Accounting Changes Effective 2013

As set out on pages 76 and 77 of the 2012 Annual Report, CRH adopted a number of new accounting standards and amendments to existing standards as prescribed by the International Accounting Standards Board (IASB) with effect from 1 January 2013, the most significant of which were as follows:

-IFRS 11 *Joint Arrangements,* IAS 28 *Investments in Associates and Joint Ventures*
-IAS 19 *Employee Benefits (revised)* (IAS 19R)

IFRS 11 will have an impact on the Group's presentation of the result of its joint venture interests but will not impact the Group's profit after tax. The principal change arising from the adoption of IAS 19R is in the calculation of the Group's finance cost relating to its defined benefit pension obligation and will result in a higher charge. This document sets out a high-level impact analysis of the principal changes and how the Group's Consolidated Income Statement for Interim and Full Year 2012 would have been impacted if they had been prepared under IFRS 11 and IAS 19R.

IFRS 11 Joint Arrangements

IFRS 11 replaces IAS 31 *Interests in Joint Ventures*. During 2012, the Group performed an assessment to determine the impact of IFRS 11 on its Consolidated Income Statement and Consolidated Balance Sheet. The Group determined that all its joint arrangements were joint ventures[1] as defined under IFRS 11. Under the revised standard, each line item in the Consolidated Income Statement and Consolidated Balance Sheet will be affected as we will no longer proportionately consolidate our share of our joint ventures' results and net assets on a line-by-line basis. From 1 January 2013, the results of joint ventures' profit after tax will be equity-accounted for as a single line item in the Consolidated Income Statement 'share of results of associates and joint ventures'; currently this line item only includes the results of our associate investments. Consequently, the move from proportionate consolidation to equity accounting does not impact the actual net result for the Group.

The amendment will have a similar impact on the Consolidated Balance Sheet. Under the revised standard, the Group will now show our share of our joint ventures' net assets as a single line item 'investments accounted for using the equity method'. Each year these investments will be adjusted to include the retained profit of our joint ventures. This change will have no impact on the net assets of the Group.

IAS 19R Employee Benefits (Pensions)

The application of IAS 19R will result in a number of amendments to the Group's current accounting for retirement benefit obligations, including a change to the calculation of the net interest expense in the Consolidated Income Statement, adjustments to the current service cost for risk sharing between employer and employees and the adoption of generational-based mortality tables across all schemes.

The most significant change is in how net interest expense is calculated. Currently the Group's Consolidated Income Statement includes a credit for the expected return on net assets and an interest expense for the pension liability. Under IAS 19R, the Group will no longer take a credit for the expected return on assets, and the net interest expense for the following year will be calculated by multiplying the year-end discount rate by the year-end net pension deficit. This will result in a higher net interest expense. The other amendments to IAS 19 are anticipated to have a less significant impact on the Group and primarily affect the Group's Swiss retirement benefit obligations.

Restated Pro-forma Interim and Full Year 2012

In order to facilitate an understanding of the impact of the adoption of IFRS 11 *Joint Arrangements* and IAS 19R *Employee Benefits* on the Group, the attached schedule presents Interim and Full Year 2012 Consolidated Income Statement data by segment (revenue, EBITDA and Group operating profit), and other key income statement items, restated on a pro-forma basis.

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[1] *A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the arrangement.*

CRH Pro-Forma Consolidated Income Statement 2012
Restated for Accounting Changes

	Six months ended 30 June 2012 (unaudited)				Year ended 31 December 2012			
							Unaudited	
	Reported H1 2012	Joint Ventures	Pension (note 1)	**Restated H1 2012**	**Reported 2012**	Joint Ventures	Pension (note 1)	**Restated 2012**
Revenue								
Europe Materials	1,334	(193)		1,141	2,685	(302)		2,383
Europe Products	1,251	(2)		1,249	2,481	(4)		2,477
Europe Distribution	1,984	(92)		1,892	4,140	(184)		3,956
Americas Materials	1,869	(30)		1,839	4,971	(85)		4,886
Americas Products	1,435	-		1,435	2,806	-		2,806
Americas Distribution	715	-		715	1,576	-		1,576
	8,588	(317)		8,271	18,659	(575)		18,084
Europe	*4,569*	*(287)*		*4,282*	*9,306*	*(490)*		*8,816*
Americas	*4,019*	*(30)*		*3,989*	*9,353*	*(85)*		*9,268*
EBITDA								
Europe Materials (note 2)	166	(37)		129	405	(53)		352
Europe Products	90	-		90	152	-		152
Europe Distribution	96	(5)		91	230	(13)		217
Americas Materials	74	(3)		71	566	(11)		555
Americas Products	122	-		122	204	-		204
Americas Distribution	20	-		20	83	-		83
	568	(45)		523	1,640	(77)		1,563
Europe	*352*	*(42)*		*310*	*787*	*(66)*		*721*
Americas	*216*	*(3)*		*213*	*853*	*(11)*		*842*
Operating Profit								
Europe Materials (note 2)	83	(20)		63	246	(29)		217
Europe Products	34	-		34	18	1		19
Europe Distribution	60	(3)		57	154	(9)		145
Americas Materials	(67)	1		(66)	282	(3)		279
Americas Products	65	-		65	86	-		86
Americas Distribution	9	-		9	59	-		59
	184	(22)		162	845	(40)		805
Europe	*177*	*(23)*		*154*	*418*	*(37)*		*381*
Americas	*7*	*1*		*8*	*427*	*(3)*		*424*
Profit on disposals (note 3)	196	-	-	196	230	-	-	230
Interest costs, net	(131)	3	-	(128)	(258)	2	-	(256)
Other finance costs	(14)	-	(9)	(23)	(31)	-	(18)	(49)
Share of results of associates and joint ventures (note 4)	(118)	13	-	(105)	(112)	28	-	(84)
Profit Before Tax	117	(6)	(9)	102	674	(10)	(18)	646
Income tax expense	(12)	6	2	(4)	(120)	10	4	(106)
Profit After Tax	105	-	(7)	98	554	-	(14)	540
Non-controlling interests	(1)	-	-	(1)	(2)	-	-	(2)
Attributable Profit	104	-	(7)	97	552	-	(14)	538
Weighted average shares no. of shares (m)	720	-	-	720	721.9	-	-	721.9
Basic Earnings Per Share	14.4c	-	-1.0c	13.4c	76.5c	-	-1.9c	74.6c
Depreciation/Amortisation	384	(23)	-	361	795	(37)	-	758

Notes:

1. The impact of IAS19R is estimated.

2. Europe Materials EBITDA and Operating Profit in 2012 included the following non-recurring gains:

	First Half €m	**Full year €m**
Pension curtailment	21	30
CO_2 trading	23	31
	44	**61**

3. Profit on disposals in 2012 included gains on divestments of subsidiaries and joint ventures:

	First Half €m	**Full year €m**
Secil joint venture and Magnetic Autocontrol (primarily)	183	187

4. The Group's reported share of results of associates in 2012 included the following charge:

	First Half €m	**Full year €m**
Impairment of investment in Uniland	130	146