish Management Institute Council.

5.4 Other Directorships and Partnerships

Name of Director	Current	Former (last five years)
K. McGowan	Business in the Community Charles Schwab Asset Management (Ireland) Limited Charles Schwab Worldwide Funds plc Elan Corporation, plc United Drug plc US Trust Global Investment Series Plc. Foundation for Investing in Communities	2003 Special Olympics World Summer Games Limited Aberdeen Asset Allocation Overlay Fund Euro plc Aberdeen Balanced Asset Allocation Sterling Fund plc Aberdeen Cash and Money Market Fund plc Aberdeen Equity Asset Allocation Sterling Fund plc Aberdeen Fixed Income Funds plc Aberdeen Funds plc Aberdeen Global Select Funds plc Aberdeen GlobalSpectrum Funds plc Aberdeen Investment Funds (Ireland) plc Aberdeen Portable Alpha Funds 1 plc Aberdeen Portable Alpha Funds II plc Aberdeen Profunds plc An Post National Lottery Limited Co-operation Ireland – Northern Ireland Co-operation Ireland – Republic of Ireland Drury Communications Holdings Limited Drury Communications Limited Dublin Molecular Medicine Centre

Name of Director	Current	Former (last five years)
		Enterprise Ireland Irish Life & Permanent plc University College Dublin Foundation Limited
M. Lee	–	–
G.A. Culpepper	–	–
W.P. Egan	Alta Communications BrandMuscle, Inc. Cephalon, Inc. Davler Media Group Delta Partners Limited H&R Accounts, Inc. Marion Equity Partners, L.P. New Times Holdings LLC Valued Relationships, Inc. Wind River Environmental	AAA Entertainment LLC Asurion DSD Communications, Inc. ServiceSource
U-H. Felcht	CIBA SC AG Jungbunzlauer Holding AG One Equity Partners Europe GmbH SGL AG Süd-Chemie Aktiengesellschaft	Degussa AG Gerling AG RAG AG
N. Hartery	Circa Developments Limited	Dell Computer Limited (In liquidation)* Dell Financial Services International Limited (In liquidation)** Dell Products Dell Products (Europe) BV Dell Products Manufacturing Limited Dell International Holdings XI
J.M. de Jong	AON Groep Nederland B.V. Heineken N.V. Kredietbank Luxembourgeoise S.A. N.V. Schade Verz. Maatschappij “Neerlandia van 1880” Nutreco Holding N.V. Onderlinge Levensverzekering Mij. ’s-Gravenhage U.A. Theodoor Gilissen Bankiers N.V.	Banco Antonveneta SpA BASF Nederland B.V. Daimler Chrysler International Finance B.V. Dura Vermeer Groep N.V. Volkswagen Financial Services N.V. Volkswagen International Finance N.V.
A. Manifold	Secil–Companhia Geral de Cal e Cimento, S.A.	Mashav Initiating and Development Limited
T.V. Neill	The Governor and Company of the Bank of Ireland	AMT-Sybex Group Limited AMT-Sybex Limited Camerata Ireland Co-operation Ireland – Northern Ireland Co-operation Ireland – Republic of Ireland Meridea Financial Software Oy
D.N. O’Connor	Allied Irish Banks, p.l.c. Deerfield Farm Services	Türkiye Garanti Bankasi A.S.

Name of Director	Current	Former (last five years)
J.M.C. O'Connor	Dublin Chamber of Commerce Limited Dublin Inner City Partnership Limited Hugh Lane Gallery	Campus Creche Limited Caring for Carers Association ICS Building Society National College of Ireland Sand Lane Limited
W.I. O'Mahony	Laskly Limited Project Management Limited Project Management Holdings Limited Smurfit Kappa Group plc	Irish Management Institute
M.S. Towe	American Cement Company, LLC	Camden Materials, LLC

* *A liquidator was appointed to Dell Computer Limited on 20 December 2006 as part of the voluntary liquidation of the company.*

** *A liquidator was appointed to Dell Financial Services International Limited on 20 December 2006 as part of the voluntary liquidation of the company.*

5.5 Other Disclosures in relation to the Directors

(a) Within the period of five years preceding the date of this Prospectus, none of the current Directors:

(i) has any convictions in relation to fraudulent offences;

(ii) save as disclosed above, has been a director or senior manager (being a person who is relevant to establishing that a company has the appropriate expertise and experience for the management of that company) of any company at the time of any bankruptcy, receivership or liquidation of such company; or

(iii) has received any official public incrimination and/or sanction by any statutory or regulatory authorities (including designated professional bodies) or has been disqualified by a court from acting as a director of a company or from acting in the management or conduct of the affairs of a company.

(b) None of the Directors has any potential conflicts of interests between their duties to CRH and their private interests or other duties.

(c) No Director has a service contract that provides for any benefits on termination of employment.

6. Directors' Interests

Save as set out in paragraphs 6.1 and 6.2 below, no Director has any interest (beneficial or non-beneficial) in the share capital of CRH or any member of the Group.

6.1 Directors' Interests in Shares

None of the Directors beneficially holds more than 1 per cent. of the share capital of the Company on an individual basis.

In addition to their interests in Ordinary Shares through their holding of share options, performance share plan awards and deferred share awards, the beneficial interests of the Directors, and of their spouses and minor children, in Ordinary Shares as at 27 February 2009, being the latest practicable date prior to publication of this Prospectus, are set out below:

	Ordinary Shares at 27 February 2009	Percentage of Ordinary Shares at 27 February 2009
K. McGowan	16,167	0.0030%
M. Lee	258,246	0.0485%
G.A. Culpepper	19,170	0.0036%
W.P. Egan	15,000	0.0028%
– Non-beneficial	12,000	0.0023%
U-H. Felcht	1,000	0.0002%
N. Hartery	1,000	0.0002%
J.M. de Jong	10,190	0.0019%
A. Manifold	5,742	0.0011%
T.V. Neill	69,881	0.0131%
D.N. O'Connor	11,478	0.0022%
J.M.C. O'Connor	2,131	0.0004%
W.I. O'Mahony	827,821	0.1555%
M.S. Towe	18,857	0.0035%

Of the above holdings, the following are held in the form of ADRs:

G.A. Culpepper	179
W.P. Egan	10,000
– Non-beneficial	12,000
M.S. Towe	3,397

As at 27 February 2009 (being the latest practicable date before the publication of this Prospectus), Directors beneficially held 1,256,683 Ordinary Shares, representing 0.24 per cent. of the Group's issued share capital (excluding treasury shares).

Certain Directors are beneficially entitled to Ordinary Shares, which are deferred under the terms of the Executive Directors' incentive plan. Further details of such deferred Ordinary Shares are set out in paragraph 6.2(d) below.

6.2 Share Options held by Directors

As at 27 February 2009 (being the last practicable date before the publication of this Prospectus), Executive Directors held options under the CRH Share Schemes, further details of which are set out below, over a total of 2,264,942 Ordinary Shares, representing 0.425 per cent. of the total Ordinary Shares in issue (excluding treasury shares) as at that date.

Directors' outstanding options are as follows:

(a) Share Option Schemes

Director	Number outstanding at 27 February 2009	Notes	Weighted average option price at 27 February 2009 (€)
G.A Culpepper	38,423	(i)	17.53
	27,445	(ii)	16.67
	102,500	(iii)	23.52
	65,000	(iv)	16.58
M. Lee	3,228	(ii)	17.26
	215,000	(iii)	22.44
	125,000	(iv)	16.48
A. Manifold	16,467	(ii)	17.26
	105,000	(iii)	26.93
	44,000	(iv)	16.25
W.I. O'Mahony	148,203	(i)	16.59
	131,736	(ii)	15.74
	520,000	(iii)	20.30
	250,000	(iv)	18.84
M.S. Towe	54,890	(i)	18.01
	54,890	(ii)	18.01
	220,000	(iii)	22.47
	140,000	(iv)	16.42
	2,261,782		

Exercise price	Number outstanding at 27 February 2009	Notes	Exercise Period: Earliest exercise date	Exercise Period: Expiry date
€14.66	43,912	(i)	March 2009	April 2009
€14.66	87,824	(ii)	March 2009	April 2009
€17.26	109,780	(i)	March 2009	April 2010
€17.26	74,585	(ii)	March 2009	April 2010
€18.01	87,824	(iii)	March 2009	April 2010
€18.01	71,357	(iv)	March 2009	April 2010
€18.28	150,000	(iii)	March 2009	April 2011
€18.28	216,000	(iv)	March 2009	April 2011
€19.68	125,000	(iii)	March 2009	April 2012
€19.68	173,000	(iv)	March 2009	April 2012
€13.15	100,000	(iii)	March 2009	April 2013
€13.15	55,000	(iv)	March 2009	April 2013
€13.26	40,000	(iii)	March 2009	April 2013
€13.26	65,000	(iv)	March 2009	April 2013
€16.71	60,000	(iii)	March 2009	April 2014
€16.71	50,000	(iv)	March 2009	April 2014
€16.73	40,000	(iii)	March 2009	April 2014
€16.73	65,000	(iv)	March 2009	April 2014
€20.79	65,000	(iii)	March 2009	April 2015
€20.91	40,000	(iii)	March 2009	April 2015
€29.00	97,500	(iii)	—	April 2016
€24.83	200,000	(iii)	—	June 2016
€32.70	60,000	(iii)	—	April 2017
€33.12	52,500	(iii)	—	April 2017
€23.87	132,500	(iii)	—	April 2018
	2,261,782			

Notes:

(i) Granted under the 1990 share option scheme, these options are only exercisable when earnings per share (EPS) growth exceeds the growth of the Irish Consumer Price Index over a period of at least three years subsequent to the granting of the options.

(ii) Granted under the 1990 share option scheme, these options are only exercisable if, over a period of at least five years subsequent to the granting of the options, the growth in EPS would place the Company in the top 25 per cent. of the companies listed on the FTSE 100 Stock Exchange Equity Index.

(iii) Granted under the 2000 share option scheme, these options are only exercisable when EPS growth exceeds the growth of the Irish Consumer Price Index by 5 per cent. compounded over a period of at least three years subsequent to the granting of the options.

(iv) Granted under the 2000 share option scheme, these options are only exercisable if, over a period of at least five years subsequent to the granting of the options, the growth in EPS exceeds the growth of the Irish Consumer Price Index by 10 per cent. compounded and places the Company in the top 25 per cent. of EPS performance of a peer group of international building materials and other manufacturing companies. If below the 75th percentile, these options are not exercisable.

(b) Savings-related Share Option Scheme

Director	Exercise price	Number outstanding at 27 February 2009	Exercise Period: Earliest exercise date	Exercise Period: Expiry date
M. Lee	€20.40	1,580	July 2013	December 2013
A. Manifold	€20.40	1,580	July 2013	December 2013
		3,160		

(c) Performance Share Plan

This is a long term share incentive plan under which share awards are granted in the form of a provisional allocation of shares for which no exercise price is payable. Details of awards under the performance share plan to Executive Directors are set out below:

	Number awarded	Award Date	Release Date[1]
M. Lee	20,000	21 June 2006	March 2009
	18,000	10 April 2007	March 2010
	25,000	14 April 2008	March 2011
	63,000		
G.A. Culpepper	10,000	21 June 2006	March 2009
	9,000	10 April 2007	March 2010
	11,000	14 April 2008	March 2011
	30,000		
A. Manifold	9,000	21 June 2006	March 2009
	15,000	10 April 2007	March 2010
	25,000	14 April 2008	March 2011
	49,000		
W.I. O'Mahony	60,000	21 June 2006	March 2009
	60,000		
M.S. Towe	22,500	21 June 2006	March 2009
	17,000	10 April 2007	March 2010
	21,000	14 April 2008	March 2011
	60,500		

[1] The shares are scheduled for release in March 2009, March 2010 and March 2011 to the extent that performance conditions are achieved.

(d) Deferred Shares

Under the Executive Directors' incentive plan, up to one third of the earned bonus in each year is receivable in Ordinary Shares, deferred for a period of three years, with forfeiture in the event of departure from the Group in certain circumstances during that period. Details of deferred shares held as at 27 February 2009 (being the latest practicable date before the publication of this Prospectus) are set out below:

	Number held	Release Date
M. Lee	6,033	March 2010
	7,644	March 2011
	13,677	
W.I. O'Mahony	13,873	March 2009
	17,070	March 2009
	30,943	

7. Remuneration Details

Notes

		2008 €000	2007 €000
	Executive Directors		
	Basic salary	2,807	2,975
(i)	Performance related incentive plan:		
	– cash element	905	2,414
	– deferred shares element	—	785
	Retirement benefits expense	497	399
(ii)	Benefits	369	96
		4,578	6,669
(iii)	Provision for Chief Executive Officer long term incentive plan	456	536
	Total Executive Directors' Remuneration	5,034	7,205
	Average number of Executive Directors	3.00	3.50
	Non-Executive Directors		
	Fees	568	571
	Other Remuneration	679	644
	Total Non-Executive Directors' Remuneration	1,247	1,215
	Average number of Non-Executive Directors	8.35	8.78
(iv)	Severance	2,160	—
(v)	Payments to former Directors	66	98
	Total Directors' Remuneration	8,507	8,518

Notes to Directors' remuneration:

(i) Performance-Related Incentive Plan: Under the Executive Directors' incentive plan for 2008, a bonus is payable for meeting clearly defined and stretch profit targets and strategic goals. For 2008 the bonus is payable entirely in cash. The 2007 plan included a cash element paid out when earned and an element receivable in Ordinary Shares deferred for a period of three years, with forfeiture in the event of departure from the Group in certain circumstances during the period.

(ii) Benefits: These relate principally to relocation expenses, the use of company cars and medical/life assurance.

(iii) Mr. W.I. O'Mahony had a special long-term incentive plan tied to the achievement of exceptional growth and key strategic goals for the four-year period 2005 to 2008 with a total maximum earnings potential of 40 per cent. of aggregate basic salary, amounting to a potential €2,074,000. The actual earnings under this plan amount to €1,950,000, payment of which will be made in 2009. Annual provisions of 40 per cent. of basic salary have been made in respect of this plan for the years 2005 through 2007 amounting in total to €1,494,000. Accordingly the balance of €456,000 has been provided in 2008 and is reflected in total 2008 Directors' remuneration.

(iv) Severance payment to Mr. T.W. Hill who resigned as an executive on 31 July 2008 after 28 years' service.

(v) Consulting and other fees paid to a number of former directors.

Details of the remuneration of the individual Directors for the year ended 31 December 2008 are set out on page 77 of this Prospectus.

8. Corporate Governance Practices

The Directors are committed to maintaining the highest standards of corporate governance and this statement describes how CRH complies with the main and supporting principles of section 1 of the Combined Code.

8.1 Board of Directors

(a) Role

The Board is responsible for the leadership and control of the Company. There is a formal schedule of matters reserved to the Board for consideration and decision. This includes Board appointments, approval of strategic plans for the Group, approval of financial statements, the annual budget, major acquisitions and significant capital expenditure, and review of the Group's system of internal controls.

The Board has delegated responsibility for the management of the Group, through the Chief Executive, to executive management. The roles of Chairman and Chief Executive are not combined and there is a clear division of responsibilities between them, which is set out in writing and has been approved by the Board. The Chief Executive is accountable to the Board for all authority delegated to executive management.

The Board has also delegated some of its responsibilities to committees of the Board. Individual Directors may seek independent professional advice, at the expense of the Company, in the furtherance of their duties as a Director.

The Group has a policy in place which indemnifies the Directors in respect of legal action taken against them.

(b) Membership

It is the practice of CRH that a majority of the Board comprises Non-Executive Directors and that the Chairman be non-executive. At present, there are four Executive Directors and nine Non-Executive Directors. Biographical details are set out in paragraphs 5.2 and 5.3 of this Part XV. The Board considers that, between them, the Directors bring the range of skills, knowledge and experience, including international experience, necessary to lead the Company.

All of the Directors bring independent judgement to bear on issues of strategy, performance, resources, key appointments and standards. The Board has determined that each of the Non-Executive Directors is independent. In reaching that conclusion, the Board considered the principles relating to independence contained in the Combined Code and the guidance provided by a number of shareholder voting agencies. Those principles and guidance address a number of factors that might appear to affect the independence of Directors, including former service as an executive, extended service on the Board and cross directorships. However, they also make clear that a Director may be considered independent notwithstanding the presence of one or more of these factors. This reflects the Board's view that independence is determined by a Director's character, objectivity and integrity. Where relevant, the Board took account of these factors and in each case was satisfied that the Director's independence was not compromised.

(c) Chairman

Mr. Kieran McGowan has been Chairman of the Group since May 2007. On his appointment as Chairman, Mr. McGowan met the independence criteria set out in the Combined Code. The Chairman is responsible for the efficient and effective working of the Board. He ensures that Board agendas cover the key strategic issues confronting the Group; that the Board reviews and approves management's plans for the Group; and that Directors receive accurate, timely, clear and relevant information. While Mr. McGowan holds a number of other directorships (see details on in paragraph 5.4 of this Part XV), the Board considers that these do not interfere with the discharge of his duties to CRH.

(d) Senior Independent Director

The Board has appointed Mr. Nicky Hartery as the Senior Independent Director (as defined in the Combined Code). Mr. Hartery is available to shareholders who have concerns that cannot be addressed through the Chairman, Chief Executive or Finance Director.

(e) Induction and development

New Directors are provided with extensive briefing materials on the Group and its operations. Directors meet with key executives and, in the course of twice-yearly visits by the Board to Group locations, see the businesses at first hand and meet with local management teams.

(f) Share ownership and dealing

Details of the Ordinary Shares held by Directors are set out in paragraph 6.1 of this Part XV. CRH has a policy on dealings in securities that applies to Directors and senior management. Under the policy, Directors are required to obtain clearance from the Chairman and Chief Executive before dealing in Ordinary Shares. Directors and senior management are prohibited from dealing in Ordinary Shares during designated prohibited periods and at any time at which the individual is in possession of price-sensitive information. The policy adopts the terms of the Model Code.

(g) Board succession planning

The Board plans for its own succession with the assistance of the Nomination Committee. In so doing, the Board considers the skill, knowledge and experience necessary to allow it to meet the strategic vision for the Group.

The Board engages the services of independent consultants to undertake a search for suitable candidates to serve as Non-Executive Directors.

(h) Meetings

There were nine full meetings of the Board during 2008. The Chairman sets the agenda for each meeting, in consultation with the Chief Executive and Company Secretary. Two visits are made each year by the Board to Group operations; one in Europe and one in North America. Each visit lasts between three and five days and incorporates a scheduled Board meeting. In 2008, these visits were to Germany/Belgium and to Seattle/Spokane, Washington in the United States. Additional meetings, to consider specific matters, are held when and if required. Board papers are circulated to Directors in advance of meetings.

The Non-Executive Directors met twice during 2008 without Executive Directors being present.

8.2 Committees

The Board has established five permanent Committees to assist in the execution of its responsibilities. These are the Acquisitions Committee, the Audit Committee, the Finance Committee, the Nomination Committee and the Remuneration Committee. Ad hoc committees are formed from time to time to deal with specific matters.

Each of the Committees has terms of reference, under which authority is delegated to them by the Board. The terms of reference are available on the Group's website, www.crh.com, and are hereby incorporated by reference. The Chairman of each Committee reports to the Board on its deliberations and minutes of all Committee meetings are circulated to all Directors.

During the year each of the Audit Committee, the Nomination Committee and the Remuneration Committee reviewed its performance and terms of reference.

The role of the ***Acquisitions Committee*** is to approve acquisitions and capital expenditure projects within limits agreed by the Board.

The ***Audit Committee*** consists of five Non-Executive Directors, J.M. de Jong, U-H. Felcht, T.V. Neill, D.N. O'Connor and J.M.C. O'Connor, all of whom are considered by the Board to be independent. The Board has determined that Mr. J.M. de Jong, Mr. T.V. Neill and Mr. D.N. O'Connor are the Audit Committee's financial experts.

The Audit Committee met thirteen times in 2008. The Finance Director and the Head of Internal Audit normally attend meetings of the Audit Committee, while the Chief Executive and other Executive Directors attend when necessary. The external auditors attend as required and have direct access to the Audit Committee Chairman, Mr J.M. de Jong at all times. During the year, the Audit Committee met with the Head of Internal Audit and with the external auditors in the absence of management.

The main role and responsibilities are set out in written terms of reference and include:

- monitoring the integrity of the Group's financial statements and reviewing significant financial reporting issues and judgements contained therein;
- reviewing the effectiveness of the Group's internal financial controls;
- monitoring and reviewing the effectiveness of the Group's internal auditors;
- making recommendations to the Board on the appointment and removal of the external auditors and approving their remuneration and terms of engagement; and
- monitoring and reviewing the external auditors' independence, objectivity and effectiveness, taking into account professional and regulatory requirements.

These responsibilities are discharged as follows:

- the Audit Committee reviews the trading statements issued by the Company in January and July and the interim management statements issued by the Company during the year;
- at a meeting in February, the Audit Committee reviews the Company's preliminary results announcement/ annual report and accounts. The Audit Committee receives reports at that meeting from the external auditors identifying any accounting or judgemental issues requiring its attention;
- the Audit Committee also meets with the external auditors to review the Annual Report on Form 20-F, which is filed annually with the SEC;
- in August, the Audit Committee reviews the interim report;
- the external auditors present their audit plans in advance to the Audit Committee;

- the Audit Committee approves the annual internal audit plan;
- regular reports are received from the Head of Internal Audit on reviews carried out; and
- the Head of Internal Audit also reports to the Audit Committee on other issues including, in 2008, updates in relation to section 404 of the Sarbanes-Oxley Act 2002 and the arrangements in place to enable employees to raise concerns, in confidence, in relation to possible wrongdoing in financial reporting or other matters.

As noted above, one of the duties of the Audit Committee is to make recommendations to the Board in relation to the appointment of the external auditors. A number of factors are taken into account by the Audit Committee in assessing whether to recommend the auditors for re-appointment. These include:

- the quality of reports provided to the Audit Committee and the Board, and the quality of advice given;
- the level of understanding demonstrated of the Group's business and industry; and
- the objectivity of the auditors' views on the financial controls around the Group and their ability to co-ordinate a global audit, working to tight deadlines.

The Audit Committee has put in place safeguards to ensure that the independence of the audit is not compromised. Such safeguards include:

- seeking confirmation that the auditors are, in their professional judgement, independent from the Group;
- obtaining from the external auditors an account of all relationships between the auditors and the Group;
- monitoring the number of former employees of the external auditors currently employed in senior positions in the Group and assessing whether those appointments impair, or appear to impair, the auditors' judgement or independence;
- considering whether, taken as a whole, the various relationships between the Group and the external auditors impair, or appear to impair, the auditors' judgement or independence; and
- reviewing the economic importance of the Group to the external auditors and assessing whether that importance impairs, or appears to impair, the external auditors' judgement or independence.

The Group has a policy governing the conduct of non-audit work by the auditors. Under that policy, the auditors are prohibited from performing services where the auditors:

- may be required to audit their own work;
- participate in activities that would normally be undertaken by management;
- are remunerated through a 'success fee' structure, where success is dependent on the audit; or
- act in an advocacy role for the Group.

Other than the above, the Group does not impose an automatic ban on the Group auditors undertaking non-audit work. The auditors are permitted to provide non-audit services that are not, or are not perceived to be, in conflict with auditor independence, provided they have the skill, competence and integrity to carry out the work and are considered by the Audit Committee to be the most appropriate to undertake such work in the best interests of the Group. The engagement of the external auditors to provide any non-audit services must be pre-approved by the Audit Committee or entered into pursuant to pre-approval policies and procedures established by the Audit Committee.

The Group audit engagement partner rotates every five years.

The ***Finance Committee*** advises the Board on the financial requirements of the Group and on appropriate funding arrangements.

The ***Nomination Committee*** assists the Board in ensuring that the composition of the Board and its Committees is appropriate to the needs of the Group by:

- assessing the skills, knowledge, experience and diversity required on the Board and the extent to which each are represented;
- establishing processes for the identification of suitable candidates for appointment to the Board; and
- overseeing succession planning for the Board and senior management.

To facilitate the search for suitable candidates to serve as Non-Executive Directors, the Nomination Committee uses the services of independent consultants.

The ***Remuneration Committee,*** consists solely of the following Non-Executive Directors, T.V. Neill, W.P. Egan, N. Hartery and K. McGowan, who are considered by the Board to be independent. The Remuneration Committee's main role and responsibilities are set out in written terms of reference and include:

- determining the Group's policy on executive remuneration;
- determining the remuneration of the Executive Directors;
- monitoring the level and structure of remuneration for senior management; and
- reviewing and approving the design of all share incentive plans.

The Remuneration Committee receives advice from leading independent firms of compensation and benefit consultants when necessary and the Chief Executive is fully consulted about remuneration proposals. The Remuneration Committee oversees the preparation of the Report on Directors' Remuneration.

In 2008, the Remuneration Committee determined the salaries of the Executive Directors and awards under the performance-related incentive plans; set the remuneration of the Chairman; and reviewed the remuneration of senior management. It also approved the award of share options to the Executive Directors and key management and the conditional allocation of Ordinary Shares under the performance share plan of the Group.

9. Significant Shareholders

9.1 As at 27 February 2009 (being the latest practicable date prior to the publication of this Prospectus) the Company has received notification of the following shareholders of CRH who directly or indirectly are interested in its issued share capital pursuant to the Transparency Regulations and the Transparency Rules:

	Number	Percentage
Bank of Ireland Asset Management Limited	21,272,914	3.99
FMR LLC and FIL Limited and their direct subsidiaries	21,614,685	4.06
UBS AG	26,380,604	4.95

9.2 Save as disclosed in this section 9, CRH is not aware of any person who, as at 27 February 2009, the latest practicable date prior to the publication of this Prospectus, directly or indirectly, has a holding of 3 per cent. or more of the total voting rights attaching to the Company's issued share capital that is required to be notified to the Company pursuant to the Transparency Regulations and the Transparency Rules. However, it should be noted that some shareholders in the Company may have availed of exemptions pursuant to the Transparency Regulations and the Transparency Rules (for example, permitting a parent undertaking not to aggregate the holdings in the Company of its subsidiaries) and, as a result, some shareholders in the Company may have interests in the Company's voting rights in excess of 3 per cent. that are not notifiable under the Transparency Regulations and the Transparency Rules.

9.3 CRH is not aware of any persons who, as at 27 February 2009, the latest practicable date prior to the publication of this Prospectus, directly or indirectly, jointly or severally, exercise or could exercise control over CRH nor is it aware of any arrangements, the operation of which may at a subsequent date result in a change of control of CRH.

None of the shareholders referred to in this section 9 have different voting rights from any other shareholder in respect of any shares held by them.

10. Material Subsidiaries

CRH is the parent company of the Group. As at 27 February 2009, the latest practicable date prior to the publication of this Prospectus, the principal subsidiaries, joint ventures and associates of the Company were:

Principal Subsidiary Undertakings

Incorporated and operating in	*% held*	*Products and services*
	Europe Materials	
Britain & Northern Ireland		
Northstone (NI) Limited (including Farrans, Ready Use Concrete, R.J. Maxwell & Son, Scott)	100	Aggregates, readymixed concrete, mortar, coated macadam, rooftiles, building and civil engineering contracting
Premier Cement Limited	100	Marketing and distribution of cement
T.B.F. Thompson (Properties) Limited	100	Property development
China		
Harbin Sanling Cement Company Limited*	100	Cement
Finland		
Finnsementti Oy	100	Cement
Rudus Oy	100	Aggregates and readymixed concrete
Ireland		
Irish Cement Limited	100	Cement
Premier Periclase Limited	100	High quality seawater magnesia
Roadstone-Wood Group		
Clogrennane Lime Limited	100	Burnt and hydrated lime
John A. Wood Limited	100	Aggregates, readymixed concrete, concrete blocks and pipes, asphalt, agricultural and chemical limestone and contract surfacing
Ormonde Brick Limited	100	Clay brick
Roadstone Dublin Limited	100	Aggregates, readymixed concrete, mortar, coated macadam, asphalt, contract surfacing and concrete blocks
Roadstone Provinces Limited	100	Aggregates, readymixed concrete, mortar, coated macadam, asphalt, contract surfacing, concrete blocks and rooftiles
Netherlands		
Cementbouw bv	100	Cement transport and trading, readymixed concrete and aggregates
Poland		
Bosta Beton Sp. z o.o	90.3	Readymixed concrete
Cementownia Rejowiec S.A.	100	Cement
Drogomex Sp. z o.o.*	99.94	Asphalt and contract surfacing
Faelbud S.A.*	100	Readymixed concrete, concrete products and concrete paving
Grupa Ożarów S.A.	100	Cement
Grupa Prefabet S.A.*	100	Concrete products
Masfalt Sp. z o.o.*	100	Asphalt and contract surfacing
O.K.S.M	99.92	Aggregates
Polbruk S.A.*	100	Readymixed concrete and concrete paving
ZPW Trzuskawica S.A.	99.98	Production of lime and lime products

Incorporated and operating in	*% held*	*Products and services*
Spain		
Beton Catalan S.A.	100	Readymixed concrete
Cabi S.A.	99.99	Cementitious materials
Cantera de Aridos Puig Broca S.A.	99.81	Aggregates
Explotacion de Aridos Calizos S.A.	100	Aggregates
Formigo i Bigues S.A.	99.81	Aggregates
Formigons Girona S.A.	100	Readymixed concrete and precast concrete products
Suberolita S.A.	100	Readymixed concrete and precast concrete products
Tamuz S.A.	100	Aggregates
Switzerland		
JURA-Holding	100	Cement, aggregates and readymixed concrete
Ukraine		
Podilsky Cement	98.89	Cement
	Europe Products & Distribution	
Austria		
Distribution		
Quester Baustoffhandel GmbH	100	Builders merchants
Belgium		
Concrete Products		
Douterloigne N.V.	100	Concrete floor elements, pavers and blocks
Ergon N.V.	100	Precast concrete structural elements
Klaps N.V.	100	Concrete paving, sewerage and water treatment
Marlux Klaps N.V.	100	Decorative concrete paving
MBI Beton B.V	100	Architectural products
Oeterbeton N.V.	100	Precast concrete
Olivier Betonfabriek N.V.	100	Architectural products
Prefaco N.V.	100	Precast concrete structural elements
Remacle S.A.	100	Precast concrete products
Schelfhout N.V.	100	Precast concrete wall elements
Clay Products		
J. De Saegher Steenhandel en Bouwspecialiteiten N.V.	100	Clay brick factors
Building Products		
Plakabeton N.V.	100	Construction accessories
Portal S.A.	100	Glass roof structures
Distribution		
Van Neerbos Bouwmarkten N.V.	100	DIY stores
Britain & Northern Ireland		
Concrete Products		
Forticrete Limited	100	Concrete masonry products and rooftiles
Supreme Concrete Limited	100	Concrete fencing, lintels and floorbeams
Clay Products		
Ibstock Brick Limited	100	Clay brick manufacturer
Manchester Brick and Precast Limited	100	Brick-clad precast components

Incorporated and operating in	*% held*	*Products and services*
Building Products		
Airvent Systems (Services) Limited	100	Smoke ventilation systems and services
Ancon Limited	100	Construction accessories
Broughton Controls Limited	100	Access control systems
Cox Building Products Limited	100	Domelights, ventilation systems and continuous rooflights
CRH Fencing Limited	100	Security fencing
EcoTherm Insulation (UK) Limited	100	PUR/PIR insulation
FCA Wholesalers Limited	100	Construction accessories
Geoquip Limited	100	Perimeter intrusion detection systems
Springvale EPS Limited	100	EPS insulation and packaging
TangoRail Limited	100	Non-welded railing systems
West Midland Fencing Limited	100	Security fencing
Czech Republic		
Building Products		
DIS Tech s.r.o	100	Construction accessories
Halfen-Deha s.r.o	100	Construction accessories
Denmark		
Concrete Products		
Betonelement A/S	100	Precast concrete structural elements
Betongruppen RBR A/S	100	Paving manufacturer
Dalton Betonelementer A/S	100	Structural products
Expan A/S	100	Structural products
Building Products		
ThermiSol Denmark A/S	100	EPS insulation
Estonia		
Building Products		
ThermiSol OU	100	EPS insulation
Finland		
Building Products		
ThermiSol Oy	100	EPS insulation
France		
Concrete Products		
Béton Moulé Industriel S.A.	99.95	Precast concrete products
Chapron Leroy S.A.S	100	Utility products
Cinor S.A.S	100	Structural products
Stradal S.A.S.	100	Landscape, utility and infrastructural concrete products
Building Products		
Ste Heda S.A.	100	Security fencing
Heras Clôture S.A.R.L.*	100	Temporary fencing
Laubeuf S.A.S	100	Glass roof structures
Plakabeton France S.A.	100	Construction accessories
Distribution		
CRH Ile de France Distribution S.A.S	100	Builders merchants

Incorporated and operating in	*% held*	*Products and services*
Germany		
Concrete Products		
EHL AG	100	Concrete paving and landscape walling products
Rhebau Rheinische Beton und Bauindustrie GmbH & Co. KG	100	Water treatment and sewerage products
Clay Products		
AKA Ziegelgruppe GmbH*	100	Clay brick, pavers and rooftiles
Building Products		
Adronit GmbH	100	Security fencing and access control
EcoTherm GmbH	100	PUR/PIR insulation
Gefinex Gesellschaft für Innovative Extrusionprodkte GmbH	100	XPE insulation
Greschalux GmbH	100	Domelights and ventilation systems
Hammerl GmbH & Co. KG	100	Construction accessories
Halfen GmbH	100	Metal construction accessories
Heras SKS GmbH	100	Security fencing
Jet Brakel Aero GmbH	100	Rooflights, glass roof structures and ventilation systems
JET-Tageslicht & RWA GmbH	100	Domelights, ventilation systems and continuous rooflights
Magnetic Autocontrol GmbH	100	Vehicle and pedestrian access control systems
Syncotec GmbH	100	Construction accessories
Unidek Deutschland GmbH	100	EPS insulation
Distribution		
Paulsen & Bräuninger GmbH	100	Sanitary ware, heating and plumbing
Hungary		
Concrete Products		
Ferrobeton Zrt	100	Precast concrete structural elements
Ireland		
Concrete Products		
Concrete Stair Systems Limited	100	Precast concrete products
Building Products		
Aerobord Limited	100	EPS insulation and packaging
Construction Accessories Limited*	100	Metal and plastic construction accessories
Italy		
Concrete Products		
Record S.P.A	100	Concrete landscaping
Building Products		
Plastybeton S.R.L	100	Construction accessories

Incorporated and operating in	*% held*	*Products and services*
Netherlands		
Concrete Products		
Alvon Bouwsystemen B.V	100	Precast concrete structural elements
Calduran Kalkzandsteen B.V	100	Sand-lime bricks and building elements
Dycore B.V	100	Concrete flooring elements
Jonker Beton B.V	100	Concrete paving products
Heembeton B.V	100	Precast concrete structural elements
Struyk Verwo Groep B.V	100	Concrete paving products
Clay Products		
Kleiwarenfabriek Buggenum B.V	100	Clay brick manufacturer
Kleiwarenfabriek De Bylandt B.V	100	Clay paver manufacturer
Kleiwarenfabriek De Waalwaard B.V	100	Clay brick manufacturer
Kleiwarenfabriek Façade Beek B.V	100	Clay brick manufacturer
Kleiwarenfabriek Joosten Kessel B.V	100	Clay brick manufacturer
Kleiwarenfabriek Joosten Wessem B.V	100	Clay brick manufacturer
Kooy Bilthoven B.V	100	Clay brick factors
Steenfabriek Nuth B.V	100	Clay brick manufacturer
Building Products		
Arfman Hekwerk B.V.*	100	Producer and installer of fauna and railway fencing solutions
Aluminium Verkoop Zuid B.V	100	Roller shutter and awning systems
BIK Bouwprodukten B.V	100	Domelights and continuous rooflights
Brakel/Atmos B.V	100	Glass roof structures, continuous rooflights and ventilation systems
EcoTherm B.V	100	PUR/PIR insulation
Heras Nederland B.V	100	Security fencing and perimeter protection
Mavotrans B.V	100	Construction accessories
Unidek Group B.V	100	EPS insulation
Unipol Holland B.V	100	EPS granulates
Vaculux B.V	100	Domelights
Distribution		
CRH Bouwmaten B.V	100	Cash & Carry building materials
CRH Bouwmaterialenhandel B.V	100	Builders merchants
CRH Roofing Materials B.V	100	Roofing materials merchant
N.V.B. Ubbens Bouwstoffen B.V	100	Builders merchants
Stoel van Klaveren Bouwstoffen B.V	100	Builders merchants
Syntec B.V	100	Ironmongery merchants
Van Neerbos Bouwmarkten B.V	100	DIY stores
Van Neerbos Bouwmaterialen B.V	100	Builders merchants
Norway		
Building Products		
Halfen-Frimeda AS	100	Construction accessories
Poland		
Concrete Products		
Ergon Poland Sp. z o.o	100	Structural products
Prefabrykaty Sp. z o.o.*	100	Precast concrete products

Incorporated and operating in	*% held*	*Products and services*
Clay Products		
CERG Sp. z o.o	67.55	Clay brick manufacturer
Cerpol Kozlowice Sp. z o.o	99.60	Clay brick manufacturer
CRH Klinkier Sp. z o.o.*	100	Clay brick manufacturer
Gozdnickie Zaklady Ceramiki Budowlanej Sp. z o.o.*	100	Clay brick manufacturer
Krotoszyñskie Przedsiębiorstwo Ceramiki Budowlanej CERABUD S.A.	80.62	Clay blocks, bricks and rooftiles
Patoka Industries Limited Sp. z o.o.*	99.19	Clay brick manufacturer
Building Products		
Termo Organika Sp. z o.o	100	EPS insulation
Romania		
Concrete Products		
Elpreco SA	100	Architectural products
Slovakia		
Concrete Products		
Premac spol. s.r.o.	100	Concrete paving and floor elements
Spain		
Building Products		
Plakabeton S.L.U.	100	Accessories for construction and precast concrete
Distribution		
JELF Brico House S.L	60	Builders merchants
Sweden		
Building Products		
ThermiSol AB	100	EPS insulation
TUVAN-stängsel AB	100	Security fencing
Switzerland		
Concrete Products		
Element AG.	100	Prefabricated structural concrete elements
Building Products		
U.C. Aschwanden Holding AG*	100	Construction accessories
Distribution		
BR Bauhandel AG (trading as BauBedarf, Richner, Sanmat and Sabez)	100	Builders merchants and sanitary ware and ceramic tiles
CRH Gétaz Holding AG (trading as Gétaz Romang and Miauton)	100	Builders merchants
Regusci S.A. (trading as Regusci and Reco)	100	Builders merchants

Incorporated and operating in	*% held*	*Products and services*
	Americas Materials	
United States		
APAC, Inc.	100	Aggregates, asphalt and related construction activities
APAC Mid-South, Inc.	100	Aggregates, asphalt and related construction activities
Callanan Industries, Inc.	100	Aggregates, asphalt, readymixed concrete and related construction activities
Conrad Yelvington Distrubutors, Inc.	100	Aggregates distribution
CPM Development Corporation	100	Aggregates, asphalt, readymixed concrete, prestressed concrete and related construction activities
Dolomite Products Company, Inc.	100	Aggregates, asphalt and readymixed concrete
Eugene Sand Construction, Inc.	100	Aggregates, asphalt, readymixed concrete and related construction activities
Evans Construction Company	100	Aggregates, asphalt, readymixed concrete and related construction activities
Hills Materials Company	100	Aggregates, asphalt, readymixed concrete and related construction activities
Michigan Paving and Materials Company	100	Aggregates, asphalt and related construction activities
Mountain Enterprises, Inc.	100	Aggregates, asphalt and related construction activities
OMG Midwest, Inc.	100	Aggregates, asphalt, readymixed concrete and related construction activities
Oldcastle Materials, Inc.	100	Holding company
Oldcastle SW Group, Inc.	100	Aggregates, asphalt, readymixed concrete and related construction activities
Pennsy Supply, Inc.	100	Aggregates, asphalt, readymixed concrete and related construction activities
Pike Industries, Inc.	100	Aggregates, asphalt and related construction activities
P.J. Keating Company	100	Aggregates, asphalt and related construction activities
Preferred Materials, Inc.	100	Readymixed concrete
Staker & Parson Companies	100	Aggregates, asphalt, readymixed concrete and related construction activities
The Shelly Company	100	Aggregates, asphalt and related construction activities
Tilcon Connecticut, Inc.	100	Aggregates, asphalt, readymixed concrete and related construction activities
Tilcon New York, Inc.	100	Aggregates, asphalt and related construction activities
West Virginia Paving, Inc.	100	Aggregates, asphalt and related construction activities
	Americas Products & Distribution	
Argentina		
CRH Sudamericana S.A.	100	Holding company
Canteras Cerro Negro S.A.	99.98	Clay rooftiles, wall tiles and floor tiles
Cormela S.A.	100	Clay blocks
Superglass S.A.	100	Fabricated and tempered glass products
Canada		
Architectural Products Group		
Oldcastle Building Products Canada, Inc. (trading as Décor Precast, Groupe Permacon, Oldcastle Glass and Synertech Moulded Products)	100	Masonry, paving and retaining walls, utility boxes and trenches and custom fabricated and tempered glass products

Incorporated and operating in	*% held*	*Products and services*
Glass Group		
Oldcastle Glass Engineered Products Canada, Inc.	100	Architectural-rated operable windows and curtain wall
Xemax International, Inc. (trading as Antamex International)	100	Architectural curtain wall
Chile		
Vidrios Dell Orto, S.A.	99.9	Fabricated and tempered glass products
Comercial Duomo Limitada	81	Wholesaler and retailer of specialised building products
United States		
CRH America, Inc.	100	Holding company
Oldcastle, Inc.	100	Holding company
Oldcastle Building Products, Inc.	100	Holding company
Architectural Products Group		
Big River Industries, Inc.	100	Lightweight aggregate and fly-ash
Bonsal American, Inc.	100	Pre-mixed products and specialty stone products
Oldcastle Surfaces, Inc.	100	Custom fabrication and installation of countertops
Glen-Gery Corporation	100	Clay brick
Northfield Block Company (trading as Bend Industries)	100	Specialty masonry, hardscape and patio products
Oldcastle Architectural, Inc.	100	Holding company
Oldcastle APG Midwest, Inc. (trading as 4D Schusters and Miller Material Co.)	100	Specialty masonry, hardscape and patio products
Oldcastle APG Northeast, Inc. (trading as Anchor Concrete Products, Arthur Whitcomb, Betco Supreme, Domine Builders Supply, Foster-Southeastern, Trenwyth Industries)	100	Specialty masonry, hardscape and patio products
Oldcastle APG South, Inc. (trading as Adams Products, Georgia Masonry Supply)	100	Specialty masonry, hardscape and patio products
Oldcastle APG Texas, Inc. (trading as Custom-Crete, Custom Stone Supply, Jewell Concrete Products)	100	Specialty masonry and stone products, hardscape and patio products
Oldcastle APG West, Inc. (trading as Amcor Masonry Products, Central Pre-Mix Concrete Products, Sierra Building Products, Superlite Block)	100	Specialty masonry, hardscape and patio products
Oldcastle Lawn & Garden, Inc.	100	Patio products, bagged stone, mulch and stone
Oldcastle Coastal, Inc.	100	Patio products
Oldcastle Westile, Inc.	100	Concrete rooftile and pavers
Distribution Group		
Allied Building Products Corp.	100	Distribution of roofing, siding and related products, wallboard, metal studs, acoustical tile and grid
A.L.L. Roofing & Building Materials Corp.	100	Distribution of roofing and related products
AMS Holdings, Inc.	100	Distribution of drywall, acoustical ceiling systems, metal studs and commercial door solutions
Arzee Acquisition Corp. (trading as Arzee Supply)	100	Distribution of siding, roofing and related products
Mahalo Acquisition Corp (trading as G. W. Killebrew)	100	Holding company
Oldcastle Distribution, Inc.	100	Holding company

Incorporated and operating in	*% held*	*Products and services*
Glass Group		
Antamex (US), Inc.	100	Architectural curtain wall
Oldcastle Glass, Inc.	100	Custom fabricated architectural glass
Oldcastle Glass Engineered Products, Inc.	100	Engineered aluminium glazing systems and integrated building envelope solutions
Construction Accessories, Fencing and WWR		
Merchants Metals Holding Company	100	Holding company
MMI Products, Inc. (trading as Merchants Metals, Ivy Steel & Wire, Meadow Burke and ADC Manufacturing)	100	Fabrication and distribution of metal products including fencing, welded wire reinforcement and concrete accessories; distribution of plastic, lumber and other metal products Welded wire reinforcement manufacturer
MMI StrandCo, LLC	100	PC strand
Precast Group		
Oldcastle Precast, Inc.	100	Precast concrete products, concrete pipe, prestressed plank and structural elements
Inland Concrete Enterprises, Inc.	100	Precast concrete products and drainage products

Principal Joint Venture Undertakings

		Europe Materials
India		
My Home Industries Limited	50	Cement
Ireland		
Kemek Limited*	50	Commercial explosives
Portugal		
Secil-Companhia Geral de Cal e Cimento, S.A.*	48.99	Cement, aggregates, concrete products, mortar and readymixed concrete
Turkey		
Denizli Çimento Sanayii T.AŞ.	50	Cement and readymixed concrete

Europe Products & Distribution

Belgium		
Building Products		
Jackon Insulation N.V.	49	XPS insulation
Germany		
Building Products		
Jackon Insulation GmbH*	49.20	XPS insulation
Distribution		
Bauking AG*	47.82	Builders merchants, DIY stores
France		
Distribution		
Doras S.A.*	57.85	Builders merchants
Ireland		
Building Products		
Williaam Cox Ireland Limited	50	Glass construction, continuous rooflights and ventilation systems

Incorporated and operating in	*% held*	*Products and services*
Netherlands		
Distribution		
Bouwmaterialenhandel de Schelde B.V. . .	50	DIY stores
Portugal		
Distribution		
Modelo Distribuição de Materials de Construção S.A.*	50	Cash & Carry building materials

Americas Materials

United States		
American Cement Company, LLC*	50	Cement
Bizzack Construction LLC*	50	Construction
Boxley Aggregates of West Virginia, LLC*	50	Aggregates
Cadillac Asphalt, LLC*	50	Asphalt

Principal Associated Undertakings

	Europe Materials	
China		
Jilin Yatai Group Cement Investment Company Limited*	26	Cement
Israel		
Mashav Initiating and Development Limited	25	Cement
Spain		
Corporación Uniland S.A.*	26.3	Cement, aggregates, readymixed concrete and mortar

Europe Products & Distribution

France		
Distribution		
Groupe SAMSE S.A.*	21.66	Builders Merchants and DIY stores
Melin Trialis S.A.S.*	34.81	Builders merchants
	Americas Materials	
United States		
Buckeye Ready Mix, LLC*	45	Readymixed concrete

* Audited by firms other than Ernst & Young.

11. Employees

For the year ended 31 December 2008 the Group employed approximately 93,500 staff on an average full-time equivalent basis.

The average number of employees broken down by activity and geographic location for each of the financial years ended 31 December 2006, 2007 and 2008 are as follows:

	2008	2007	2006
Europe Materials	14,560	14,583	12,221
Europe Products	21,265	19,298	17,705
Europe Distribution	11,499	10,381	8,420
Americas Materials	22,028	23,521	18,856
Americas Products	20,227	20,538	18,867
Americas Distribution	3,993	3,712	3,491
	93,572	92,033	79,560

12. CRH Share Schemes

The Group operates share participation plans and savings-related share option schemes for eligible employees in all regions where the regulations permit the operation of such plans. In total there are approximately 7,300 employees of all categories who are shareholders in the Group.

An overview of the CRH Share Schemes is set out on pages 76 to 79 (CRH Share Schemes for employees) and on pages R7 to R9 (CRH Share Schemes for Directors) of the 2007 20-F, and further details of the CRH Share Schemes are set out on Pages F-29 to F-36 of the 2007 20-F which are incorporated by reference into this Prospectus.

As at 27 February 2009 (being the latest practicable date before the publication of this Prospectus) options are outstanding over 25,018,264 Ordinary Shares representing 4.70 per cent. of the total Ordinary Shares then in issue (excluding treasury shares). The options are held by the Directors and other employees of the Group.

13. Legal and Arbitration Proceedings

No member of the Group is or has been engaged in or, so far as the Company is aware, has pending or threatened by or against it during the last 12 months immediately preceding the date of this Prospectus, any governmental, legal or arbitration proceedings which may have, or have had in the recent past, a significant effect on the Company's or the Group's financial position or profitability.

14. Material Contracts

The following are all of the contracts (not being contracts entered into in the ordinary course of business) that have been entered into by members of the Group: (a) within the 2 years immediately preceding the date of this Prospectus which are, or may be, material to the Group; or (b) at any time containing obligations or entitlements which are, or may be, material to the Group as at the date of this Prospectus:

14.1 The Underwriting Agreement

Pursuant to an underwriting agreement dated 3 March 2009 between the Company and the Underwriters (the "**Underwriting Agreement**"), the Underwriters have agreed severally to procure subscribers for, or failing which themselves to subscribe for, New Ordinary Shares to the extent not taken up under the Rights Issue, in each case at the Issue Price. In consideration of their services under the Underwriting Agreement, and subject to their obligations under the Underwriting Agreement having become unconditional and the Underwriting Agreement not being terminated, the Company shall pay:

(i) to each of UBS and Davy, an underwriting fee of 2.75 per cent. of the amount which is equal to the Issue Price multiplied by the aggregate number of New Ordinary Shares multiplied by such proportion of New Ordinary Shares not otherwise taken up for which either UBS or Davy shall be responsible under the terms of the Underwriting Agreement;

(ii) to UBS and Davy, in equal proportions, a distribution fee of 0.5 per cent. of the amount which is equal to the Issue Price multiplied by the aggregate number of New Ordinary Shares less such number of those New Ordinary Shares which the Underwriters other than UBS and Davy agree to sub-underwrite themselves; and

(iii) to each of the Underwriters other than UBS and Davy, an underwriting fee of 2.25 per cent. of the amount which is equal to the Issue Price multiplied by the aggregate number of New Ordinary Shares multiplied by such proportion of New Ordinary Shares not otherwise taken up for which such Underwriter shall be responsible under the terms of the Underwriting Agreement.

Subject to the Underwriters' obligations under the Underwriting Agreement having become unconditional and the Underwriting Agreement not having been terminated, CRH will pay fees and the Underwriters will pay any sub-

underwriting commissions (to the extent that sub-underwriters are or have been procured). The Underwriters may arrange sub-underwriting for some, all or none of the New Ordinary Shares.

CRH shall pay (whether or not the Underwriters' obligations under the Underwriting Agreement become unconditional) all costs and expenses of, or in connection with, the Rights Issue, the allotment and issue of the New Ordinary Shares and the Underwriting Agreement including (but not limited to) the Irish Stock Exchange, the UK Listing Authority and the London Stock Exchange listing and trading fees, other regulatory fees and expenses, printing and advertising costs, postage, the Registrar's charges, its own and the Underwriters' reasonably incurred legal and other out of pocket expenses, all accountancy and other professional fees, public relations fees and expenses and broadly all capital duty, stamp duty and stamp duty reserve tax (if any) paid or payable by the Underwriters or any subscribers of New Ordinary Shares pursuant to or as a result of the arrangements contemplated by the Underwriting Agreement.

The obligations of the Underwriters under the Underwriting Agreement are subject to certain conditions including, amongst others:

(a) as of the date of the Underwriting Agreement and immediately before Admission there being no breach by CRH of the representations and warranties given in the Underwriting Agreement;

(b) CRH not being in breach of any of its obligations under the Underwriting Agreement or under the terms or conditions of the Rights Issue at any time prior to Admission in a manner which the Underwriters reasonably regard as material in the context of the Rights Issue or the underwriting of the New Ordinary Shares;

(c) any supplementary prospectus which may be required pursuant to Regulation 51 of the Irish Prospectus Regulations having been approved by the Financial Regulator and published in accordance with the Irish Prospectus Regulations prior to Admission;

(d) Admission becoming effective by not later than 8.00 a.m. on 4 March, 2009 (or such later time and date as certain parties to the Underwriting Agreement may agree);

(e) each condition to enable the Nil Paid Rights and the Fully Paid Rights to be admitted as a participating security in CREST (other than Admission) being satisfied on or before Admission; and

(f) the fulfilment in all material respects by CRH of its obligations under a number of provisions of the Underwriting Agreement by the times specified therein.

Pursuant to the Underwriting Agreement, the parties to the Underwriting Agreement have agreed that if a supplementary prospectus is issued by the Company two days or fewer prior to the date specified as the latest date for acceptance and payment in full in respect of the Rights Issue, such date shall be extended to the date which is three business days after the date of issue and all dates referable to latest date for acceptance and payment in full shall be extended mutatis mutandis.

Davy and UBS may terminate the Underwriting Agreement in certain circumstances including for material adverse change, a relevant downgrading of the Company's debt securities and force majeure but only prior to Admission. CRH has given certain representations and warranties and indemnities to the Underwriters. The liabilities of CRH are unlimited as to time and amount.

15. Related Party Transactions

The principal related party transactions requiring disclosure in the consolidated financial statements of the Group during the periods covered by the historical financial information (being the 2006 Financial Statements, and the 2007 Financial Statements, which are incorporated by reference into this Prospectus and the 2008 Financial Statements which are set out at section 3 of Part XII (*Financial Information on CRH*)) under IAS 24 (*Related Party Disclosures*) pertain to: the existence of subsidiaries, joint ventures and associates; transactions with these entities entered into by the Group; and the identification and compensation of the Directors.

Subsidiaries, joint ventures and associates

The consolidated financial statements of the Group for each financial year, include the financial statements of the Company and its subsidiaries, joint ventures and associates as documented in the accounting policies contained in the 2006 Financial Statements, for the year ended 31 December 2006, and the 2007 Financial Statements, for the year ended 31 December 2007. Details of the Group's principal subsidiaries, joint ventures and associates as at 27 February 2009, the latest practicable date prior to the publication of this Prospectus, are set out in section 10 of this Part XV.

Sales to and purchases from, together with outstanding payables to and receivables from, subsidiaries and joint ventures are eliminated in the preparation of the consolidated financial statements (either in full or to the extent of the Group's interest) in accordance with IAS 27 (*Consolidated and Separate Financial Statements*) and IAS 31 (*Interests in Joint Ventures*). The amounts in respect of joint ventures are immaterial in the context of the 2006 Financial Statements, the 2007 Financial Statements and the 2008 Financial Statements. Loans extended by the Group to joint ventures and associates are included in financial assets (whilst the Group's share of the corresponding loans payable by joint ventures are included in interest-bearing loans and borrowings due to the application of proportionate consolidation in accounting for the Group's interests in these entities). Sales to and purchases from associates during the financial year ended 31 December 2008 amounted to €17m (2006: €17.1m, 2007: €19m) and €584m (2006: €437.9m, 2007: €497m) respectively. Amounts receivable from and payable to associates (arising from the aforementioned sales and purchases transactions) as at the balance sheet date are included as separate line items in notes 18 and 19 set out in the 2006 Financial Statements, the 2007 Financial Statements and note 35 set out in the 2008 Financial Statements.

Terms and conditions of transactions with subsidiaries, joint ventures and associates

In general, the transfer pricing policy implemented by the Group across its subsidiaries is market-based. Sales to and purchases from other related parties (being joint ventures and associates) are conducted in the ordinary course of business and on terms equivalent to those that prevail in arm's-length transactions. The outstanding balances included in receivables and payables as at 31 December 2006, 2007 and 2008 in respect of transactions with associates are unsecured and settlement arises in cash. No guarantees have been either requested or provided in relation to related party receivables and payables. Loans to joint ventures and associates (the respective amounts being disclosed in note 15 of the notes to the 2008 Financial Statements) are extended on normal commercial terms with interest accruing and, in general, paid to the Group at predetermined intervals.

Key management personnel

For the purposes of the disclosure requirements of IAS 24, the term "key management personnel" (i.e. those persons having authority and responsibility for planning, directing and controlling the activities of the Company) comprises the Board, which manages the business and affairs of the Company. The Directors, other than the Non-Executive Directors, serve as executive officers of the Company. Full disclosure in relation to the 2006, 2007 and 2008 compensation entitlements of the Directors (and any former Directors) is provided in the report on directors' remuneration as set out on pages R1 to R10 of the 2007 20-F and pages 74 to 82 of this Prospectus.

16. Working Capital Statement

CRH is, and the Directors are, of the opinion that, after taking into account existing available bank and other facilities, cash and liquid investments and the net proceeds of the Rights Issue, the Group has sufficient working capital for its present requirements, that is for a period of at least 12 months following the date of this Prospectus.

17. No Significant Change

Save for the adverse impact of severe weather in January and February 2009, as described in Part VII (*Letter from the Chairman of CRH*), there has been no significant change in the trading or financial position of the Group since 31 December 2008 (the date to which the latest published financial information of CRH was prepared).

18. Consents

18.1 UBS has given and has not withdrawn its written consent to the publication of this Prospectus with the inclusion herein of the references to its name in the form and context in which they appear.

18.2 Davy has given and has not withdrawn its written consent to the publication of this Prospectus with the inclusion herein of the references to its name in the form and context in which they appear.

18.3 Ernst & Young has given and not withdrawn its written consent to the publication of this Prospectus with the inclusion herein of the references to its name in the form and context in which they appear.

18.4 Ernst & Young LLP has given and not withdrawn its written consent to the publication of this Prospectus with the inclusion of its name and its report on the pro forma financial information set out in Part XIII (*Unaudited Pro Forma Financial Information*) and the references thereto in the form and context in which they are included for the purposes of section 45 of the Investment Funds, Companies and Miscellaneous Provisions Act 2005. Ernst & Young LLP has authorised the contents of that part of this Prospectus which comprises its report for the purposes of paragraph 2(2)(f) of Schedule 1 of the Prospectus Regulations and has confirmed

that, having taken all reasonable care to ensure that such is the case, to the best of its knowledge the information contained in that report is in accordance with the facts and contains no omission likely to affect its import.

19. General

19.1 The consolidated financial statements of CRH in respect of each of the three years ended 31 December 2006, 2007 and 2008 were reported on by Ernst & Young, the auditors of CRH, within the meaning of the Companies Acts. Such reports were unqualified reports within the meaning of the Companies Acts.

19.2 The Rights Issue is being underwritten in full by the Underwriters pursuant to the Underwriting Agreement, details of which are set out in paragraph 14.1 of this Part XV.

19.3 The total costs, charges and expenses payable by CRH in connection with the Rights Issue are estimated to be €40m (inclusive of VAT).

19.4 The Existing Ordinary Shares are in registered form, are capable of being held in uncertificated form and are admitted to the Official Lists and are traded on the regulated markets for listed securities of the Irish Stock Exchange and the London Stock Exchange.

19.5 The New Ordinary Shares will be in registered form and, from Admission, will be capable of being held in uncertificated form and title to such New Ordinary Shares may be transferred by means of a relevant system. Where New Ordinary Shares are held in certificated form, certificates will be sent to the registered members by pre-paid post. Where New Ordinary Shares are held in CREST, the relevant CREST stock account of the registered members will be credited. The Ordinary Shares have the ISIN IE0001827041.

19.6 The New Ordinary Shares will be issued at €8.40 per New Ordinary Share, which represents a premium of €8.08 per New Ordinary Share to the nominal value of Ordinary Shares.

20. Documents available for inspection

Printed copies of the following documents may be inspected at the registered office of CRH and at the offices of Arthur Cox, Earlsfort Centre, Earlsfort Terrace, Dublin 2, Ireland and Linklaters LLP, One Silk Street, London, EC2Y 8HQ, United Kingdom during usual business hours on any weekday (Saturdays, Sundays and public holidays excepted) for a period of 12 months from the date of publication of this Prospectus:

- the Memorandum and Articles of Association;
- the documents which are incorporated by reference as set forth in Part XVI (*Documents Incorporated by Reference*);
- the 2008 Financial Statements contained in Part XII (*Financial Information on CRH*);
- the report on pro forma financial information prepared by Ernst & Young LLP contained in Part XIII (*Unaudited Pro Forma Financial Information*);
- consent letters referred to in section 18 of this Part XV; and
- this Prospectus.

21. Sources of information

The sources and bases of statements relating to the market position of CRH are set out in this Prospectus where the statement is made. Certain information has been obtained from external publications and, where applicable, the source of such information is stated in this Prospectus where the information is included. CRH confirms that this information has been accurately reproduced and, so far as CRH is aware and is able to ascertain from the information published by third parties, no facts have been omitted which would render the reproduced information inaccurate or misleading. Unless otherwise stated, such information has not been audited.

22. Announcement on results of the Rights Issue

CRH will make an appropriate announcement(s) to a Regulatory Information Service giving details of the results of the Rights Issue and details of the sales of New Ordinary Shares not taken up by Qualifying Shareholders on or about 19 March 2009.

This Prospectus is dated 3 March 2009.

PART XVI – DOCUMENTS INCORPORATED BY REFERENCE

The 2006 Financial Statements, the 2007 20-F and the periodic reports on Form 6-K of CRH referred to below are available for inspection in accordance with section 20 of Part XV (*Additional Information*) and contain information which is relevant to the Rights Issue. These documents are also available on the SEC's website at www.sec.gov. This Prospectus is also available on CRH's website at www.crh.com.

Any statement contained in a document which is incorporated by reference herein shall be deemed to be modified or superseded for the purpose of this Prospectus to the extent that a statement contained herein (or in a later document which is incorporated by reference herein) modifies or supersedes such earlier statement (whether expressly, by implication or otherwise). Any statement so modified or superseded shall not be deemed, except as so modified or superseded, to constitute part of this Prospectus.

Where the documents incorporated by reference themselves incorporate information by reference, such information does not form part of this Prospectus.

Prospective investors should rely only on the information that CRH incorporates by reference or provides in this Prospectus.

The list below sets out the documents which are incorporated by reference into this Prospectus, so as to provide the information required to be included in the Prospectus under the EU Prospectus Regulation, and to ensure that CRH Shareholders and others are aware of all information which, according to the particular nature of CRH and of the New Ordinary Shares, is necessary to enable CRH Shareholders and others to make an informed assessment of the assets and liabilities, financial position, profits and losses and prospects of CRH. In each case, unless stated otherwise, the entire document is incorporated by reference into this Prospectus.

1. the Annual Report of CRH on Form 20-F for the year ended 31 December 2007, filed with the SEC on 13 May 2008;
2. the consolidated financial statements (including the notes thereto) on pages F-1 to F-117 of the Annual Report of CRH on Form 20-F for the year ended 31 December 2006, filed with the SEC on 3 May 2007;
3. Report on Form 6-K of CRH filed with the SEC on 15 January 2009 (Statement re Acquisition);
4. Report on Form 6-K of CRH filed with the SEC on 8 January 2009 (Statement re Acquisition);
5. Report on Form 6-K of CRH filed with the SEC on 6 January 2009 (Development Strategy Update); and
6. Report on Form 6-K of CRH filed with the SEC on 3 July 2008 (Development Strategy Update).

PART XVII – DEFINITIONS

In this Prospectus the following expressions have the following meaning unless the context otherwise requires:

2006 Financial Statements	the audited consolidated financial statements (including the notes thereto) on pages F-1 to F-117 of the Annual Report of CRH on Form 20-F for the year ended 31 December 2006, filed with the SEC on 3 May 2007;
2007 20-F	the Annual Report of CRH on Form 20-F for the year ended 31 December 2007, filed with the SEC on 13 May 2008;
2007 Financial Statements	the audited consolidated financial statements (including the notes thereto) on pages F-1 to F-94 of the Annual Report of CRH on Form 20-F for the year ended 31 December 2007, filed with the SEC on 13 May 2008;
2008 Financial Statements	the audited consolidated financial statements (including the audit report thereon) of the Company for the year ended 31 December 2008; as set out in section 3 of Part XII (*Financial Information on CRH*);
"**€**" *or* "**euro**"	the lawful currency introduced at the start of the third stage of European economic and monetary union pursuant to the treaty establishing the European community, as amended by the Treaty of European Union;
"**€m**" *or* "**€bn**"	millions and thousands of millions of euro respectively;
"**£**" *or* "**sterling**"	the lawful currency of the United Kingdom;
"**$**" *or* "**USD**" *or* "**dollars**"	the lawful currency of the United States of America;
Acquisitions Committee	the acquisitions committee established by the Board;
Admission	the admission of the New Ordinary Shares, nil paid, to the Official Lists becoming effective in accordance with the Listing Rules and the admission of such New Ordinary Shares to trading on the Irish Stock Exchange's and London Stock Exchange's regulated markets for listed securities becoming effective in accordance with the Listing Rules and Admission to Trading Rules of the Irish Stock Exchange and the Admission and Disclosure Standards of the London Stock Exchange, respectively;
Admission and Disclosure Standards	the "Admission and Disclosure Standards" of the London Stock Exchange containing, among other things, the admission requirements to be observed by companies seeking admission to trading on the London Stock Exchange's main market for listed securities;
Admission to Trading Rules	the requirements contained in the publication "Irish Stock Exchange Admission to Trading Rules" containing, amongst other things, the admission requirements to be met by companies seeking admission to trading, or already admitted to trading, on the Irish Stock Exchange's regulated market for listed securities, as amended from time to time;
ADRs	American Depositary Receipts;
ADSs	American Depositary Shares evidenced by American Depositary Receipts, each American Depositary Share representing one Ordinary Share;
Articles of Association	the articles of association of the Company which are summarised in section 3 of Part XV (*Additional Information*);
Audit Committee	the audit committee established by the Board;
Barclays	Barclays Bank PLC;

BNPP	BNP Paribas;
Board	the board of directors of the Company;
Business Day	a day (excluding Saturdays and Sundays or public holidays in Ireland) on which banks generally are open for business in Dublin for the transaction of normal business;
Cap	at any time during a settlement day, equals (A + B) − C; where: A is the unsecured limit; B is the secured limit; and C is the aggregate margined repo value of securities which have been transferred by that time on that settlement day by the member in whose name the relevant cash memorandum account(s) is/are held under outstanding self-collateralising repurchase transactions, as determined in accordance with Chapter 7, Section 8 of the CREST Manual;
Cash Memorandum Account	the record of the running total of each member's payment obligations kept by CREST throughout the day;
CCSS *or* **CREST Courier and Sorting Service**	CREST Courier and Sorting Service;
certificated *or* **in certificated form**	where stock or other security is not in uncertificated form;
Chairman	the chairman of the Group;
Chief Executive	the chief executive officer of the Group;
Closing Price	the official closing price of an Ordinary Share as derived from the Daily Official List;
Combined Code	the Combined Code on Corporate Governance issued by the UK Financial Reporting Council;
Committee	each of the Acquisitions Committee, the Audit Committee, the Finance Committee, the Nomination Committee and the Remuneration Committee (collectively the "**Committees**");
Companies Acts	the Companies Acts of Ireland, 1963 to 2005 and the Investment Funds, Companies and Miscellaneous Provisions Act, 2006, all statutory instruments which are to be read as one with, or construed or read together as one with, the Companies Acts and every statutory modification and re-enactment thereof for the time being in force;
Company *or* **CRH**	CRH, a public limited company incorporated in Ireland under the Companies Acts with registered number 12965;
CRH Group *or* **the Group**	the Company, and each of its subsidiaries and subsidiary undertakings from time to time;
CRH Share Schemes	any share option schemes, savings-related share option schemes, share participation schemes or performance share plans approved by the shareholders of the Company as of the date of this Prospectus;
CRH Shareholders	the holders of Ordinary Shares (in certificated or uncertificated form);
CREST	the relevant system, as defined in the CREST Regulations (in respect of which Euroclear is the operator as defined in the CREST Regulations);
CREST Applications Host	the system that is operated to receive, manage and control the processing of messages by the CREST system;
CREST Manual	the rules governing the operation of CREST, consisting of the CREST Reference Manual, CREST International Manual, CREST Central

	Counterparty Service Manual, CREST Rules, Registrars Service Standards, Settlement Discipline Rules, CCSS Operations Manual, Daily Timetable, CREST Application Procedure and CREST Glossary of Terms (all as defined in the CREST Glossary of Terms promulgated by Euroclear (formerly CRESTCo Limited) on 15 July 1996 and as amended since);
CREST member	a person who has been admitted to Euroclear as a System-Member;
CREST participant	a person who is, in relation to CREST, a System-Participant;
CREST Regulations	the Companies Act 1990 (Uncertificated Securities) Regulations 1996 (SI No. 68/1996), as amended by the Companies Act 1990 (Uncertificated Securities) (Amendment) Regulations 2005 (SI No. 693/2005);
CREST sponsor	a CREST participant admitted to CREST as a CREST sponsor;
CREST sponsored member	a CREST member admitted to CREST as a sponsored member;
Daily Official List	the daily Official List of the Irish Stock Exchange;
Davy	J&E Davy, trading as Davy or, as the context so requires, any affiliate thereof or company within its group;
Depositary	Bank of New York Mellon;
Directors	the Executive Directors and Non-Executive Directors of the Company, whose names are set out in Part VI (*Directors, Company Secretary, Registered Office and Advisers*) of this Prospectus;
EBITDA	earnings before interest, taxes, depreciation and amortisation;
Ernst & Young	Ernst & Young, Harcourt Centre, Harcourt Street, Dublin 2, Ireland;
Ernst & Young LLP	Ernst & Young LLP, 1 More London Place, London SE1 2AF, England;
EU *or* **European Union**	the European Union;
EU Prospectus Regulation	Commission Regulation (EC) No. 809/2004;
Euroclear	Euroclear UK & Ireland Limited, the operator of CREST;
European Economic Area *or* **EEA**	the European Union, Iceland, Norway and Liechtenstein;
Eurozone	the member states of the European Union which have adopted the euro as their common currency;
Excluded Territories	the United States of America, the Commonwealth of Australia, the Republic of South Africa, Japan, Canada and Switzerland and any other jurisdiction, their territories and possessions, where it would be unlawful to forward, transmit or distribute this Prospectus or the Provisional Allotment Letters or to participate in the Rights Issue, and "**Excluded Territory**" shall be construed accordingly;
Executive Directors	the executive directors of CRH, being M. Lee, G.A. Culpepper, A. Manifold and M.S. Towe;
Existing Ordinary Shares	the Ordinary Shares in issue as at the Record Date;
Ex-Rights Date	the date following which the Ordinary Shares trade ex-rights, being 8.00 a.m. on 4 March 2009;
Finance Committee	the finance committee established by the Board;
Financial Regulator	the Irish Financial Services Regulatory Authority;
Financial Services Authority *or* **FSA**	the Financial Services Authority of the United Kingdom;
FSMA	the UK Financial Services and Markets Act 2000, as amended;

Fully Paid Rights	Rights which are provisionally allotted to Qualifying Shareholders pursuant to the Rights Issue and which have been recorded in the register of the Company as having been paid at the Issue Price;
GDP	gross domestic product;
Headroom	at any time during a settlement day, the amount of credit available to a member for the purposes of CREST settlement as determined in accordance with Chapter 6, Section 3 and Chapter 7, Section 8 of the CREST Manual;
IAS	International Accounting Standard;
IASB	the International Accounting Standards Board;
IFRS	International Financial Reporting Standards as issued by the International Accounting Standards Board;
Income Shares	the unlisted shares of €0.02 each in the capital of the Company issued with and tied to each Ordinary Share of €0.32 each (including, if the context requires, any Income Shares issued with the New Ordinary Shares);
Ireland	Ireland, excluding Northern Ireland, and the word "**Irish**" shall be construed accordingly;
Irish Prospectus Regulations	the Prospectus (Directive 2003/71/EC) Regulations 2005 (SI No. 324 of 2005);
Irish Stock Exchange	The Irish Stock Exchange Limited;
ISIN	International Securities Identification Number;
Issue Price	€8.40 per New Ordinary Share;
Listing Rules	the Listing Rules of the Irish Stock Exchange and/or where appropriate the Listing Rules made by the FSA under Part VI of FSMA;
London Stock Exchange	London Stock Exchange plc;
member account ID	the identification code or number attached to any member account in CREST;
Memorandum of Association	the memorandum of association of the Company, details of which are summarised in section 3 of Part XV (*Additional Information*);
Model Code	the model code as set out in Appendix I of Chapter 6 of the Listing Rules of the Irish Stock Exchange and Annex 1 of Chapter 9 of the Listing Rules made by the FSA;
Money Laundering Legislation	Part IV and section 57 of the Criminal Justice Act 1994 (as supplemented and amended by sections 21 and 23 of the Criminal Justice (Theft and Fraud) Offences Act 2001) and the Criminal Justice (Terrorist Offences) Act 2005 of Ireland, and the Money Laundering Regulations 2007 (SI No. 2007/2157) of the United Kingdom, as applicable;
MTM instruction	a Many-To-Many instruction to Euroclear, as defined in the CREST Manual;
Network Providers' Communications Host	the means by which the network providers receive and authenticate messages for onward transmission to and from the CREST Applications Host;
New Ordinary Shares	the Ordinary Shares and, unless the context requires otherwise, the Income Shares to be issued pursuant to the Rights Issue;
Nil Paid Rights	rights to acquire New Ordinary Shares, nil paid;

Nomination Committee	the nomination committee established by the Board;
Non-Executive Directors	the non-executive directors of CRH, being K. McGowan, W.P. Egan, U-H Felcht, N. Hartery, J.M. de Jong, T.V. Neill, D.N. O'Connor, J.M.C. O'Connor, W.I. O'Mahony;
NYSE	New York Stock Exchange;
Official Lists	the official list of the Irish Stock Exchange and/or, as appropriate, the official list of the FSA pursuant to Part VI of FSMA;
Ordinary Shares	the Ordinary Shares of €0.32 each in the capital of the Company (including, if the context requires, the New Ordinary Shares and including, unless the context requires otherwise, the Income Shares);
Overseas Shareholders	CRH Shareholders who have a registered address, or who are resident or located in jurisdictions other than Ireland and the United Kingdom;
participant ID	the identification code or membership number used in CREST to identify a particular CREST member or other CREST participant;
Payment Settlement Event	the meaning given to that term in CREST Rule 17;
Prospectus	this Prospectus published by the Company in relation to the Rights Issue and approved by and filed with the Financial Regulator in accordance with the Prospectus Directive and the Irish Prospectus Regulations;
Prospectus Directive	Directive 2003/71/EC of the European Parliament and of the Council of 4 November 2003;
Provisional Allotment Letter	the provisional allotment letter to be despatched to each Qualifying Non-CREST Shareholder, pursuant to the Rights Issue;
Qualifying CREST Shareholders	Qualifying Shareholders holding Existing Ordinary Shares in uncertificated form in CREST;
Qualifying Non-CREST Shareholders	Qualifying Shareholders holding Existing Ordinary Shares in certificated form;
Qualifying Shareholders	CRH Shareholders on the register of members of the Company on the Record Date, with the exclusion (subject to exceptions) of persons with a registered address or located or resident in any Excluded Territory;
RBS Hoare Govett	RBS Hoare Govett Limited;
Record Date	6.00 p.m. on 25 February 2009;
Registrar *or* **Receiving Agent** *or* **Capita Registrars**	Capita Registrars (Ireland) Limited;
Regulatory Information Service	one of the regulatory information services authorised by the Irish Stock Exchange and/or the FSA to receive, process and disseminate regulatory information in respect of listed companies;
relevant member state	each member state of the European Economic Area which has implemented the Prospectus Directive;
relevant system	means a computer based system and procedures which enable title to units of a security to be evidenced and transferred without a written instrument, and which facilitate supplementary and incidental matters and "relevant system" includes an operator-system;
Remuneration Committee	the remuneration committee established by the Board;
Rights	rights to acquire New Ordinary Shares in the Rights Issue;
Rights Issue	the issue of New Ordinary Shares by way of rights at 2 New Ordinary Shares for every 7 Existing Ordinary Shares on the terms and subject

	to the conditions contained or referred to in this Prospectus and also, where relevant, in the Provisional Allotment Letters;
RTGS settlement bank	in relation to a member and in respect of either or both RTGS currencies, a settlement bank which makes and/or receives payments in an RTGS currency for the account of that member by means of the CREST system;
SAFETEA-LU	the Safe, Accountable, Flexible, Efficient Transportation Equity Act: A Legacy for Users (2005) of the United States;
SEC	the U.S. Securities and Exchange Commission;
Settlement Bank Payment Obligation	an obligation of a settlement bank to make a payment to another settlement bank or to a CREST member, which arises upon the occurrence of a Payment Settlement Event in accordance with CREST Rule 17;
stock account	an account within a member account in CREST to which a holding of a particular share or other security in CREST is credited;
System-Member	in relation to a relevant system, means a person permitted by an operator to transfer title to uncertificated units of a security by means of that system and includes, where relevant, two or more persons who are jointly so permitted;
System-Participant	in relation to a relevant system, means a person who is permitted by an operator to send and receive properly authenticated dematerialised instructions and "sponsoring system-participant" means a system-participant who is permitted by an operator to send properly authenticated dematerialised instructions attributable to another person and to receive properly authenticated dematerialised instructions on another person's behalf;
Takeover Panel Act	the Irish Takeover Panel Act 1997 (as amended);
Takeover Regulations	the European Communities (Takeover Bids (Directive 2004/25/EC)) Regulations 2006;
Takeover Rules *or* **Irish Takeover Rules**	the Takeover Panel Act, Takeover Rules, 2007 (as amended);
Transparency Regulations	the Transparency (Directive 2004/109/EC) Regulations 2007;
Transparency Rules	the transparency rules published by the Financial Regulator under section 22 of the Investment, Funds, Companies and Miscellaneous Provisions Act 2006, as amended from time to time;
UBS *or* **UBS Investment Bank** *or* **UBS Limited**	UBS Limited of 1 Finsbury Avenue, London EC2M 2PP;
UK Listing Authority *or* **UKLA**	the FSA in its capacity as the competent authority for the purposes of Part VI of the FSMA and in the exercise of its functions in respect of the admission to the Official List of the FSA, otherwise than in accordance with Part VI of the FSMA;
uncertificated *or* **in uncertificated form**	recorded on the relevant register of the share or security concerned as being held in uncertificated form in CREST and title to which, by virtue of the CREST Regulations, may be transferred by means of CREST;
Underwriters	UBS Limited, BNPP, Barclays, Davy and RBS Hoare Govett;
Underwriting Agreement	the Underwriting Agreement dated 3 March 2009 between the Company and the Underwriters, relating to the Rights Issue and further described in paragraph 14.1 of Part XV (*Additional Information*);
United Kingdom *or* **UK**	the United Kingdom of Great Britain and Northern Ireland;

United States *or* **US**	the United States of America, its territories and possessions, any state of the United States and the District of Columbia;
US Securities Act	the United States Securities Act 1933, as amended.

Notes:

(i) Unless otherwise stated in this Prospectus, all reference to statutes or other forms of legislation shall refer to statutes or forms of legislation of Ireland. Any reference to any provision of any legislation shall include any amendment, modification, re-enactment or extension thereof.

(ii) Words importing the singular shall include the plural and vice versa and words importing the masculine gender shall include the feminine or neuter gender.

(iii) Expressions defined in the manual published by Euroclear from time to time in connection with the operation of CREST bear the same meaning when used in this Prospectus.

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