

CRH Finance Germany GmbH Dusseldorf

Audit report Annual Financial Statements and Management Report 31 December 2018

Ernst & Young GmbH
Accounting Firm

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Ernst & Young GmbH Accounting Firm PO Box 10 02 51 50442 Cologne

Open points

- Declaration of completeness
- Information on legal conditions (Ms Ernst/Ms Vella)
- Signed Financials
- Subsequent event request



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Conditions of contract, liability, and conditions of use
General conditions of contract

Note: Due to computational reasons, rounding differences (monetary units, percentages, etc.) can occur between exact mathematical values in tables and references.



List of Abbreviations

EU-APrVO	Regulation (EU) No. 537/2014 of the European Parliament and of the Council of 16 April 2014
CRH plc	CRH plc, Dublin/Ireland
CRH Finance	CRH Finance Germany GmbH, Dusseldorf
CRH Deutschland	CRH Deutschland GmbH, Kruft
OPTERRA	OPTERRA Beteiligungsgesellschaft (Associate Company) mbH, Leipzig



A. Audit assignment

The Board of Management of CRH Finance Germany GmbH, Dusseldorf, (hereinafter referred to as "Company" or "CRH Finance") assigned to us the audit of the annual financial statements as of 31 December 2018, including the basis accounting and the Management Report, with its resolution of the Shareholders' Meeting of 6 December 2018.

The attached General Conditions of Contract for Auditors and Auditing Firms of 1 January 2017 apply to this audit, also in relation to third parties. In addition, we refer to the liability regulations contained in Section 9 and the disclaimer towards third parties as well as the other provisions in the attached appendix "Conditions of contract, liability, and conditions of use".

The present audit report is addressed to the company.

B. Copy of the Auditor's Report

We have issued the following Auditor's Report concerning the annual financial statements and Management Report:

"Independent Auditor's Report

to CRH Finance Germany GmbH

Note on the audit of the annual financial statements and the Management Report

Audit opinions

We have audited the annual financial statements of CRH Finance Germany GmbH, Dusseldorf - consisting of the balance sheet as at 31 December 2018, the Income Statement, the Cash Flow Statement and the Equity Analysis for the financial year from 1 January 2018 to 31 December 2018 as well as the notes, including the presentation of the accounting and measurement methods. In addition, we reviewed the Management Report of CRH Finance Germany GmbH for the financial year from January 1 to December 31, 2018.

In our opinion, based on the findings of our audit,

- the attached annual financial statements comply in all material respects with the provisions of German commercial law applicable to corporations and, in compliance with German generally accepted accounting principles, give a true and fair view of the financial position of the company, as of 31 December 2018 and its income situation for the financial year from January 1 to December 31, 2018, and
- the accompanying management report provides an overall true picture of the state of the company. In all material respects, this management report is consistent with the annual financial statements, complies with German statutory provisions and accurately presents the opportunities and risks of future development.

Pursuant to § 322 para. 3 sentence 1 HGB (German Commercial Code) we declare that our audit has not led to any objections in terms of the compliance of the annual financial statements and Management Report.



Basis for the judgments

We have audited the annual financial statements and the management report in accordance with § 317 of the German Commercial Code and the EU Auditors Ordinance (No. 537/2014, hereinafter "EU-APrVO") in accordance with the German generally accepted principles for the audit of financial statements promulgated by the Institute of Public Auditors (Institut der Wirtschaftsprüfer - IDW). Our responsibilities under these rules and policies are further described in the section entitled "Auditors' Responsibility when Auditing Financial Statements and Management Reports" of our Auditor's Report. We are independent of the company in accordance with the German commercial and professional regulations and have fulfilled our other German professional obligations in accordance with these requirements. In addition, in accordance with Article 10 para. 2 letter f) EU-APrVO, we declare that we have not provided any prohibited non-audit services per Article 5 para. 1 EU-APrVO. We believe that the audit evidence we have obtained is sufficient and appropriate to serve as a basis for our audit opinions on the financial statements and Management Report.

Particularly important audit matters in the audit of the annual financial statements

Particularly important audit matters are those matters that, in our best judgment, were most significant in our audit of the financial statements for the year ended 1 January 2018 through 31 December 2018. We have determined that there are no particularly important audit matters to report in our Auditor's Report.

The legal representatives' responsibility for the annual financial statements and Management Report

The legal representatives are responsible for preparation of the annual financial statements, which comply with the German commercial law applicable to corporations in all material respects, and that the annual financial statements give a true and fair view of the assets, financial position, and income situation of the company in accordance with German generally accepted accounting principles. In addition, the legal representatives are responsible for the internal controls that they have determined to be necessary in accordance with generally accepted accounting principles in order to facilitate preparation of financial statements that are free from material misstatement, whether intentional or unintentional.



In preparing the financial statements, the legal representatives are responsible for assessing the Company's ability to continue as a going concern. They are also responsible for disclosing matters relating to the Company's ability to continue as a going concern, where relevant. In addition, they are responsible for accounting for the Company's ability to continue as a going concern on the basis of the accounting policy, insofar as this does not conflict with actual or legal circumstances.

In addition, the legal representatives are responsible for the preparation of the management report, which as a whole conveys a true picture of the company's position, is in all material respects consistent with the annual financial statements, complies with German legal requirements and accurately reflects the opportunities and risks of future development. Furthermore, the legal representatives are responsible for the precautions and measures (systems) that they deemed necessary to enable the preparation of a management report in accordance with the applicable German statutory provisions and to provide sufficient suitable evidence for the statements in the management report.

The auditor's responsibility for auditing the annual financial statements and the Management Report

Our objective is to obtain reasonable certainty as to whether the financial statements as a whole are free from material misstatement, whether intentional or unintentional, and whether the management report gives a true and fair view of the condition of the company and in all material respects is consistent with the annual financial statements and with the findings of the audit, that it complies with German legal requirements, accurately reflects the opportunities and risks of future development, and that it issues an Auditor's Report that includes our audit opinions on the annual financial statements and Management Report.



Reasonable certainty means a high degree of certainty, but there is no guarantee that an audit conducted in accordance with § 317 of the German Commercial Code and in compliance with the German generally accepted principles for the audit of financial statements promulgated by the Institute of Public Auditors (Institut der Wirtschaftsprüfer-IDW) will always discover a material misstatement. Misrepresentations may result from breaches or inaccuracies and are considered material if they could reasonably be expected to influence, individually or collectively, the economic decisions of the target audience made on the basis of these financial statements.

During the audit, we exercise due discretion and maintain a critical attitude. In addition,

- we identify and assess the risks of material misstatement, whether intentional or unintentional, in the financial statements and the Management Report, we plan and perform procedures in response to those risks, and obtain audit evidence sufficient and appropriate to form the basis of our opinion. The risk that material misstatements resulting from fraud will not be identified is greater than that for a misstatement resulting from errors, since fraud may include fraudulent co-operation, counterfeiting, deliberate omissions, misleading representations or the overriding of internal controls;
- we gain an understanding of the internal control system relevant to the audit of the financial statements and the arrangements and measures relevant to the audit of the Management Report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of company systems;
- we assess the appropriateness of the accounting methods used by the legal representatives and evaluate whether the estimated values and related information are reasonable as presented by the legal representatives;

- we draw conclusions regarding the appropriateness of the accounting policy applied by the legal representatives to the company's ability to continue as a going concern, and, on the basis of the audit evidence obtained, whether there is material uncertainty surrounding events or circumstances that raise significant doubts as to the Company's ability to continue as a going concern. If we conclude that material uncertainty exists, we are required to draw attention in our Auditor's Report to the related disclosures in the annual financial statements and Management Report or, if such disclosures are inappropriate, to modify our audit opinion. We draw our conclusions based on the audit evidence obtained up to the date of our audit evidence. Future events or circumstances may, however, result in the Company no longer being able to continue as a going concern;
- we assess the overall presentation, structure, and content of the annual financial statements, including the disclosures and whether the annual financial statements present the underlying transactions and events in such a way that the annual financial statements, in compliance with German generally accepted accounting principles, give a true and fair view of the company's assets, financial position, and income situation;
- we assess the consistency of the Management Report with the annual financial statements, its legislation and the image it conveys of the state of the company;
- we perform audit procedures on the future-oriented statements made by the legal representatives in the Management Report. On the basis of adequately appropriate audit evidence, we in particular examine the significant assumptions underlying the forward-looking statements made by the legal representatives and assess the proper derivation of the future-oriented statements from said assumptions. We do not express an independent opinion on the future-oriented statements nor on the underlying assumptions. There is a significant unavoidable risk that future events will differ materially from the future-oriented statements.



Among other things, we discuss with the people responsible for governance the planned scope and timing of the audit, as well as significant audit findings, including any deficiencies in the internal control system that we identify during our audit.

We make a statement to the people responsible for governance that we have complied with the relevant independence requirements and discuss with them all relationships and other matters that can reasonably be expected to affect our independence and related safeguards.

From the issues we have discussed with the people responsible for governance, we identify the issues that were most significant in the audit of the annual financial statements for the current period and are therefore the key audit issues. We describe these issues in the Auditor's Report, unless laws or other laws or other regulations preclude the public statement of the issue.

Other legal and regulatory requirements

Other information according to Article 10 EU-APrVO

We were elected as auditor by the shareholders' meeting on 6 December 2018. We have been working continuously as auditors of CRH Finance Germany GmbH since the 2014 financial year.

We declare that the audit opinions contained in this Auditor's Report are in accordance with the additional report referred to in Article 11 EU-APrVO (Auditor's Report).

Responsible auditor

The auditor responsible for the audit is Holger Forst."

C. General findings

Opinion on the status report by the legal representative

In our opinion, based on the information obtained during the audit, we believe that the presentation and assessment of the Company's position and its probable development by the legal representatives in the financial statements and management report are correct.

Business development and situation of the company

Especially the following aspects are to be highlighted:

- CRH Finance has been integrated in the EMTN (Euro Medium Term Notes) program of the parent company CRH since 2013 and, in 2014, for the first time placed on the open market a bond guaranteed by CRH in the amount of EUR 600 million on various German stock exchanges and on the Dublin/Ireland Stock Exchange.
- Significant expense items in the past financial year were the incurred guarantee fees under the guarantee agreement with CRH (TEUR 4,080) and interest expenses for the bond (TEUR 10,500).
- The loan to OPTERRA, which was issued in the 2017 financial year with a term of 5 years, remained unchanged at TEUR 578,400 as of 31 December 2018.
- The significantly positive earnings before profit transfer forecast in the 2017 Management Report could be realised in 2018 through long-term lending.



- The cash and cash equivalents of CRH Finance amounted to TEUR 37,541 as of the balance sheet date and include cash holdings of TEUR 13,915, bank balances of TEUR 28,488, and current liabilities to banks of TEUR 4,862 resulting from accrued interest.
- The equity ratio for 2018 is 2.0% (previous year 2.0%).
- The net income of TEUR 6,401 is transferred to the parent company CRH Germany via the profit and loss transfer agreement.

Expected development of the company

The presentation of the probable development of the company in the status report is based on assumptions for which there is some wiggle-room for judgment. We find this presentation plausible. In this context, particular attention should be drawn to the following key points:

- The management expects a positive reinvestment result over the term of the bond of 7 years due to an implemented long-term loan.
- Due to the issue of the loan to OPTERRA, the company expects a clearly positive result for 2019, which will be at the previous year's level before profit transfer.
- Company risks arise depending on the development of the building materials industry and development in individual regions. Poor industry and regional development can result in low acquisition activity by the Group and thus low reinvestment, which increases the credit risk of future borrowers. Due to the good creditworthiness of the parent company from the point of view of the management, they classify the risks from the general development of the building materials industry as low for CRH Finance.

D. Audit Procedure

I. Scope of the Audit

Within the framework of the task assigned to us, in accordance with § 317 of the German Commercial Code, we audited the accounting, the annual financial statements - consisting of the balance sheet, income statement, cash flow statement, equity analysis, and appendices - and the Management Report to ensure compliance with the relevant legal requirements.

The assessment criteria for our audit of the annual account were the financial reporting principles from §§ 242 to 256a and §§ 264 to 288 of the German Commercial Code and the special rules of the Limited Liability Companies Act. Supplementary accounting provisions of the partnership agreement do not arise. The audit criteria for the Management Report were those stipulated in §289 of the German Commercial Code.

II. Nature and extent of the audit

We conducted our audit in accordance with § 317 of the German Commercial Code and the EU-APrVO in compliance with the German generally accepted principles for the audit of financial statements promulgated by the Institute of Public Auditors (Institut der Wirtschaftsprüfer - IDW).

The audit does not cover whether the continued existence of the audited entity or the effectiveness and efficiency of the management can be guaranteed.

The basis of our risk- and process-oriented audit procedure is the development of an audit strategy. This is based on the assessment of the economic and legal environment of the company, its objectives, strategies and business risks, which we assessed in light of critical success factors. We supplement the audit of the accounting-related internal control system and its effectiveness with process and data analyses, which we conduct with the aim of determining their influence on relevant items of the annual financial statements and thus to assess the risks of errors and our audit risk.



We have taken into account the findings of the audit of the processes and the internal accounting control system in the selection of analytical procedures (plausibility assessments) and the assessment of single cases with regard to the inventory evidence, approach, statement, and assessment in financial statements. In the company-specific audit program, we have defined the focal points of our audit, the type and scope of the audit procedures, as well as the timing of the audit and the deployment of employees. Here we have considered the principles of materiality and risk orientation and therefore made our opinion mainly on the basis of random sampling. The quantitative materiality limit we set for the financial statements as a whole, amounts to TEUR 320; when determining what materiality limit is relevant to the target audience, we consider what type of business is involved, what phase of the life cycle it is in, the industry in which it operates, its funding, and whether it makes a profit.

For the reporting year, we also performed system audits on the balance sheet item of financial assets as well as on statement-related audit procedures.

Apart from that, we carried out proposition-related audit procedures.

The audit approach for the individual balance sheet items has not changed significantly compared to the previous year.

In addition to the particularly important audit matters described in the auditor's report, our audit program has the following main focuses:

- analysis of the preparation process for the annual financial statement.
- audit of the approach, valuation, and presentation of loans to affiliated companies.
- audit of the approach and the indication of the bond.
- audit of the recognition, measurement, and presentation of receivables from and payables to affiliated companies.
- audit of the information in the Management Report, in particularly prognostic information.



Furthermore, we implemented, among others, the following standard audit procedures:

- The receivables from and payables to affiliated companies were reconciled with the accounts of the other party as at the balance sheet date.
- Bank confirmations were obtained from banks.
- We solicited and received a lawyer's certificate on pending legal disputes.

We conducted the audit in the periods October 2018 and January and March 2019 through 11 April 2019.

We had regular meetings with the management during the audit period.

All the information and supporting documentation requested by us have been provided. Company management had confirmed in writing the completeness of these clarifications and evidence, as well as of the bookkeeping, the annual financial statements and the Management Report.



III. Independence

We have observed the applicable requirements for an independent audit. Furthermore, in accordance with Art. 6 para. 2 letter a) of the EU-APrVO we declare that the audit firm, audit partners, senior management, and senior executives conducting the audit are independent of the audited entity.

The tax consultancy services provided by us or another member of the worldwide network of EY companies within the meaning of Art. 5 para. 1, subpara. 2 (a) (i) and (iv) to (vii) EU APrVO or valuation services within the meaning of Article 5 para. 1, subpara. 2 (f) EU-APrVO have no direct or cumulative direct or minor impact on the audited financial statements. In particular, the provision of such tax advisory services in the financial year under review did not significantly reduce domestic taxable income, nor has a significant part of the profit been transferred abroad without there being an economic need for the company that goes beyond obtaining tax advantages.



E. Findings concerning the accounting

I. Regularity of accounting

In our opinion, based on the findings of our audit, the financial statements comply with the legal requirements. The information we extracted from the other documents we examined resulted in a satisfactory overview of bookkeeping, annual financial statements, and the Management Report.

As a summary result of our audit, focusing on

- the regularity of the components of the financial statements and their derivation from the accounts,
- the regularity of the information given in the Appendix,
- the observance of the recognition, disclosure and valuation rules,
- the observance of all legal requirements applicable to accounting, including the generally accepted principles of proper accounting and all size-dependent, legal form or sector-specific regulations and
- compliance with the provisions of the Articles of Association, insofar as these relate to the content of the accounts,

we have issued the Auditor's Report in section B.

The Company has made use of the facilitation of § 285 No. 17 of the German Commercial Code in anticipation of the occurrence of the relevant conditions and has waived the information and breakdown of the total fee charged by the auditor for the financial year.



II. Overall Evaluation of the Annual Financial Statement

1. Basis of valuation

Regarding the accounting policies used and the factors relevant to the valuation of assets and liabilities, including any effects of changes to these methods, we provide the following information:

Loans are carried at their nominal value within financial assets.

The issued bond is recognised within the liabilities at the settlement amount. The interest accrued up to the reporting date is recognised as bank liabilities.

In addition, we refer to the comments in the appendix on further valuation principles.

Our audit did not raise any objections regarding the accounting and calculation policies used.

2. Overall assessment

Following our dutiful audit, we believe that the financial statement reflects a true and fair view of the assets, financial position, and income situation of the Company, in accordance with generally accepted accounting principles.



F. Final considerations

We make the above report on our audit of the annual financial statements and the Management Report of CRH Finance Germany GmbH, Dusseldorf, for the financial year from 1 January 2018 to 31 December 2018 in accordance with section § 321 of the German Commercial Code and the EU-APrVO, and in compliance with the generally accepted principles of preparation of audit reports by the Institute of Public Auditors in Germany e. V., Dusseldorf (IDW PS 450 n. F.).

The auditor responsible for the audit is Holger Forst.

Cologne, 11 April 2019

Ernst & Young GmbH
Auditing Firm

Forest
Auditor

Flore
Auditor

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CRH Finance Germany GmbH, Dusseldorf
Balance sheet as at 31 December 2018

Annex 1

Assets	31/12/2017		31/12/2017		31/12/2017	
	EUR	EUR	EUR	EUR	EUR	TEUR
A. Fixed assets						
Financial assets						
Loans to affiliated companies	578,400,000.00		578,400		1,500,000.00	1,500
					11,109,027.53	11,109
					12,609,027.53	12,609
B. Current assets						
I. Receivables and other assets						
Receivables from affiliated companies	15,797,644.16		26,331		6,558.00	13
II. Cash and Bank Balances	28,487,652.65		17,465			
C. Accrued and deferred items						
thereof discount EUR 387,928.72 (prev. year TEUR 537)	1,197,564.62		1,659		600,000,000.00	600,000
					4,861,643.81	4,862
					6,405,632.09	6,371
					EUR 6,400,632.09 (prev. year TEUR 6,371)	
					611,267,275.90	611,233
					<u>623,882,861.43</u>	<u>623,855</u>

CRH Finance Germany GmbH, Dusseldorf
Income Statement for 2018

Annex 2

	<u>EUR</u>	<u>EUR</u>	<u>2017</u> <u>TEUR</u>
1. Other operating income		1,314.95	3
2. Other operating expenses		4,559,846.73	4,563
3. Other interest and similar income thereof from affiliated companies EUR 21,463,460.00 (prev. year TEUR 21,432)	21,463,460.00		21,432
4. Interest and similar expenses	<u>10,504,296.13</u>		<u>10,500</u>
		10,959,163.87	10,932
5. Profit after taxes		<u>6,400,632.09</u>	<u>6,372</u>
6. Profit transferred on the basis of a profit and loss transfer agreement		<u>-6,400,632.09</u>	<u>-6,372</u>
7. Annual net income		<u><u>0.00</u></u>	<u><u>0</u></u>

CRH Finance Germany GmbH, Dusseldorf
Cash Flow Statement

Annex 3

	2018	2017
	<u>TEUR</u>	<u>TEUR</u>
1. Cash generated from operations		
Annual result before profit transfer/takeover	6,401	6,371
Increase (+)/decrease (-) of provisions	-6	6
Increase (-)/decrease (+) in receivables for deliveries and services and other assets	521	8,075
Increase (-)/decrease (+) in payables for deliveries and services and other liabilities	34	-6
Interest expenses (+)/interest income (-)	-10,959	-10,932
Non-cash expenses (-) and income (+)	<u>1,852</u>	<u>1,941</u>
Cash generated from operations	<u><u>-2,157</u></u>	<u><u>5,455</u></u>
2. Cash flow from investment activities		
Payment for loan	0	-578,400
Deposit from loan	0	576,000
Interest received	<u>19,582</u>	<u>19,491</u>
	<u><u>19,582</u></u>	<u><u>17,091</u></u>
3. Cash flow from financing activities		
Interest paid	-10,504	-10,500
Paid profit transfer	<u>-6,372</u>	<u>0</u>
Cash flow from financing activities	<u><u>-16,876</u></u>	<u><u>-10,500</u></u>
4. Cash and cash equivalents at the end of period		
Net change in cash and cash equivalents (subtotals 1-3)		
Cash and cash equivalents at the beginning of the period	549	12,046
Cash and cash equivalents at the end of period	<u>36,992</u>	<u>24,946</u>
	<u><u>37,541</u></u>	<u><u>36,992</u></u>
5. Composition of cash and cash equivalents		
Liquid funds	28,488	17,465
Cash pool inventory	13,915	24,389
Short-term liabilities to credit institutes	<u>-4,862</u>	<u>-4,862</u>
Cash and cash equivalents at the end of period	<u><u>37,541</u></u>	<u><u>36,992</u></u>

	Subscribed Capital EUR	Capital reserve EUR	Generated Capital EUR	Equity capital EUR
01/01/2017	<u>1,500,000.00</u>	<u>11,109,027.53</u>	<u>0.00</u>	<u>12,609,027.53</u>
Annual net profit	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>
31/12/2017	<u>1,500,000.00</u>	<u>11,109,027.53</u>	<u>0.00</u>	<u>12,609,027.53</u>
Annual net profit	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>
31/12/2018	<u>1,500,000.00</u>	<u>11,109,027.53</u>	<u>0.00</u>	<u>12,609,027.53</u>

CRH Finance Germany GmbH, Dusseldorf Appendix for 2018

General information

These financial statements have been prepared in accordance with §§ 242 et. seq. and §§ 264 et seq. of the German Commercial Code, as well as with the relevant provisions of the German Limited Liability Companies Act. The provisions are applicable for the big corporate enterprises in accordance with § 267 para. 3 sentence 2 of the German Commercial Code in connection with § 264d of the German Commercial Code.

The profit and loss statement is structured according to the total cost method.

There is a Control and Profit Transfer Agreement with the shareholder CRH Deutschland GmbH, Kruft.

Register Content

The company is registered under the name CRH Finance Germany GmbH, with registered office in Dusseldorf in the Commercial Register of the Duesseldorf District Court under the number HRB 66176.

Accounting and valuation methods

For **loans and advances**, loans are stated at nominal value.

Receivables and **other assets** as well as **cash in hand and bank balances** are stated at nominal value.

Deferred income is reported on the asset side of the balance sheet before the reporting date, insofar as they represent expenses for a certain period after the financial statements date.

Appendix 5

The **other provisions** include all contingent liabilities and anticipated losses from pending transactions. They are recognised at the settlement amount deemed necessary (i.e. including future cost and price increases) based on prudent business judgment.

Liabilities are stated at the settlement amount.

Due to the fiscal unity, **deferred taxes** are not to be shown in the balance sheet at the CRH Finance Germany GmbH level.

Notes on the Balance Sheet

Financial assets

The development of financial assets is shown on the last page of the Appendix. The loan of T€ 587,400 relates to an interest-bearing loan issued to an affiliated company, which matures on 29 May 2022.

Receivables and other assets

As in the previous year, all receivables and other assets have a remaining term of up to one year.

The receivables from the shareholder amount to T€ 13,916 (prev. year T€ 24,390) and account for T€ 13,915 (prev. year T€ 24,389) to the cash pool.

Receivables amounting to T€ 1,882 (prev. year T€ 1,941) relate to interest from the loan.

Bank balances

Bank balances amounting to T€ 28,488 (prev. year T€ 17,465) and result primarily from the positive interest result.

Deferred revenue

This includes a discount of T€388 (prev. year T€537).

Equity

Due to the profit and loss transfer agreement with CRH Deutschland GmbH, the company's equity is unchanged compared to the previous year and amounts to T€12,609.

Provisions

The other provisions relate to outstanding invoices for the annual audit as well as outstanding invoices for consulting services.

Liabilities

The remaining time of applicability and the collateralisation of the liabilities are shown in detail in the liability table.

in T€

Type of liability	up to 1 year	Remaining period			Overall	
		1 to 5 years	more than 5 years	31/12/2018	31/12/2017	
1. Bonds (previous year)	0 (0)	600,000 (600,000)	0 (0)	600,000	600,000	
2. Liabilities to banks (previous year)	4,862 (4,862)	0 (0)	0 (0)	4,862	4,862	
3. Liabilities to affiliated companies (previous year)	6,406 (6,371)	0 (0)	0 (0)	6,406	6,371	

All liabilities are not collateralised except for the bond described below.

Appendix 5

In 2014, the Company placed a fixed-interest bond guaranteed by CRH plc (ISIN XS1088129660, WKN A12T54) on the market as part of its role as an intragroup financing company of the parent company CRH plc, Dublin/Ireland. The total volume of the bond is € 600 million, the smallest tradable unit amounts to T€ 100. The bond has a term of 7 years, bears interest at 1.75%, and is to be repaid on 16 July 2021. The bond is offered on the open market, both in Germany (on the unorganised market) and in Ireland (on the organised market). CRH plc guarantees repayment of the bond when due in 2021. Liabilities to affiliated companies amount to T€ 6,406 (prev. year T€ 6,371) and relate with T€ 6,401 (prev. year T€ 6,371), to the profit transfer obligation to the shareholder for 2018.

Contingent liabilities, off-balance-sheet transactions and other financial liabilities

The Company has no contingent liabilities, off-balance-sheet transactions and other financial liabilities.

Transactions with related businesses and persons

Transactions with related businesses and persons that did not occur on customary market terms did not occur in the year of the financial statements.

Notes on the income statement

Other operating expenses

The other operating expenses amount to a total of T€ 4,560 (prev. year T€ 4,563) and mainly relate to guarantee fees payable to CRH plc and expenses arising from the use of deferred income for costs associated with the placement of the bond.

Financial results

As a result of the investment of the funds received, **interest income** reached T€ 21,463 (prev. year T€ 21,432) in the 2018 financial year. The **interest expenses** from the placement of the bond in 2018 amounted to T€ 10,500 (prev. year T€ 10,500).

Other information

Members of the Management Board

Managing Director during the reporting period is Mr Dirk Küssner, businessman.

Mr Küssner is subject to single representation and according to the Commercial register exempted from the restrictions of § 181 of the German Commercial Code. Information on executive salaries is omitted, as Mr Küssner is not employed by the company.

Employees

As in the previous year, the company has no employees.

Group relationships

The shareholder of CRH Finance Germany GmbH is CRH Deutschland GmbH, Kruft. The parent company of the largest group of consolidated companies is CRH plc, Dublin/Ireland. CRH plc. prepares consolidated financial statements in accordance with EC guidelines in which CRH Finance Germany GmbH is included. These consolidated financial statements are translated into German, disclosed by CRH Deutschland GmbH in the Federal Gazette, and are available at the headquarters of CRH Deutschland GmbH in Kruft.

Appendix 5

Supplementary report

No events of particular significance occurred after the balance sheet date that have a material effect on the assets, financial position, and income situation.

Examination and consultation fees (information in accordance with § 285 No. 17 of the German Commercial Code)

Disclosure of the annual auditors' fees, as the company is being drawn up in the consolidated financial statements of CRH plc, Dublin/Ireland. There is a corresponding summary of the calculated fees there.

Audit Committee (information in accordance with § 324 of the German Commercial Code)

The main corporate purpose of CRH Finance Germany GmbH is to participate in the EMTN (Euro Medium Term Notes) program of the parent company CRH plc. The entire EMTN program will be monitored accordingly by the CRH plc Audit Committee.

CRH Finance Germany GmbH, Dusseldorf
Development of the capital assets 2018

Annex 5

	Acquisition and production costs		Cumulative Depreciation		Book value	
	01/01/2018	31/12/2018	01/01/2018	31/12/2018	31/12/2018	31/12/2017
	EUR	EUR	EUR	EUR	EUR	TEUR
	Inflows	Outflows	Inflows	Outflows		
	<u>EUR</u>	<u>EUR</u>	<u>EUR</u>	<u>EUR</u>	<u>EUR</u>	<u>TEUR</u>
	0.00	0.00	0.00	0.00	587,400,000.00	587.400

Financial assets

Loans to affiliated
companies

	<u>587,400,000.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>587,400,000.00</u>	<u>587.400</u>
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Dusseldorf, 8 April 2019
 CRH Finance Germany GmbH

Dirk Kießner
 Management

CRH Finance Germany GmbH, Dusseldorf Management Report for 2018

A. Basics of the company

1. CRH Finance Germany GmbH

CRH Finance Germany GmbH is an intragroup financing company of the international Irish corporation CRH, one of the world's leading companies in the construction materials industry. CRH Finance Germany GmbH accepts bonds, loans, and other financing instruments, lends out loans and acquires and holds participations.

The company is based in Dusseldorf.

2. Business Development

Against the background of the business purpose of the company, its situation is largely dependent on external financing and reinvestment opportunities within the Group.

Since 2013, CRH Finance Germany GmbH has been integrated into the EMTN (Euro Medium Term Notes) program of the parent company CRH plc, Dublin/Ireland, and in 2014 has for the first time successfully issued a bond guaranteed by the CRH plc in the amount of € 600 million and on very favourable terms on various German stock exchanges and on the stock exchange in Dublin/Ireland in the over-the-counter market. The loan issued to the OPTERRA Beteiligungsgesellschaft (Affiliate Company) mbH, Leipzig, (also affiliated company) with a term of 5 years at equivalent low-interest terms, will continue to exist.

3. Achievement of the previous year's forecast

We were able to achieve our forecast in 2018 of a long-term loan to achieve a clearly positive result before profit transfer to CRH Deutschland GmbH.

B. Economic report

1. Earnings

Earnings before profit transfer for the financial year 2018 show a profit of T€ 6,401 (prev. year T€ 6,371). Significant expense items include the guarantee fees incurred in connection with the guarantee agreement with CRH plc in the amount of T€ 4,080 (prev. year T€ 4,080) as well as interest expenses of T€ 10,504 (prev. year T€ 10,500). Due to the granting of a long-term loan to OPTERRA Beteiligungsgesellschaft (Affiliate Company) mbH, interest of T€ 21,463 (prev. year T€ 21,432), which will be considerably higher than the expenses and will therefore offset the total expenses from the placement of the bond over its term.

The annual profit of T€ 6,401 (prev. year T€ 6,371) will be transferred to the parent company CRH Deutschland GmbH via the existing profit and loss transfer agreement.

2. Asset position

CRH Finance Germany GmbH recognises receivables due from the shareholder of T€ 13,916 (prev. year T€ 24,390), of which T€ 13,915 (prev. year T€ 24,389) to the cash pool. Receivables amounting to T€ 1,882 (prev. year T€ 1,941) relate to interest on loans. Under deferred income, the company capitalises a discount of T€ 388 (prev. year T€ 537) as well as other accruals in connection with the issue of the bond.

Due to the profit and loss transfer agreement, equity is constant compared to the previous year and the equity ratio remains at 2.0%.

Liabilities amount to T€ 611,274 (prev. year T€ 611,246) and is attributable to T€ 6,401 (prev. year T€ 6,371) on the profit and loss transfer obligation, T€ 7 (prev. year T€ 13) to other provisions for outstanding invoices, amounting to T€ 600,000 (prev. year T€ 600,000) on bonds, at T€ 4,862 (prev. year T€ 4,862) on accrued interest.

3. Financial situation

The cash and cash equivalents as at the balance sheet date amount to T€ 37,541 (prev. year T€ 36,992) and consists of credit balances with banks amounting to T€ 28,488 (prev. year T€ 17,465), cash pool holdings amounting to T€ 13,915 (prev. year T€ 24,389) and short-term liabilities due to bondholders from interest accruals in the amount of T€ 4,862 (prev. year T€ 4,862).

The liquidity was and is guaranteed at all times due to the affiliation with the cash pool of the CRH Group.

4. Steering system

The company's management is to cover all costs of the placed bond including placement costs, guarantee fees, interest, and other fees over the life of the bond. Against this background, the ratio of the total cost of the bond to the total reinvestment income over the term of the bond at the time of reinvestment is used to steer the company.

5. Financial performance indicators

The key financial figures for the last two years are shown in the following table:

		<u>2018</u>	<u>2017</u>
EBITDA ¹⁾	T€	-4,559	-4,560
Effective debt ²⁾	T€	-566,989	-567,451
Equity ratio ³⁾	%	2.0	2.0

1) Earnings before interest, taxes, depreciation, and amortization

2) Debt - short-term receivables - cash and cash equivalents

3) Equity capital/total capital

We draw key figures for our internal corporate management, such as the annual commercial result (before profit or loss transfer) and the cash flow from operating activities, cash flow from investing activities and cash flow from financing activities. Due to the loan, which continues to be granted throughout the year, the annual profit (before profit transfer) is largely constant. The cash flow from investing activities also developed positively (2018: T € 19,582, 2017: T € 17,091). The cash flow from financing activities is due to the

Profit transfer for the financial year 2017 at T € -16,876 and thus above the previous year's value of T € -10,500.

C. Forecast, Opportunities, and Risks Report

1. Forecast report for 2019

We assess the expected development of the company positively.

Due to the long-term loan of the available funds at a favourable interest rate, it is ensured that the income over the term of the bond of 7 years will lead to a positive reinvestment result. For the year 2019, therefore, the management expects again a significant positive result before profit transfer at the previous year's level.

2. Opportunities report

Due to the planned intensified acquisition activities of the Group in the coming and subsequent years, the Company will find new investment opportunities within the Group. These will mainly arise in regions where the general interest level is higher compared to Germany. Furthermore, the company is likely to benefit from a possible long-term, general increase in interest rates over the next few years. At the end of the year under review, corporate restructuring measures were already taken within the Group.

3. Risk Report

The risks of the company lie mainly in the general development of the building materials industry in the individual regions, which leads to a low acquisition activity of the group and thus on the one hand to a lower reinvestment possibility and increases the general credit risk of future borrowers. However, this risk can be rated as low due to the exclusive intra-group lending and the good credit rating of the parent company. In addition, all losses are offset by the shareholder.

To minimise investment risk, the Company uses the expertise of Group Treasury, which advises senior management on issues of adequate interest rates and investment risk. In addition, the Company is integrated into the Group's risk management system as an independent company and is required to comply with existing work instructions and guidelines, in particular the Treasury Policy for Operations. Due to the fact that loans are granted exclusively within the Group, all information about the respective borrower is available at all times. These are audited by the Group Treasury Department of the Group before the loans are granted.

In addition, there are currently no known developments or risks that could jeopardise or influence the continued existence or the suitability of the assets, financial position, and income situation of CRH Finance Germany GmbH. Existing risks are taken into account by means of balance sheet provisions.

D. Internal control and risk management system related to the accounting process

The company has an internal control system. SOX compliance is internally audited in our Company as our parent company CRH plc is listed on the US Stock Exchange. In addition, the group continues to offer integrated early warning risk detection systems related to the accounting process, such as accounting guidelines, organisation and control of accounting and the preparation of financial statements, approval limits, regular reporting, investment and liquidity plans, and access regulations in the EDP system. Compliance with the internal control system is monitored, inter alia, by the internal audit. For all transactions there are control processes regarding the accounting (4-eyes-principle).

Dusseldorf, 8 April 2019

Management

Dirk Küßner

**CRH Finance Germany GmbH, Dusseldorf
Legal conditions**

1. Legal organisation

CRH Finance Germany GmbH is registered in the commercial register of Dusseldorf under HRB No. 66176. A recent extract from the Commercial Register dated 14 January 2019 with the last entry dated 17 November 2014 was available to us.

On 7 July 2011, the Articles of Association of 22 August 2000 were redrafted in total. They apply with the last modification by the shareholder resolution of 25 June 2013.

Purpose of the company

The purpose of the company is to act as a finance company through borrowing, loans and other financing instruments, granting loans and acquiring and holding participations etc., as far as these activities do not require approval.

Financial Year

The fiscal year is the calendar year.

Share capital

The share capital of the company amounts to EUR 1,500,000.00 and is fully paid up. CRH Deutschland is the sole shareholder.

Annex 7

Management and legal representation

Management

Dirk Küßner, Neuss, businessman.

Mr Küßner is entitled to sole representation and is exempt from the restrictions of § 181 of the Civil Code according to the commercial register.

Representative

Power of attorney is granted to Ms Anneruth Ernst. Ms Ernst is authorised to represent together with a managing director.

Significant shareholder resolutions

At the shareholders' meeting on 6 December 2018, the annual financial statements as of 31 December 2017 were approved and the management granted discharge.

The Ernst & Young GmbH Auditing Firm was appointed as the auditor for the 2018 financial year at the same shareholders' meeting.

2. Significant contracts

Control and Profit Transfer Agreement with CRH Deutschland GmbH

With effect from 1 January 2001, a Control and Profit Transfer Agreement was concluded with CRH Germany as the controlling company in December 2000.

According to this, the company is obliged to transfer all its profits to CRH Deutschland or, in accordance with § 302 of the Stock Corporation Act, is obliged to offset any net loss incurred during the term of the contract, unless this is offset by the withdrawal of amounts that have been adjusted during the term of the contract. The contract was initially concluded for five years. The contract is extended by one year in each case if it is not terminated by a contractual partner at the latest one year before its expiration. The contract is informally not terminated, so that the contract currently applies at least until 31 December 2019.

The shareholders' meeting of CRH Finance approved the Control and Profit Transfer Agreement in December 2000.

At the Shareholders' Meeting on 10 November 2014, § 2 of the Domination and Profit and Loss Transfer Agreement was revised. The amendment concerns the current case law in relation to § 302 of the Stock Corporation Act. The entry was made on 17 November 2014.

Guarantee Fee Agreement

The Company entered into a Guarantee Fee Agreement with CRH plc on 16 July 2014. According to the agreement, CRH plc guarantees repayment of the bond at maturity on 16 July 2021. For this purpose, an annual guarantee fee of 0.68% of the bond is payable p.a.

Cash pooling with CRH Deutschland

The company is integrated into the cash pooling of CRH Deutschland.

Loan Agreement

On 29 May 2017, the Company entered into a loan agreement with OPTERRA for a maximum of EUR 600,000,000.00. Of this amount, EUR 578,400,000.00 was called up on the balance sheet date. The loan bears interest at 3.66% p.a. and matures on 29 May 2022.

3. Tax position

CRH Finance is managed at the tax office Mayen under the tax number 29/678/01606.

The tax returns up to and including 2015 have been submitted to the tax office and are already assessed. The tax assessments from the 2012 financial year are still subject to review.

The last external tax audit covers the years 2008 to 2011 and was completed in the 2015 financial year. The audit report is dated 21 September 2015. The reservation of the review was repealed in the assessments for the years 2008 to 2011.

CRH Deutschland is the corporate, trade, and VAT tax representative of CRH Finance.



Conditions of contract, liability and condition of use

In the audit report, the auditor summarised his work particularly for any organ of the company, which is responsible for monitoring. The audit report thus has the task to support the company monitoring by the responsible organ through the documentation of essential audit findings. Thus, he focuses - irrespective of any third-party rights to receipt or inspection established through special legal provisions - exclusively on organs of the company for internal company usage.

Our activity underlies our engagement letter for verification of existing financial accounting including "General conditions for accountants and auditing firms" in the edition of 1 January 2017 published by the Institute of Public Auditors (Institut der Wirtschaftsprüfer - IDW).

This audit report is exclusively intended to be the basis of decisions of organs of the company and is not to be used for any other purposes than the intended uses, so that we do not take any responsibility, liability or other obligations, unless we would have made contrary written agreement with the third party or such an exclusion of liability would be ineffective.

We expressly point out that we do not make any updates of audit reports and/or audit certificates with regards to the events or circumstances occurring after the issuing of audit certificates, as far as no legal obligation exists.

Whoever takes note of this information of this audit report has to decide independently whether and in which form they consider this information to be usable and suitable and enhances, verifies or updates it through their own individual investigation activities.

Assignment General Conditions of Contract

for

Certified Public Accountants and Auditing Firms

of 1 January 2017

1. Scope

(1) Terms and conditions are applicable for contracts between auditors or auditing firms (hereinafter collectively referred to as "auditors") and its clients in terms of audit, consultations in economic and other matters as well as other contracts, unless otherwise agreed in writing or prescribed by a law.

(2) Third parties can only derive claims from the contract between the auditor and the client if this has been expressly agreed to or if it results from mandatory legal regulations. In terms of such claims, these terms and conditions shall also apply to these third parties.

2. Scope and Execution of the Assignment

(1) The object of the engagement is the agreed service, not a particular economic result. The contract shall be carried out according to the principles of good professional practice. The auditor does not assume any management tasks, in connection with their services. The auditor is not responsible for the use or implementation of the results of their services. The auditor is entitled to use suitably qualified persons to complete the assignment.

(2) Compliance with a foreign law - except for business management audits - necessitates a specific written agreement.

(3) If the legal situation changes after the delivery of the final professional statement, then the auditor is not obligated to inform the client about changes or conclusions resulting from it.

3. Client Cooperation Obligations

(1) The client shall ensure that all documents and other information necessary for the execution of the assignment are provided to the auditor in good time, and that he is informed of all processes and circumstances that may be of significance for the execution of the engagement. This also applies to documents, events and circumstances, which only become known in the course of the auditor's activity. The client shall appoint suitable persons to provide the auditor with information.

(2) At the auditor's request, the client must confirm the completeness of the documentation submitted and the information and clarification provided in the form of written draft formulated by the auditor for confirmation.

4. Maintenance of Independence

(1) The client must refrain from doing anything that endangers the independence of the auditor's employees. This applies in particular to job offers and offers to accept contracts or take over organisational functions on their own account.

(2) Should the performance of the contract affect the independence of the auditor, the companies affiliated with them, their network companies or companies associated with them, to which the independence rules apply in the same way as to the auditor, in other contractual relationships, the auditor is entitled to extraordinary termination of the contract.

5. Reporting and Verbal Information

Insofar as the auditor must present results of the work in writing, written descriptions alone shall be decisive. Drafts of written representations are not binding. Unless otherwise agreed, oral statements and information provided by the auditor shall only be binding if they are confirmed in writing. Verbal statements and information provided by the auditor outside the assignment awarded shall always be binding.

6. Disclosure of a professional statement by the auditor

(1) The disclosure of the auditor's professional statements (work results or extracts of work results - whether draft or final) or information about the auditor's actions on behalf of the client to a third party requires the written consent of the auditor, unless the client is obliged to pass on or provide information on the basis of a legal or an official order.

(2) The use of professional statements of the auditor and the information on the activity of the auditor for the client for advertising purposes by the client are inadmissible.

7. Remedy of defects

(1) In case of any defects, the client has claim of non-performance against the auditor. Only in the event of failure, omission or unjustified refusal, unreasonableness or impossibility of supplementary performance the client may reduce the remuneration or terminate the contract; if the assignment has not been issued by a client, the client may only rescind the contract because of a defect if the service rendered is of no interest to him due to failure, omission, unreasonableness or impossibility of supplementary performance. To the extent that there are claims for damages beyond this, no. 9 shall apply.

(2) The claim on elimination of defect should be made immediately by the client in writing. Claims according to para. 1, which are not based on an intentional act, become statute-barred one year after the beginning of the statutory limitation period.

(3) Obvious errors, such as typing errors, calculation errors and formal errors by the auditor that are contained in the professional statement (report, affidavit, and similar) may be corrected by the auditor or third parties at any time. The auditor is entitled to refuse misstatements, which may bring the results contained in the professional statement of the auditor into question, with respect to third parties as well. In the above-mentioned cases, the client must be informed by the auditor first if possible.

8. Confidentiality towards Third Parties, Data Protection

(1) In accordance with the law (§ 323 para. 1 of the German Commercial Code, § 43 of the German Auditor's Ordinance, § 203 of the German Criminal Code), the auditor is obliged to handle all facts and circumstances which are entrusted to them or become known during their professional activity, with confidentiality; unless the client releases them from this duty of confidentiality.

(2) When processing personal data, the auditor will observe national and European data protection regulations.

9. Liability

(1) For legally required services of the auditor, in particular audits, the respectively applicable legal limitations of liability apply, in particular the limitation of liability of § 323 para. 2 of German Commercial Code.

(2) If neither a statutory limitation of liability applies nor an individual contractual limitation of liability exists, the liability of the auditors for claims for damages of any kind, with the exception of damages arising from injury to life, limb and health, as well as damages justifying a liability for damages on the part of the manufacturer pursuant to § 1 of the German Product Liability Act, shall be limited in the event of a negligently caused individual case of damage pursuant to § 54a para. section 1 No. 2 of the German Auditor's Ordinance to € 4 million.

(3) Defences and objections from the contractual relationship with the client are also available to the auditor vis-à-vis third parties.

(4) If several claimants derive claims from a negligent breach of duty by the auditor from the contractual relationship existing with the auditor, the rule in para. 2 shall apply for the totality of these claims by all claimants as a whole.

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(5) An individual damage claim pursuant to para. 2 is also established with respect to a uniform damage resulting from multiple breaches of duty. The individual damage comprises all consequences of obligation violation without consideration of it; whether damages have occurred in one or many consecutive years. Thereby multiple activities or negligence resting on the same or similar source of error shall be regarded as unique obligation violation, if the affected matters are legally or economically in relation with each other. In this case, a claim can be made against the auditor up to the amount of € 5 million only. The limit of five times the minimum sum insured does not apply in relation to mandatory audits prescribed by statute.

(6) The claim expires if legal proceedings are not instituted within a time limit of six months following written refusal to pay compensation and the client was notified of the consequences of this time limitation. This does not apply to claims for damages that are due to intentional behaviour, as well as culpable injury to life, limb or health as well as damages that justify a replacement obligation of the manufacturer according to § 1 German Product Liability Act. The right, to claim the plea of limitation shall remain unaffected.

10. Supplementary provisions for examination assignments

(1) If the client subsequently changes the financial statement or management report audited by the auditor and provided with an auditor's report, they may not re-use this auditor's report.

If the Auditor has not issued an audit certificate, a reference to the audit carried out by the Auditor in the Management Report or in another place intended for the public is only permissible with the written consent of the Auditor, using the wording authorised by the latter.

(2) If the auditor revokes the audit certificate, then the audit certificate should not be used further. If the client has already used the audit certificate, at the Auditor's request it must publicise the withdrawal of the audit certificate.

(3) The client has the right to receive five copies of the report. Additional copies are available for extra charge.

11. Supplementary provisions for assistance in tax matters

(1) The Auditor is entitled when advising on individual tax issues and also when it provides ongoing advice to assume that the facts given by the client, in particular numerical data, are accurate and complete; this applies also to bookkeeping assignments. The Auditor must, however, notify the engaging party of any inaccuracies that he or she discovers.

(2) The tax consulting contract does not comprise the acts required for safeguarding the deadlines, unless the auditor has adopted the contract expressly for this purpose. In this case, the client shall provide the auditor with all documents, particularly tax documents, necessary for compliance with deadlines in a timely manner so that the auditor has enough time to process them.

(3) Unless otherwise agreed in writing, ongoing tax advice shall include the following activities covered by the contract:

a) Preparation of annual income, corporation and industrial tax returns, as well as property tax returns, i.e. on the basis of annual financial statements provided by the client, and other calculations and proof required for tax purposes

(b) review of tax assessments on the taxes listed under (a)

(c) negotiations with the tax authorities in relation to the

declarations and notices referred to under (a) and (b)

d) Participation in company audits and evaluation of the results of tax audits with regard to the taxes listed under a)

e) participation in appeal and complaint procedures in terms of the taxes named under a).

The auditor shall take account of material, published court rulings and administrative interpretation in relation to the above-mentioned activities.

(4) If the auditor receives a flat rate for the on-going tax consultancy, in the absence of written agreement to the contrary, the activities under para 3 (d) and (e) are to be rewarded in particular.

(5) If the auditor is also a tax consultant and the Tax Consultancy Remuneration Ordinance is to be used for the calculation of the remuneration, a higher or lower fee than the statutory fee may be agreed in writing.

(6) Particular individual questions relating to income tax, corporation tax, trade tax, valuation of economic units and net worth tax, as well as all questions relating to turnover tax, salary tax and other taxes and levies are handled on the basis of a separate instruction. This also applies to

a) the processing of one-time tax matters, e.g. in terms of inheritance tax, capital transfer tax, real estate transfer tax,

b) participation and representation in proceedings before the courts of financial and administrative jurisdiction as well as in fiscal offences,

c) the advisory and expert opinions in relation to the conversion, merger, capital increases and reductions, restructuring, entry and withdrawal of a shareholder, operating sales, liquidation, and the like, and

d) support in the fulfilment of notification and documentation obligations.

(7) As long as also the preparation of annual sales tax return is taken as additional activity, it does not consist of the examination of any particular accounting prerequisites as well as the question of whether all tax reductions considered were perceived. No responsibility is assumed for the completeness of the documentation in terms of claiming the input tax deduction.

12. Electronic Communication

Communication between the auditor and the client can also take place via email. If the client does not wish to communicate via email or has special security requirements, such as the encryption of emails, the client shall inform the auditor accordingly in written format.

13. Remuneration

(1) In addition to his claim for professional fees or charges, the Auditor has a right to reimbursement of their outlays; the turnover tax is charged separately. They can demand appropriate advanced payments on remuneration and reimbursed expenses and can deliver their service subject to the full satisfaction of their claims. Multiple clients are jointly and severally liable.

(2) If the client is not a consumer, offsetting against claims of the auditor on remuneration and reimbursement of expenses is only permitted with undisputed or legally fixed claims.

14. Arbitration of Disputes

The auditor is not prepared to participate in dispute resolution proceedings before a consumer arbitration board within the meaning of § 2 of the Consumer Dispute Settlement Act.

15. Applicable Law

The assignment, its execution and the claims arising out of it are regulated by German legislation alone.