



## CRH Finance Limited

(incorporated with limited liability in Ireland with registered number 50074)

## CRH Finance (U.K.) plc

(incorporated with limited liability in England and Wales with registered number 2153217)

## CRH Finance B.V.

(incorporated with limited liability in The Netherlands with registered number 27305565)

€5,000,000,000

## Euro Medium Term Note Programme unconditionally and irrevocably guaranteed by CRH plc

(incorporated with limited liability in Ireland with registered number 12965)

Under this €5,000,000,000 Euro Medium Term Note Programme (the **Programme**), CRH Finance Limited (an **Issuer** or **CRH Finance**), CRH Finance (U.K.) plc (an **Issuer** or **CRH Finance UK**) and CRH Finance B.V. (an **Issuer** or **CRH Finance BV** and together with CRH Finance and CRH Finance (U.K.) plc, the **Issuers**) may from time to time issue notes (the **Notes**) denominated in any currency agreed between the relevant Issuer and the relevant Dealer (as defined below).

The payments of all amounts due in respect of the Notes will be unconditionally and irrevocably guaranteed by CRH plc (the **Guarantor** or **CRH**).

The maximum aggregate nominal amount of all Notes from time to time outstanding under the Programme will not exceed €5,000,000,000 (or its equivalent in other currencies calculated as described in the Programme Agreement described herein), subject to increase as described herein.

The Notes may be issued on a continuing basis to one or more of the Dealers specified under “*Overview of the Programme*” and any additional Dealer appointed under the Programme from time to time by the relevant Issuer (each a **Dealer** and together the **Dealers**), which appointment may be for a specific issue or on an ongoing basis. References in this Base Prospectus to the relevant Dealer shall, in the case of an issue of Notes being (or intended to be) subscribed by more than one Dealer, be to all Dealers agreeing to subscribe such Notes.

**An investment in Notes issued under the Programme involves certain risks. For a discussion of these risks see “Risk Factors”.**

The Base Prospectus has been approved by the Central Bank of Ireland (the **Central Bank**) as competent authority under Directive 2003/71/EC (the **Prospectus Directive**). The Central Bank only approves this Base Prospectus as meeting the requirements imposed under Irish and EU law pursuant to the Prospectus Directive. Application will be made to the Irish Stock Exchange for the Notes issued under the Programme within 12 months of this Base Prospectus to be admitted to the official list (the **Official List**) and trading on its regulated market (the **Market**). The Market is a regulated market for the purposes of Directive 2004/39/EC (the **Markets in Financial Instruments Directive**). Such approval relates only to the Notes 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. Application may be made to list Swiss Notes issued under the Programme on the SIX Swiss Exchange AG (the **SIX Swiss Exchange**). The Central Bank is not the competent authority to approve this document in relation to the Swiss Notes (as defined herein). Notes which are neither listed nor admitted to trading may also be issued.

Notice of the aggregate nominal amount of Notes, interest (if any) payable in respect of Notes, the issue price of Notes and any other terms and conditions not contained herein which are applicable to each Tranche (as defined under “*Terms and Conditions of the Notes*”) of Notes will be set out in a final terms document (the **Final Terms**) which, with respect to Notes to be listed on the Irish Stock Exchange will be filed with the Central Bank or, in respect of Notes to be listed on the SIX Swiss Exchange, will be filed with the SIX Swiss Exchange.

The Programme provides that Notes may be listed or admitted to trading, as the case may be, on such other or further stock exchanges or markets as may be agreed between the relevant Issuer and the Guarantor and the relevant Dealer. The relevant Issuer may also issue unlisted Notes and/or Notes not admitted to trading on any market.

The relevant Issuer and the Guarantor may agree with any Dealer and the Trustee (as defined herein) that Notes may be issued in a form not contemplated by the Terms and Conditions of the Notes herein, in which event a supplemental Base Prospectus, if appropriate, will be made available which will describe the effect of the agreement reached in relation to such Notes.

### Arranger

The Royal Bank of Scotland

### Dealers

BofA Merrill Lynch  
Citigroup  
HSBC  
Lloyds Bank

Bank of China  
Commerzbank  
ING Commercial Banking  
Société Générale

BNP PARIBAS  
Danske Bank  
J.P. Morgan  
The Royal Bank of Scotland

Corporate & Investment Banking  
UBS Investment Bank

Base Prospectus dated 29 June 2012.

This Base Prospectus comprises a base prospectus in relation to each Issuer for the purposes of the Prospectus Directive as amended (which includes the amendments made by Directive 2010/73/EU (the 2010 PD Amending Directive) to the extent that such amendments have been implemented in a relevant Member State of the European Economic Area).

CRH Finance accepts responsibility for the information contained in this Base Prospectus with the exception of the information in the sections entitled “Description of CRH Finance (U.K.) plc”, “Description of CRH Finance B.V.” and any other information in respect of CRH Finance UK or CRH Finance BV. To the best of the knowledge of CRH Finance (having taken all reasonable care to ensure that such is the case) the information contained in this Base Prospectus in respect of which it accepts responsibility is in accordance with the facts and does not omit anything likely to affect the import of such information.

CRH Finance UK accepts responsibility for the information contained in this Base Prospectus with the exception of the information in the sections entitled "Description of CRH Finance Limited", “Description of CRH Finance B.V.” and any other information in respect of CRH Finance or CRH Finance BV. To the best of the knowledge of CRH Finance UK (having taken all reasonable care to ensure that such is the case) the information contained in this Base Prospectus in respect of which it accepts responsibility is in accordance with the facts and does not omit anything likely to affect the import of such information.

CRH Finance BV accepts responsibility for the information contained in this Base Prospectus with the exception of the information in the sections entitled “Description of CRH Finance Limited”, “Description of CRH Finance (U.K.) plc” and any other information in respect of CRH Finance UK or CRH Finance. To the best of the knowledge of CRH Finance BV (having taken all reasonable care to ensure that such is the case) the information contained in this Base Prospectus in respect of which it accepts responsibility is in accordance with the facts and does not omit anything likely to affect the import of such information.

CRH plc accepts responsibility for the information contained in this Base Prospectus. To the best of the knowledge of CRH plc (having taken all reasonable care to ensure that such is the case) the information contained in this Base Prospectus is in accordance with the facts and does not omit anything likely to affect the import of such information.

Copies of Final Terms will be available from the registered office of the relevant Issuer and the specified office set out below of each of the Paying Agents (as defined below).

This Base Prospectus is to be read in conjunction with all documents which are deemed to be incorporated herein by reference (see “*Documents Incorporated by Reference*”). This Base Prospectus shall be read and construed on the basis that such documents are incorporated in and form part of this Base Prospectus.

Neither the Dealers nor the Trustee have independently verified the information contained herein. Accordingly, no representation, warranty or undertaking, express or implied, is made and no responsibility or liability is accepted by the Dealers or the Trustee as to the accuracy or completeness of the information contained or incorporated in this Base Prospectus or any other information provided by either Issuer or the Guarantor in connection with the Programme. None of the Dealers or the Trustee accepts any liability in relation to the information contained or incorporated by reference in this Base Prospectus or any other information provided by either Issuer or the Guarantor in connection with the Programme.

Subject as provided in the applicable Final Terms, the only persons authorised to use this Base Prospectus in connection with an offer of Notes are the persons named in the applicable Final Terms as the relevant Dealer or the Managers, as the case may be.

No person is or has been authorised by either Issuer, the Guarantor or the Trustee to give any information or to make any representation not contained in or not consistent with this Base Prospectus or any other information supplied in connection with the Programme or the Notes

and, if given or made, such information or representation must not be relied upon as having been authorised by any Issuer, the Guarantor, any of the Dealers or the Trustee.

Neither this Base Prospectus nor any other information supplied in connection with the Programme or any Notes (a) is intended to provide the basis of any credit or other evaluation or (b) should be considered as a recommendation by any Issuer, the Guarantor, any of the Dealers or the Trustee that any recipient of this Base Prospectus or any other information supplied in connection with the Programme or any Notes should purchase any Notes. Each investor contemplating purchasing any Notes should make its own independent investigation of the financial condition and affairs, and its own appraisal of the creditworthiness, of the relevant Issuer and/or the Guarantor. Neither this Base Prospectus nor any other information supplied in connection with the Programme or the issue of any Notes constitutes an offer or invitation by or on behalf of any Issuer or the Guarantor or any of the Dealers or the Trustee to any person to subscribe for or to purchase any Notes.

Neither the delivery of this Base Prospectus nor the offering, sale or delivery of any Notes shall in any circumstances imply that the information contained herein concerning any Issuer and/or the Guarantor is correct at any time subsequent to the date hereof or that any other information supplied in connection with the Programme is correct as of any time subsequent to the date indicated in the document containing the same. The Dealers and the Trustee expressly do not undertake to review the financial condition or affairs of any Issuer or the Guarantor during the life of the Programme or to advise any investor in the Notes of any information coming to their attention.

None of the Issuers are or will be regulated by the Central Bank as a result of issuing any Notes. Any investment in the Notes does not have the status of a bank deposit and is not within the scope of the deposit protection scheme operated by the Central Bank.

The Notes have not been and will not be registered under the United States Securities Act of 1933, as amended (the *Securities Act*) and are subject to U.S. tax law requirements. Subject to certain exceptions, Notes may not be offered, sold or delivered within the United States or to, or for the account or benefit of, U.S. persons (see "*Subscription and Sale*").

This Base Prospectus does not constitute an offer to sell or the solicitation of an offer to buy any Notes in any jurisdiction to any person to whom it is unlawful to make the offer or solicitation in such jurisdiction. The distribution of this Base Prospectus and the offer or sale of Notes may be restricted by law in certain jurisdictions. The Issuers, the Guarantor, the Dealers and the Trustee do not represent that this Base Prospectus may be lawfully distributed, or that any Notes may be lawfully offered, in compliance with any applicable registration or other requirements in any such jurisdiction, or pursuant to an exemption available thereunder, or assume any responsibility for facilitating any such distribution or offering. In particular, no action has been taken by the Issuers, the Guarantor, the Dealers or the Trustee which is intended to permit a public offering of any Notes or distribution of this Base Prospectus in any jurisdiction where action for that purpose is required. Accordingly, no Notes may be offered or sold, directly or indirectly, and neither this Base Prospectus nor any advertisement or other offering material may be distributed or published in any jurisdiction, except under circumstances that will result in compliance with any applicable laws and regulations. Persons into whose possession this Base Prospectus or any Notes may come must inform themselves about, and observe, any such restrictions on the distribution of this Base Prospectus and the offering and sale of Notes. In particular, there are restrictions on the distribution of this Base Prospectus and the offer or sale of Notes in the United States, the European Economic Area (including the United Kingdom and Ireland), Japan, Hong Kong and the PRC (as defined below), see "*Subscription and Sale*".

This Base Prospectus has been prepared on the basis that any offer of Notes in any Member State of the European Economic Area which has implemented the Prospectus Directive (each, a Relevant Member State) will be made pursuant to an exemption under the Prospectus Directive, as implemented in that Relevant Member State, from the requirement to publish a prospectus for

offers of Notes. Accordingly any person making or intending to make an offer in that Relevant Member State of Notes which are the subject of an offering contemplated in this Base Prospectus as completed by final terms in relation to the offer of those Notes may only do so in circumstances in which no obligation arises for the relevant Issuer or any Dealer to publish a prospectus pursuant to Article 3 of the Prospectus Directive or supplement a prospectus pursuant to Article 16 of the Prospectus Directive, in each case, in relation to such offer. Neither the relevant Issuer nor any Dealer have authorised, nor do they authorise, the making of any offer of Notes in circumstances in which an obligation arises for the Issuer or any Dealer to publish or supplement a prospectus for such offer.

All references in this document to *U.S. dollars*, *U.S.\$* and *\$* refer to United States dollars. All references to *Sterling* and *£* refer to pounds sterling. All references to *RMB*, *CNY* or *Renminbi* refer to the currency of the PRC. All references to *CHF* refer to Swiss Francs. In addition, all references to *euro* and *€* refer to the currency introduced at the start of the third stage of European economic and monetary union pursuant to the Treaty on the Functioning of the European Union, as amended.

All references in this Prospectus to PRC are to the People's Republic of China, which for the purpose of this Prospectus shall exclude the Hong Kong Special Administrative Region of the People's Republic of China, the Macao Special Administrative Region of the People's Republic of China and Taiwan.

The language of this Base Prospectus is English. Certain legislative references and technical terms have been cited in their original language in order that the correct technical meaning may be ascribed to them under applicable law.

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**In connection with the issue of any Tranche of Notes, the Dealer or Dealers (if any) named as the Stabilising Manager(s) (or persons acting on behalf of any Stabilising Manager(s)) in the applicable Final Terms may over-allot Notes or effect transactions with a view to supporting the market price of the Notes at a level higher than that which might otherwise prevail. However, there is no assurance that the Stabilising Manager(s) (or persons acting on behalf of a Stabilising Manager) will undertake stabilisation action. Any stabilisation action may begin on or after the date on which adequate public disclosure of the terms of the offer of the relevant Tranche of Notes is made and, if begun, may be ended at any time, but it must end no later than the earlier of 30 days after the issue date of the relevant Tranche of Notes and 60 days after the date of the allotment of the relevant Tranche of Notes. Any stabilisation action or over-allotment must be conducted by the relevant Stabilising Manager(s) (or person(s) acting on behalf of any Stabilising Manager(s) in accordance with all applicable laws and rules.**

## OVERVIEW OF THE PROGRAMME

*The following overview does not purport to be complete and is taken from, and is qualified in its entirety by, the remainder of this Base Prospectus and, in relation to the terms and conditions of any particular Tranche of Notes, the applicable Final Terms. The relevant Issuer, the Guarantor and any relevant Dealer may agree that Notes shall be issued in a form other than that contemplated in the Terms and Conditions, in which event, in the case of listed Notes only and if appropriate, a supplemental Base Prospectus will be published.*

This Overview constitutes a general description of the Programme for the purposes of Article 22.5(3) of Commission Regulation (EC) No 809/2004 implementing the Prospectus Directive.

Words and expressions defined in “*Form of the Notes*” and “*Terms and Conditions of the Notes*” shall have the same meanings in this Overview.

Issuers:	CRH Finance Limited CRH Finance (U.K.) plc CRH Finance B.V.
Guarantor:	CRH plc
Description:	Euro Medium Term Note Programme
Arranger:	The Royal Bank of Scotland plc
Dealers:	Bank of China Limited, London Branch BNP Paribas Citigroup Global Markets Limited Commerzbank Aktiengesellschaft Danske Bank A/S HSBC Bank plc ING Bank N.V. J.P. Morgan Securities Ltd. Lloyds TSB Bank plc Merrill Lynch International Société Générale The Royal Bank of Scotland plc UBS Limited  and any other Dealers appointed in accordance with the Programme Agreement.
Certain Restrictions:	Each issue of Notes denominated in a currency in respect of which particular laws, guidelines, regulations, restrictions or reporting requirements apply will only be issued in circumstances which comply with such laws, guidelines, regulations, restrictions or reporting requirements from time to time (see “ <i>Subscription and Sale</i> ”) including the following restrictions applicable at the date of this Base Prospectus.

### **Notes having a maturity of less than one year**

Notes having a maturity of less than one year will, if the proceeds of the issue are accepted in the United Kingdom, constitute deposits for the purposes of the prohibition on accepting deposits contained in section 19 of the Financial Services and Markets Act 2000 unless they are issued to a

limited class of professional investors and have a denomination of at least £100,000 or its equivalent, see “*Subscription and Sale*”.

Where CRH Finance Limited wishes to issue Notes with a maturity of less than one year, it shall ensure that such Notes are issued in accordance with an exemption granted under section 8(2) of the Central Bank Act, 1971, as amended.

Trustee:	Deutsche Trustee Company Limited
Issuing and Principal Paying Agent for Notes other than Notes listed on the SIX Swiss Exchange:	Deutsche Bank AG, London Branch
Principal Swiss Paying Agent for Notes listed on the SIX Swiss Exchange:	UBS AG
Programme Size:	Up to €5,000,000,000 (or its equivalent in other currencies calculated as described in the Programme Agreement) outstanding at any time. The Issuers and the Guarantor may increase the amount of the Programme in accordance with the terms of the Programme Agreement.
Distribution:	Notes may be distributed by way of private or public placement and in each case on a syndicated or non-syndicated basis.
Currencies:	Notes may be denominated in euro, Sterling, U.S. dollars, Swiss Francs, Renminbi, yen and, subject to any applicable legal or regulatory restrictions, any other currency agreed between the relevant Issuer, the Guarantor and the relevant Dealer.
Redenomination:	The applicable Final Terms may provide that certain Notes may be redenominated in euro. The relevant provisions applicable to any such redenomination are contained in Condition 4.
Maturities:	The Notes will have such maturities as may be agreed between the relevant Issuer, the Guarantor and the relevant Dealer, subject to such minimum or maximum maturities as may be allowed or required from time to time by the relevant central bank (or equivalent body) or any laws or regulations applicable to the relevant Issuer or the relevant Specified Currency.
Issue Price:	Notes may be issued on a fully-paid or a partly-paid basis and at an issue price which is at par or at a discount to, or premium over, par.
Form of Notes:	The Notes will be issued in bearer form as described in “ <i>Form of the Notes</i> ”.
Fixed Rate Notes:	Fixed interest will be payable on such date or dates as may be agreed between the relevant Issuer and the relevant Dealer and on redemption and will be calculated on the basis of such Day Count Fraction as may be agreed between the relevant Issuer and the relevant Dealer.

Floating Rate Notes:	<p>Floating Rate Notes will bear interest at a rate determined:</p> <ul style="list-style-type: none"> <li>(a) on the same basis as the floating rate under a notional interest rate swap transaction in the relevant Specified Currency governed by an agreement incorporating the 2006 ISDA Definitions (as published by the International Swaps and Derivatives Association, Inc., and as amended and updated as at the Issue Date of the first Tranche of the Notes of the relevant Series); or</li> <li>(b) on the basis of a reference rate appearing on the agreed screen page of a commercial quotation service; or</li> <li>(c) on such other basis as may be agreed between the Issuer and the relevant Dealer.</li> </ul> <p>The margin (if any) relating to such floating rate will be agreed between the relevant Issuer and the relevant Dealer for each Series of Floating Rate Notes.</p>
Index Linked Notes:	<p>Payments of principal in respect of Index Linked Redemption Notes or of interest in respect of Index Linked Interest Notes will be calculated by reference to such index and/or formula or to changes in the prices of securities or commodities or to such other factors as the relevant Issuer and the relevant Dealer may agree.</p>
Other provisions in relation to Floating Rate Notes and Index Linked Interest Notes:	<p>Floating Rate Notes and Index Linked Interest Notes may also have a maximum interest rate, a minimum interest rate or both.</p> <p>Interest on Floating Rate Notes and Index Linked Interest Notes in respect of each Interest Period, as agreed prior to issue by the relevant Issuer and the relevant Dealer, will be payable on such Interest Payment Dates, and will be calculated on the basis of such Day Count Fraction, as may be agreed between the relevant Issuer and the relevant Dealer.</p>
Dual Currency Notes:	<p>Payments (whether in respect of principal or interest and whether at maturity or otherwise) in respect of Dual Currency Notes will be made in such currencies, and based on such rates of exchange, as the relevant Issuer and the relevant Dealer may agree.</p>
Zero Coupon Notes:	<p>Zero Coupon Notes will be offered and sold at a discount to their nominal amount and will not bear interest.</p>
Redemption:	<p>The applicable Final Terms will indicate either that the relevant Notes cannot be redeemed prior to their stated maturity (other than in specified instalments, if applicable, or for taxation reasons or following an Event of Default) or that such Notes will be redeemable at the option of the relevant Issuer and/or the Noteholders upon giving notice to the Noteholders or the relevant Issuer, as the case may be, on a date or dates specified prior to such stated maturity and at a price or prices and on such other terms as may be agreed between the relevant Issuer and the relevant Dealer.</p>



The applicable Final Terms may provide that Notes may be redeemable in two or more instalments of such amounts and on such dates as are indicated in the applicable Final Terms.

Notes having a maturity of less than one year are subject to restrictions on their denomination and distribution, see “*Certain Restrictions - Notes having a maturity of less than one year*” above.

Denomination of Notes:

The Notes will be issued in such denominations as may be agreed between the relevant Issuer, the Guarantor and the relevant Dealer save that the minimum denomination of each Note will be such amount as may be allowed or required from time to time by the relevant central bank (or equivalent body) or any laws or regulations applicable to the relevant Specified Currency, see “*Certain Restrictions - Notes having a maturity of less than one year*” above, and save that the minimum denomination of each Note admitted to trading on a regulated market within the European Economic Area or offered to the public in a Member State of the European Economic Area in circumstances which would otherwise require the publication of a prospectus under the Prospectus Directive will be €100,000 (or, if the Notes are denominated in a currency other than euro, the equivalent amount in such currency).

Taxation:

All payments in respect of the Notes will be made without deduction for or on account of withholding taxes imposed by any Tax Jurisdiction unless required by law. In the event that any such deduction is made, the relevant Issuer or, as the case may be, the Guarantor will, save in certain limited circumstances provided in Condition 8, be required to pay additional amounts to cover the amounts so deducted.

Negative Pledge:

The terms of the Notes will contain a negative pledge provision as further described in Condition 3.

Cross-Default:

The terms of the Notes will contain a cross-default provision as further described in Condition 10.

Status of the Notes:

The Notes will constitute direct, unconditional, unsubordinated and (subject to the provisions of Condition 3) unsecured obligations of the relevant Issuer and will rank *pari passu* among themselves and (save for certain obligations required to be preferred by law) equally with all other unsecured obligations (other than subordinated obligations, if any) of the relevant Issuer, from time to time outstanding.

Guarantee:

The Notes will be unconditionally and irrevocably guaranteed by the Guarantor. The obligations of the Guarantor under its guarantee will be direct, unconditional and (subject to the provisions of Condition 3) unsecured obligations of the Guarantor and will rank *pari passu* and (save for certain obligations required to be preferred by law) equally with all other unsecured obligations (other than subordinated obligations, if any) of the Guarantor from time to time outstanding.

Rating:	The rating of any Series of Notes to be issued under the Programme (if applicable) will be specified in the relevant Final Terms. Whether or not each credit rating applied for in relation to relevant Series of Notes will be issued by a credit rating agency established in the European Union and registered under Regulation (EC) No. 1060/2009 (as amended) the <b>(CRA Regulation)</b> will be disclosed in the Final Terms.
Listing and admission to trading:	<p>The Base Prospectus has been approved by the Central Bank as competent authority under the Prospectus Directive. Application will be made to the Irish Stock Exchange for the Notes issued under the Programme within 12 months of the Base Prospectus to be admitted to the Official List and trading on the Market.</p> <p>In addition, application may be made to list Swiss Notes issued under the Programme on the SIX Swiss Exchange.</p> <p>Notes may be listed or admitted to trading, as the case may be, on other or further stock exchanges or markets agreed between the relevant Issuer and the relevant Dealer in relation to the Series. Notes which are neither listed nor admitted to trading on any market may also be issued.</p> <p>The applicable Final Terms will state whether or not the relevant Notes are to be listed and/or admitted to trading and, if so, on which stock exchanges and/or markets.</p>
Governing Law:	The Notes and any non-contractual obligations arising out of or in connection with the Notes will be governed by, and shall be construed in accordance with, English law.
Selling Restrictions:	There are restrictions on the offer, sale and transfer of the Notes in the United States, the European Economic Area (including the United Kingdom, The Netherlands and Ireland), Japan, Hong Kong and the PRC and such other restrictions as may be required in connection with the offering and sale of a particular Tranche of Notes, see " <i>Subscription and Sale</i> ".

## RISK FACTORS

*Each of the Issuers and the Guarantor believes that the following factors may affect its ability to fulfil its obligations under Notes issued under the Programme. All of these factors are contingencies which may or may not occur and none of the Issuers or the Guarantor is in a position to express a view on the likelihood of any such contingency occurring.*

*In addition, factors which are material for the purpose of assessing the market risks associated with Notes issued under the Programme are also described below.*

*Each of the Issuers and the Guarantor believes that the factors described below represent the principal risks inherent in investing in Notes issued under the Programme, but the relevant Issuer or the Guarantor may be unable to pay interest, principal or other amounts on or in connection with any Notes for other reasons which may not be considered significant risks by the Issuers and the Guarantor based on information currently available to them or which they may not currently be able to anticipate. Prospective investors should also read the detailed information set out elsewhere in this Base Prospectus and reach their own views prior to making any investment decision.*

### **Factors that may affect the Issuers' ability to fulfil their obligations under Notes issued under the Programme**

#### **CRH Finance, CRH Finance UK and CRH Finance BV and their business**

Each of CRH Finance, CRH Finance BV and CRH Finance UK are finance entities whose only business is or will be to act as a finance subsidiary of CRH which may include lending the proceeds of any funding undertaken by it to CRH and/or to other members of the Group (as defined in the Conditions of the Notes) and equity contributions to other members of the Group. CRH Finance has investments in holding companies which are wholly owned subsidiaries of the Group. CRH Finance UK and CRH Finance BV have no assets other than the amount representing the proceeds of its issued and paid-up share capital, fees (if any) payable to it in connection with any funding undertaken or entry into other obligations from time to time and any investment or on-loan made by it of the proceeds of any funding undertaken to CRH and/or to other members of the Group. Therefore, each of CRH Finance, CRH Finance BV and CRH Finance UK is subject to all risks to which CRH or other members of the Group to whom these loans are made are subject, to the extent that such risks could limit CRH's or such other member of the Group's ability to satisfy in full and on a timely basis its obligations under such loan. There is also a risk that any investments or equity contributions made by CRH Finance, CRH Finance BV or CRH Finance UK with the proceeds of any Notes may not generate sufficient returns to satisfy the relevant Issuer's obligations under the Notes.

**Factors that may affect the Guarantor's ability to fulfil its obligations under the Guarantee and, given each Issuer's dependence on the Guarantor, such Issuer's ability to meet its obligations under the Notes issued by it**

CRH operates in cyclical industries which are influenced by global and national economic circumstances and the level of construction activity. Severe weather can reduce construction activity and lead to a decrease in demand for the Group's products in areas affected by adverse weather conditions. The Group's financial performance may also be negatively impacted by declines in governmental funding programmes (largely for infrastructure), unfavourable swings in fuel and other commodity/raw material prices and by lowered sovereign creditworthiness and related austerity measures. The adequacy and timeliness of management response to unfavourable events is critical.

The Group's operating and financial performance is influenced by general economic conditions and the state of the residential, industrial and commercial and infrastructural construction markets in the countries in which it operates, particularly the European Union and North America.

The deterioration in Eurozone financial markets has contributed to global economic uncertainty. Whilst various actions have been taken by the European Commission, the European Central Bank, the International Monetary Fund and other parties to address the likely effects on the real economies of the participant countries and others, the success of these endeavours cannot be guaranteed.

In general, economic uncertainty exacerbates negative trends in construction activity leading to postponement in orders. Construction markets are cyclical and are affected by many factors that are beyond the Group's control, including:

- the price of fuel and principal energy-related raw materials such as bitumen and steel (which in 2011, accounted for approximately 9% of annual Group sales revenues);
- the performance of national economies in the 36 countries in which CRH operates;
- monetary policies in the countries in which CRH operates – for example, an increase in interest rates typically reduces the volume of mortgage borrowings thus impacting residential construction activity;
- the allocation of government funding for public infrastructure programmes, such as the development of highways in the United States under the “Safe, Accountable, Flexible, Efficient Transportation Equity Act: A Legacy for Users”; and
- the level of demand for construction materials and services with sustained adverse weather conditions leading to potential disruptions or curtailments in outdoor construction activity.

A continuation of or deterioration in the current strained global economic conditions (e.g. further austerity measures that are currently being contemplated in the Eurozone and the United States) may result in further general reductions in construction activity. Against this backdrop, the adequacy and timeliness of the actions taken by CRH's management team are of critical importance in delivering financial performance.

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

**As an international business, CRH operates in many countries with differing, and in some cases potentially fast-changing, economic, social and political conditions. Changes in these conditions or in the governmental and regulatory requirements in any of the countries in which CRH operates, and in particular in developing markets, may adversely affect CRH's business thus leading to possible impairment of financial performance and/or restrictions on future growth opportunities amongst other matters.**

CRH operates mainly in Western Europe and North America as well as, to a lesser degree, in developing countries/emerging markets in Eastern Europe, South America, Turkey, China and India. The economies of these countries are at diverse stages of socioeconomic and macroeconomic development which could give rise to a number of risks, uncertainties and challenges; these would include the following:

- changes in political, social or economic conditions;
- trade protection measures and import or export licensing requirements;
- potentially negative consequences from changes in tax laws;
- labour practices and differing labour regulations;
- ethical procurement;
- unexpected changes in regulatory requirements; and

- state-imposed restrictions on repatriation of funds.

**CRH faces strong volume and price competition across its activities. Given the commodity nature of many of its products, market share, and thus financial performance, will decline if CRH fails to compete successfully.**

The competitive environment in which the Group operates can be significantly impacted by general economic conditions in combination with local factors including the number of competitors, the degree of utilisation of production capacity and the specifics of product demand. Across the multitude of largely local markets in which the Group conducts business, downward pricing pressure is experienced from time to time and the Group may not always be in a position to recover increased operating expenses (caused by factors such as increased fuel and raw material prices) through higher selling prices.

**Existing products may be replaced by substitute products which CRH does not produce or distribute leading to losses in market share and constraints on financial performance.**

A number of the products sold by CRH (both those manufactured internally and those distributed) compete with other building products that do not feature in CRH's product range. Any significant replacement of the Group's products by substitute products, which CRH does not produce or distribute, could adversely impact market share and results of operations in these markets.

**Growth through acquisition is a key element of CRH's strategy. CRH may not be able to continue to grow as contemplated in its business plan if it is unable to identify attractive targets, execute full and proper due diligence, raise funds on acceptable terms, complete such acquisition transactions, integrate the operations of the acquired businesses and realise anticipated levels of profitability and cash flows.**

The Group's acquisition strategy focuses on value-enhancing mid-sized acquisitions supplemented from time to time by larger strategic acquisitions into new markets or new building products, for example. As a result of the challenging trading backdrop to many of CRH's businesses since the onset of the financial crisis and the ensuing global economic downturn, management's focus continues to be limited to acquisition opportunities that offer compelling value and exceptional strategic fit.

The realisation of CRH's acquisition strategy is dependent on the ability to identify and acquire suitable assets at appropriate prices thus satisfying the stringent cash flow and return on investment criteria underpinning such activity. CRH may not be able to identify such companies and, even if identified, may not be able to acquire them given a variety of factors including the outcome of due diligence processes, the ability to raise funds (as required) on acceptable terms, the need for competition authority approval in certain instances and competition for transactions from peers and other entities exploring acquisition opportunities in the building materials sector. The Group's ability to realise the expected benefits from acquisition activity depends, in large part, on its ability to integrate newly-acquired businesses 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 legacy business and, accordingly, may be deprived of the expected benefits thus leading to potential dissipation and diversion of Group management resources.

**CRH does not have a controlling interest in certain of the businesses (i.e. associates and joint ventures) in which it has invested and may invest; these arrangements may require greater management of more complex business partner relationships. In addition, CRH is subject to various restrictions as a result of non-controlling interests in certain of its subsidiaries.**

Given the absence of control in associates and, to a lesser extent, joint ventures, important decisions such as the approval of business plans and the timing and amount of cash distributions and capital

expenditure, for example, may require the consent of CRH's partners or may be approved without CRH's consent (despite provisions in the purchase contract). These limitations could impair CRH's ability to effectively manage and/or realise its strategic goals for these businesses.

The majority of CRH's subsidiaries are wholly-owned with non-controlling interests (i.e. minority shareholders) accounting for an immaterial share of total equity. Various disadvantages may result from the participation of non-controlling interests whose objectives and concerns may not always align with those of CRH. The presence of non-controlling interests may, among other things, impede CRH's ability to implement organisational efficiencies, transfer cash from one subsidiary to another and allocate assets in the most effective manner.

**Given the decentralised structure of CRH, existing processes to recruit, develop and retain talented individuals and promote their mobility may be inadequate thus giving rise to difficulties in succession planning and potentially impeding the continued realisation of the Group's core strategy of performance and growth.**

The identification and subsequent assessment, management, development and deployment of talented individuals is of major importance in continuing to deliver on CRH's core strategy of performance and growth and in ensuring that succession planning objectives for key executive roles throughout CRH's international operations are satisfied. In recognition of these requirements, the human resource management framework focuses on the operation of integrated and targeted programmes of performance management, leadership development (including international assignments, where appropriate), coaching and mentoring *inter alia*; the appropriateness of these programmes is reviewed on a regular basis to ensure that they mirror best practices.

**CRH uses financial instruments throughout its businesses giving rise to interest rate, foreign currency, credit/counterparty and liquidity risks. A downgrade of CRH's credit ratings may give rise to increases in funding costs in respect of future debt and may impair the Group's ability to raise funds on acceptable terms. In addition, against the backdrop of the heightened uncertainties, in particular in the Eurozone, insolvency of the financial institutions with which CRH conducts business (or a downgrade in their credit ratings) may lead to losses in CRH's liquid investments, derivative assets and cash and cash equivalents balances or render it more difficult either to utilise the Group's existing debt capacity or otherwise obtain financing for the Group's operations.**

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 2011, CRH had outstanding net indebtedness of €3.5 billion (2010: €3.5 billion). A significant portion of the cash generated from operational activity is dedicated to the payment of principal and interest on indebtedness and is not available for other purposes. If CRH's earnings were to decline significantly, difficulties may be experienced in servicing its debt instruments. In addition, in raising debt, CRH has entered into certain financing agreements containing restrictive covenants requiring CRH to maintain a certain minimum interest cover ratio and a certain minimum net worth and placing a maximum limit on the ratio of net debt to net worth. These restrictions may limit CRH's flexibility in planning for and reacting to competitive pressures and changes in business, industry and general economic conditions and may limit its ability to undertake acquisition activity and capitalise on other business opportunities.

CRH is exposed to movements in interest rates which affect the amount of interest paid on floating rate borrowings and the return generated on its cash investments. As at 31 December 2011, 70% (2010: 75%) of CRH's net debt was at fixed interest rates.

Any material deterioration in CRH's existing credit ratings may significantly reduce its access to the debt markets and result in increased interest rates on future debt. A downgrade in CRH's credit ratings may result from factors specific to CRH or from other factors such as general economic weakness or sovereign credit rating ceilings.

CRH holds significant cash balances on deposit with a variety of highly-rated financial institutions (typically invested on a short-term basis) which, together with liquid investments and cash and cash equivalents at 31 December 2011, totalled €1.3 billion (2010: €1.8 billion). In addition to the above, CRH enters into derivative transactions with a variety of highly-rated financial institutions giving rise to derivative assets and derivative liabilities; the relevant balances as at 31 December 2011 were €205 million and €30 million, respectively (2010: €208 million and €87 million, respectively). The counterparty risks inherent in these exposures may give rise to losses in the event that the relevant financial institutions suffer a ratings downgrade or become insolvent. In addition, certain of the Group's activities (e.g. highway paving in the United States) give rise to significant amounts receivable from counterparties at the balance sheet date; at year-end 2011, the amounts receivable in respect of construction contracts was €0.4 billion (2010: €0.4 billion). In the current business environment, there is increased exposure to counterparty default, particularly as regards bad debts.

**CRH operates a number of defined benefit pension schemes in certain of its operating jurisdictions. The assets and liabilities of these schemes may exhibit significant period-on-period volatility attributable primarily to asset valuations, changes in bond yields and longevity. In addition to future service contributions, significant cash contributions may be required to remediate past service deficits.**

The assumptions used in the recognition of assets, liabilities, income and expenses (including discount rates, expected return on plan assets, rate of increase in future compensation levels, mortality rates and healthcare cost trend rates) are updated annually based on market and economic conditions at the balance sheet date and for any relevant changes to the terms and conditions of the pension and post-retirement plans. These assumptions can be affected by (i) for the discount rate, changes in the rates of return on high-quality fixed income investments; (ii) for the expected return on plan assets, changes in the pension plans' strategic asset allocations to various investment types or to long-term return trend rates in the capital markets in which the pension fund assets are invested; (iii) for future compensation levels, future labour market conditions and anticipated inflation; (iv) for mortality rates, changes in the relevant actuarial funding valuations or changes in best practice; and (v) for healthcare cost trend rates, the rate of medical cost inflation in the relevant regions (items (i) and (iii) to (v) pertain to liabilities with item (ii) pertaining to assets). A prolonged period of financial market instability would have an adverse impact on the valuations of CRH's pension scheme assets.

In addition, a number of the defined benefit pension schemes in operation throughout the Group have reported material funding deficits thus necessitating reparation either in accordance with legislative requirements or as agreed with the relevant regulators. The extent of such contributions may be exacerbated over time as a result of a prolonged period of instability in worldwide financial markets.

**In its worldwide insurance programme, the Group carries appropriate levels of insurance for typical business risks (including product liability) with various leading insurance companies. However, in the event of the failure of one or more of its insurance counterparties, the Group could be impacted by losses where recovery from such counterparties is not possible.**

The Group's insurance arrangements retain certain exposures in respect of a variety of liability/casualty insurances and property damage and business interruption insurance; amounts in excess of these predetermined self-insurance thresholds, together with umbrella arrangements, as appropriate, are arranged through leading, highly-rated global insurers and re-insurers giving rise to counterparty risks. The exposures borne by third-parties are, in general, subject to caps with any exposures in excess of those caps being borne by CRH. As at 31 December 2011, the total insurance provision, which is subject to periodic actuarial valuation and is discounted, amounted to €199 million (2010: €207 million); a substantial proportion of this figure pertained to claims which are classified as "incurred but not reported".

CRH's activities are conducted primarily in the local currency of the country of operation resulting in low levels of foreign currency transactional risk. The principal foreign exchange risks to which the consolidated financial statements of CRH are exposed pertain to adverse movements in reported results when translated into euro (which is the Group's functional and reporting currency) together with declines in the euro value of the Group's net investments which are denominated in a wide basket of currencies other than the euro.

A significant proportion of the Group's revenues, expenses, assets and liabilities are denominated in currencies other than the euro, principally U.S. dollars, Swiss Francs, Polish Zlotys and Sterling. From year to year, adverse changes in the exchange rates used to translate these and other foreign currencies into euro have impacted and will continue to impact the Group's consolidated results and net worth. 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.

**Significant under-performance in any of CRH's major cash-generating units may give rise to a material write-down of goodwill which would have a substantial 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. Under IFRS, goodwill and indefinite-lived intangible assets are not amortised but are subject to annual impairment testing. Other intangible assets deemed separable from goodwill arising on acquisitions are amortised.

Whilst a goodwill impairment charge would not impact cash flow, a full write-down at 31 December 2011 would have resulted in a charge to income and a reduction in equity of €4.3 billion (2010: €4.1 billion).

**CRH is subject to stringent and evolving laws, regulations, standards and best practices in the area of Corporate Social Responsibility (comprising corporate governance, environmental management and climate change (specifically capping of emissions), health and safety management and social performance) which may give rise to increased ongoing remediation and/or other compliance costs and may adversely affect the Group's reported results and financial condition.**

CRH is subject to a broad and increasingly stringent range of existing and evolving governance, environmental, health and safety and other laws, regulations, standards and best practices in each of the jurisdictions in which the Group operates giving rise to significant compliance costs, potential legal liability exposure and potential limitations on the development of the Group's operations. These laws, regulations, standards and best practices relate to, amongst other things, climate change, noise, emissions to air, water and soil, the use and handling of hazardous materials and waste disposal practices. Given the above, the risk of increased environmental and other compliance costs and unplanned capital expenditure is inherent in CRH's business and the impact of future developments in these respects on the Group's activities, products, operations, profitability and cash flow cannot be estimated; there can therefore be no assurance that material liabilities and costs will not be incurred in the future.

Environmental and health and safety and other laws, regulations and standards 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; the associated remediation costs incurred to date have not been material. 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. These figures are not material in the context of CRH. However, CRH cannot predict environmental matters with certainty, and 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 is subject to many laws and regulations (both local and international) throughout the many jurisdictions in which it operates and is thus exposed to changes in those laws and regulations and to the outcome of any investigations conducted by governmental, international and other regulatory authorities, which may result in the imposition of fines and/or sanctions for non-compliance.**

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, anti-bribery, anti-corruption, governance and other matters. CRH mandates that its employees comply with its Code of Business Conduct which stipulates best practice in relation to regulatory matters; however, CRH cannot guarantee that its operating units will at all times be successful in complying with all demands of regulatory agencies in a manner which will not materially adversely affect its business, financial condition or results of operations.

**If CRH is unable to pay its debts, an examiner may be appointed under Irish law to oversee CRH's operations.**

If CRH is unable, or likely to be unable, to pay its debts, an examiner may be appointed to oversee the operations of CRH and to facilitate its survival and the whole or any part of its business by formulating proposals for a compromise or scheme of arrangement. An examiner may be appointed even if CRH is not insolvent. If an examiner has been appointed to CRH or any of its subsidiaries, the examinership may be extended to CRH and any of its related companies, including the Issuers, even if the Issuers are not themselves insolvent. There can be no assurance that the Issuers would be exempt from an extension of the examinership. If an examiner is appointed to CRH, a protection period, generally not exceeding 100 days, will be imposed so that the examiner can formulate and implement his proposals for a compromise or scheme or arrangement. During the protection period, any enforcement action by a creditor is prohibited. In addition, CRH would be prohibited from paying any debts existing at the time of the presentation of the petition to appoint an examiner. The appointment of an examiner may restrict the ability of CRH to make timely payments under its guarantee and Noteholders may be unable to enforce their rights under the guarantee. During the course of examinership, Noteholders' rights under the guarantee may be affected by the examiner's exercise of his powers to, for example, repudiate a restriction or prohibition on further borrowings or the creation of security.

#### **Preferred Creditors under Irish law**

In an insolvency of an Irish company, the claims of certain preferential creditors (including the Irish Revenue Commissioners for certain unpaid taxes) will rank in priority to claims of unsecured creditors. If CRH or CRH Finance becomes subject to an insolvency proceeding and CRH or CRH Finance has obligations to creditors that are treated under Irish law as creditors that are senior

relative to the Noteholders, the Noteholders may suffer losses as a result of their subordinated status during such insolvency proceeding.

### **Factors which are material for the purpose of assessing the market risks associated with Notes issued under the Programme**

#### ***The Notes may not be a suitable investment for all investors***

Each potential investor in the Notes must determine the suitability of that investment in light of its own circumstances. In particular, each potential investor should:

- (i) have sufficient knowledge and experience to make a meaningful evaluation of the Notes, the merits and risks of investing in the Notes and the information contained or incorporated by reference in this Base Prospectus or any applicable supplement;
- (ii) have access to, and knowledge of, appropriate analytical tools to evaluate, in the context of its particular financial situation, an investment in the Notes and the impact the Notes will have on its overall investment portfolio;
- (iii) have sufficient financial resources and liquidity to bear all of the risks of an investment in the Notes, including Notes with principal or interest payable in one or more currencies, or where the currency for principal or interest payments is different from the potential investor's currency;
- (iv) understand thoroughly the terms of the Notes and be familiar with the behaviour of any relevant indices and financial markets; and
- (v) be able to evaluate (either alone or with the help of a financial adviser) possible scenarios for economic, interest rate and other factors that may affect its investment and its ability to bear the applicable risks.

Some Notes are complex financial instruments. Sophisticated institutional investors generally do not purchase complex financial instruments as stand-alone investments. They purchase complex financial instruments as a way to reduce risk or enhance yield with an understood, measured, appropriate addition of risk to their overall portfolios. A potential investor should not invest in Notes which are complex financial instruments unless it has the expertise (either alone or with a financial adviser) to evaluate how the Notes will perform under changing conditions, the resulting effects on the value of the Notes and the impact this investment will have on the potential investor's overall investment portfolio.

#### ***Risks related to the structure of a particular issue of Notes***

A wide range of Notes may be issued under the Programme. A number of these Notes may have features which contain particular risks for potential investors. Set out below is a description of the most common such features:

##### ***Notes subject to optional redemption by the relevant Issuer***

An optional redemption feature of Notes is likely to limit their market value. During any period when the Issuer may elect to redeem Notes, the market value of those Notes generally will not rise substantially above the price at which they can be redeemed. This also may be true prior to any redemption period.

The relevant Issuer may be expected to redeem Notes when its cost of borrowing is lower than the interest rate on the Notes. At those times, an investor generally would not be able to reinvest the redemption proceeds at an effective interest rate as high as the interest rate on the Notes being redeemed and may only be able to do so at a significantly lower rate. Potential investors should consider reinvestment risk in light of other investments available at that time.

### *Index Linked Notes and Dual Currency Notes*

The relevant Issuer may issue Notes with principal or interest determined by reference to an index or formula, to changes in the prices of securities or commodities, to movements in currency exchange rates or other factors (each, a **Relevant Factor**). In addition, the relevant Issuer may issue Notes with principal or interest payable in one or more currencies which may be different from the currency in which the Notes are denominated. Potential investors should be aware that:

- (i) the market price of such Notes may be volatile;
- (ii) they may receive no interest;
- (iii) payment of principal or interest may occur at a different time or in a different currency than expected;
- (iv) they may lose all or a substantial portion of their principal;
- (v) a Relevant Factor may be subject to significant fluctuations that may not correlate with changes in interest rates, currencies or other indices;
- (vi) if a Relevant Factor is applied to Notes in conjunction with a multiplier greater than one or contains some other leverage factor, the effect of changes in the Relevant Factor on principal or interest payable likely will be magnified; and
- (vii) the timing of changes in a Relevant Factor may affect the actual yield to investors, even if the average level is consistent with their expectations. In general, the earlier the change in the Relevant Factor, the greater the effect on yield.

The historical experience of an index should not be viewed as an indication of the future performance of such index during the term of any Index Linked Notes. Accordingly, each potential investor should consult its own financial and legal advisers about the risk entailed by an investment in any Index Linked Notes and the suitability of such Notes in light of its particular circumstances.

### *Partly-paid Notes*

The relevant Issuer may issue Notes where the issue price is payable in more than one instalment. Failure to pay any subsequent instalment could result in an investor losing all of his investment.

### *Variable rate Notes with a multiplier or other leverage factor*

Notes with variable interest rates can be volatile investments. If they are structured to include multipliers or other leverage factors, or caps or floors, or any combination of those features or other similar related features, their market values may be even more volatile than those for securities that do not include those features.

### *Inverse Floating Rate Notes*

Inverse Floating Rate Notes have an interest rate equal to a fixed rate minus a rate based upon a reference rate such as LIBOR. The market values of those Notes typically are more volatile than market values of other conventional floating rate debt securities based on the same reference rate (and with otherwise comparable terms). Inverse Floating Rate Notes are more volatile because an increase in the reference rate not only decreases the interest rate of the Notes, but may also reflect an increase in prevailing interest rates, which further adversely affects the market value of these Notes.

### *Fixed/Floating Rate Notes*

Fixed/Floating Rate Notes may bear interest at a rate that converts from a fixed rate to a floating rate, or from a floating rate to a fixed rate. Where the relevant Issuer has the right to effect such a

conversion, this will affect the secondary market and the market value of the Notes since the Issuer may be expected to convert the rate when it is likely to produce a lower overall cost of borrowing. If the relevant Issuer converts from a fixed rate to a floating rate in such circumstances, the spread on the Fixed/Floating Rate Notes may be less favourable than then prevailing spreads on comparable Floating Rate Notes tied to the same reference rate. In addition, the new floating rate at any time may be lower than the rates on other Notes. If the relevant Issuer converts from a floating rate to a fixed rate in such circumstances, the fixed rate may be lower than then prevailing rates on its Notes.

#### *Notes issued at a substantial discount or premium*

The market values of securities issued at a substantial discount or premium from their principal amount tend to fluctuate more in relation to general changes in interest rates than do prices for conventional interest-bearing securities. Generally, the longer the remaining term of the securities, the greater the price volatility as compared to conventional interest-bearing securities with comparable maturities.

#### *Risks related to Notes denominated in Renminbi*

Set out below is a description of the principal risks which may be relevant to an investor in Notes denominated in Renminbi:

#### *Renminbi is not freely convertible and this may adversely affect the liquidity of Notes denominated in Renminbi.*

Renminbi is not freely convertible at present. The PRC government continues to regulate conversion between Renminbi and foreign currencies, including the Hong Kong dollar, despite the significant reduction over the years by the PRC government of control over routine foreign exchange transactions under current accounts. Participating banks in Hong Kong have been permitted to engage in the settlement of Renminbi trade transactions under a pilot scheme introduced in July 2009. This represents a current account activity. The pilot scheme was extended in August 2011 to cover the whole nation and to make Renminbi trade and other current account item settlement available in all countries worldwide.

PRC regulation on the remittance of Renminbi into the PRC for settlement of capital account items is developing gradually. Generally, remittance of Renminbi by foreign investors into the PRC for capital account purposes such as shareholders' loans or capital contributions is only permitted upon obtaining specific approvals from the relevant authorities on a case-by-case basis and subject to a strict monitoring system.

On 12 October 2011, the Ministry of Commerce People's Republic of China (**MOFCOM**) promulgated the Circular on Issues concerning Cross-border Renminbi Foreign Direct Investment (the **MOFCOM Circular**). Pursuant to the MOFCOM Circular, prior written consent from the MOFCOM is no longer required for Renminbi foreign direct investments (**RMB FDI**) and MOFCOM and its local counterparts are authorised to approve RMB FDI in accordance with existing PRC laws and regulations regarding foreign investment, with certain exceptions which require preliminary approval by the provincial counterpart of MOFCOM and the consent of MOFCOM in advance. The MOFCOM Circular also requires that the proceeds of RMB FDI may not be used towards investment in securities, financial derivatives or entrustment loans in the PRC, except for investments in PRC domestic listed companies through private placements or share transfers by agreement. On 13 October 2011, the People's Bank of China (the **PBOC**) issued the Measures on Administration of the RMB Settlement in relation to Foreign Direct Investment (the **PBOC RMB FDI Measures**) as part of the implementation of the PBOC's detailed RMB FDI accounts administration system, which covers almost all aspects of RMB FDI, including capital injections, payments for the acquisition of PRC domestic enterprises, repatriation of dividends and other distributions, as well as Renminbi denominated cross-border loans. Under the PBOC RMB FDI Measures, special approval for RMB FDI

and shareholder loans from the PBOC, which was previously required, is no longer necessary. In some cases however, post-event filing with the PBOC is still necessary.

As the MOFCOM Circular and the PBOC RMB FDI Measures are relatively new circulars, they will be subject to interpretation and application by the relevant PRC authorities.

There is no assurance that the PRC government will continue to gradually liberalise control over cross-border Renminbi remittances in the future, that the pilot scheme introduced in July 2009 (as extended) will not be discontinued or that new PRC regulations will not be promulgated in the future which have the effect of restricting or eliminating the remittance of Renminbi into or outside the PRC. In the event that funds cannot be repatriated outside the PRC in Renminbi, this may affect the overall availability of Renminbi outside the PRC and the ability of the relevant Issuer to source Renminbi to finance its obligations under Notes denominated in Renminbi.

*There is only limited availability of Renminbi outside the PRC, which may affect the liquidity of Notes denominated in Renminbi and the relevant Issuer's ability to source Renminbi to service such Notes.*

As a result of the restrictions by the PRC government on cross-border Renminbi fund flows, the availability of Renminbi outside the PRC is limited. Since February 2004, in accordance with arrangements between the PRC central government and the Hong Kong government, licensed banks in Hong Kong may offer limited Renminbi-denominated banking services to Hong Kong residents and specified business customers.

The PBOC has also established a Renminbi clearing and settlement system for participating banks in Hong Kong. On 19 July 2010, further amendments were made to the Settlement Agreement on the Clearing of Renminbi Business (the **Settlement Agreement**) between the PBOC and Bank of China (Hong Kong) Limited as the Renminbi clearing bank (the **RMB Clearing Bank**) to further expand the scope of Renminbi business for participating banks in Hong Kong. Pursuant to the revised arrangements, all corporations are allowed to open Renminbi accounts in Hong Kong; there is no longer any limit on the ability of corporations to convert Renminbi; and there will no longer be any restriction on the transfer of Renminbi funds between different accounts in Hong Kong.

However, the current size of Renminbi-denominated financial assets outside the PRC is limited. As of 31 March 2012, the total amount of Renminbi deposits held by institutions authorised to engage in Renminbi banking business in Hong Kong amounted to approximately RMB554,317 million according to data published by the Hong Kong Monetary Authority (the **HKMA**). In addition, authorised institutions are also required by the HKMA to maintain a total amount of Renminbi (in the form of cash, its settlement account balance and/or fiduciary account balance with the RMB Clearing Bank) of no less than 25 per cent. of their Renminbi deposits, which further limits the availability of Renminbi that participating banks can utilise for conversion services for their customers. Renminbi business participating banks do not have direct Renminbi liquidity support from the PBOC. The RMB Clearing Bank only has access to onshore liquidity support from the PBOC to square open positions of participating banks for limited types of transactions, including open positions resulting from conversion services for corporations relating to cross-border trade settlement, for individual customers of up to RMB20,000 per person per day and for the designated business customers relating to the Renminbi received in providing their services. The RMB Clearing Bank is not obliged to create a neutral position for participating banks holding open positions as a result of other foreign exchange transactions or conversion services and the participating banks will need to source Renminbi from outside the PRC to neutralise such open positions.

Although it is expected that the offshore Renminbi market will continue to grow in depth and size, its growth is subject to many constraints as a result of PRC laws and regulations on foreign exchange. There is no assurance that new PRC regulations will not be promulgated or the Settlement Agreement will not be terminated or amended in the future which will have the effect of restricting availability of Renminbi offshore. The limited availability of Renminbi outside the PRC

may affect the liquidity of Notes denominated in Renminbi. There is no assurance that the relevant Issuer will be able to source Renminbi outside the PRC to service such Notes on satisfactory terms, if at all. If the relevant Issuer is unable to source such Renminbi, the relevant Issuer's obligation to make a payment in Renminbi under the terms of the Notes may be replaced by an obligation to pay such amount in the Relevant Currency (as defined below) if 'RMB Currency Event' is selected as being applicable in the relevant Final Terms.

*An investment in Notes denominated in Renminbi is subject to exchange rate risks.*

The value of Renminbi against the U.S. dollar and other foreign currencies fluctuates and is affected by changes in the PRC and international political and economic conditions and by many other factors. Except in the limited circumstances stipulated in condition 6.8, all payments of interest and principal with respect to Renminbi denominated Notes will be made in Renminbi. As a result, the value of these Renminbi payments in U.S. dollar or other foreign currency terms may vary with the prevailing exchange rates in the marketplace. If the value of Renminbi depreciates against the U.S. dollar or other foreign currencies, the value of an investment in Notes denominated in Renminbi in U.S. dollar or other applicable foreign currency terms will decline.

*Payments for Notes denominated in Renminbi will only be made to investors in the manner specified for such Notes in the terms and conditions.*

Investors may be required to provide certificates and other information (including Renminbi account information) in order to be allowed to receive payments in Renminbi in accordance with the Renminbi clearing and settlement system for participating banks in Hong Kong. Except in the limited circumstances stipulated in Condition 6.8, all payments to investors in respect of Notes denominated in Renminbi will be made solely (i) for so long as such Notes are represented by a Temporary Global Note or a Permanent Global Note held with the common depository for Euroclear Bank SA/NV (**Euroclear**) and Clearstream Banking, *société anonyme* (**Clearstream, Luxembourg**) or any alternative clearing system by transfer to a Renminbi bank account maintained in Hong Kong in accordance with prevailing Euroclear and Clearstream, Luxembourg rules and procedures or those of such alternative clearing system, or (ii) for so long as such Notes are in definitive form, by transfer to a Renminbi bank account maintained in Hong Kong in accordance with prevailing rules and regulations; the relevant Issuer cannot be required to make payment by any other means (including in any other currency or by transfer to a bank account in the PRC).

*Gains on the transfer of Notes denominated in Renminbi may become subject to income taxes under PRC tax laws*

Under the New Enterprise Income Tax Law and its implementation rules, any gains realised on the transfer of Notes denominated in Renminbi by holders who are deemed under the New Enterprise Income Tax Law as non-resident enterprises may be subject to PRC enterprise income tax if such gains are regarded as income derived from sources within the PRC. Under the New Enterprise Income Tax Law, a "non-resident enterprise" means an enterprise established under the laws of a jurisdiction other than the PRC and whose actual administrative organisation is not in the PRC, which has established offices or premises in the PRC, or which has not established any offices or premises in the PRC but has obtained income derived from sources within the PRC. In addition, there is uncertainty as to whether gains realised on the transfer of the Notes by individual holders who are not PRC citizens or residents will be subject to PRC individual income tax. If such gains are subject to PRC income tax, the 10 per cent. enterprise income tax rate and 20 per cent. individual income tax rate will apply respectively unless there is an applicable tax treaty or arrangement that reduces or exempts such income tax. The taxable income will be the balance of the total income obtained from the transfer of the Notes denominated in Renminbi minus all costs and expenses that are permitted under PRC tax laws to be deducted from the income. According to an arrangement between mainland China and Hong Kong for avoidance of double taxation, Noteholders who are Hong Kong residents, including both enterprise holders and individual holders, will be exempted from PRC income tax on capital gains derived from a sale or exchange of such Notes.

If a Noteholder, being a non-resident enterprise or non-resident individual, is required to pay any PRC income tax on gains on the transfer of Notes denominated in Renminbi, the value of the relevant Noteholder's investment in such Notes may be materially and adversely affected.

### *Risks related to Notes generally*

Set out below is a brief description of certain risks relating to the Notes generally:

#### *Modification, waivers and substitution*

The Conditions of the Notes contain provisions for calling meetings of Noteholders to consider matters affecting their interests generally. These provisions permit defined majorities to bind all Noteholders including Noteholders who did not attend and vote at the relevant meeting and Noteholders who voted in a manner contrary to the majority.

The Conditions of the Notes also provide that the Trustee may, without the consent of Noteholders, agree to (i) any modification of, or to the waiver or authorisation of any breach or proposed breach of, any of the provisions of Notes or (ii) determine without the consent of the Noteholders that any Event of Default or potential Event of Default shall not be treated as such or (iii) the substitution of another company as principal debtor under any Notes in place of the Issuer or in respect of the Guarantor's obligations under the Guarantee in place of the Guarantor, in each case the circumstances described in Condition 15.

#### *EU Savings Directive*

Under EC Council Directive 2003/48/EC on the taxation of savings income (the **Directive**), Member States are required to provide to the tax authorities of another Member State details of payments of interest (or similar income) paid by a person within its jurisdiction to, or collected by such a person for, an individual resident in that other Member State or to certain limited types of entity established in that other Member State. However, for a transitional period, Luxembourg and Austria are instead required (unless during that period they elect otherwise) to operate a withholding system in relation to such payments (the ending of such transitional period is dependent upon the conclusion of certain other agreements relating to information exchange by certain non-EU countries), subject to a procedure whereby, on meeting certain conditions, the beneficial owner of the interest or other income may request that no tax be withheld. A number of non-EU countries and territories have adopted similar measures to the EU Savings Directive.

The European Commission has proposed certain amendments to the Directive which may, if implemented amend or broaden the scope of the requirements described above.

If a payment were to be made or collected through a Member State which has opted for a withholding system and an amount of, or in respect of, tax were to be withheld from that payment, neither the relevant Issuer nor any Paying Agent nor any other person would be obliged to pay additional amounts with respect to any Note as a result of the imposition of such withholding tax. The Issuers are required to maintain a Paying Agent in a Member State that is not obliged to withhold or deduct tax pursuant to the Directive.

#### *Proposed Amendment of Swiss Federal Withholding Tax Act*

On 24 August 2011 the Swiss Federal Council issued draft legislation, which, if enacted, may require a paying agent in Switzerland (*inländische Zahlstelle*) to deduct Swiss withholding tax at a rate of 35 per cent. on any payment of interest in respect of a Note to any investor, regardless of whether or not such investor is resident in Switzerland. The definition Swiss domestic paying agent includes any "economic operator" (*Wirtschaftsbeteiligter*) in Switzerland who remits payments of interest to the beneficial owner (*überweisen*), recompenses the beneficial owner interest (*vergüten*), credits the beneficial owner interest (*gutschreiben*) or collects payments of interest for the beneficial owner (*einziehen*). If this legislation or similar legislation were enacted and an amount of, or in respect of,

Swiss withholding tax were to be deducted or withheld from a payment, neither the relevant Issuer, nor the Guarantor, any paying agent nor any other person would pursuant to the Conditions of the Notes be obliged to pay additional amounts with respect to any Note as a result of the deduction or imposition of such withholding tax.

#### *Change of law*

The conditions of the Notes are based on English law in effect as at the date of this Base Prospectus. No assurance can be given as to the impact of any possible judicial decision or change to English law or administrative practice after the date of this Base Prospectus.

#### *Notes where denominations involve integral multiples: definitive Notes*

In relation to any issue of Notes which have denominations consisting of a minimum Specified Denomination plus one or more higher integral multiples of another smaller amount, it is possible that such Notes may be traded in amounts that are not integral multiples of such minimum Specified Denomination. In such a case a holder who, as a result of trading such amounts, holds an amount which is less than the minimum Specified Denomination in his account with the relevant clearing system at the relevant time may not receive a definitive Note in respect of such holding (should definitive Notes be printed) and would need to purchase a principal amount of Notes such that its holding amounts to a Specified Denomination.

If definitive Notes are issued, holders should be aware that definitive Notes which have a denomination that is not an integral multiple of the minimum Specified Denomination may be illiquid and difficult to trade.

#### *Risks related to the market generally*

Set out below is a brief description of the principal market risks, including liquidity risk, exchange rate risk, interest rate risk and credit risk:

#### *The secondary market generally*

Notes may have no established trading market when issued, and one may never develop. If a market does develop, it may not be very liquid. Therefore, investors may not be able to sell their Notes easily or at prices that will provide them with a yield comparable to similar investments that have a developed secondary market. This is particularly the case for Notes that are especially sensitive to interest rate, currency or market risks, are designed for specific investment objectives or strategies or have been structured to meet the investment requirements of limited categories of investors. These types of Notes generally would have a more limited secondary market and more price volatility than conventional debt securities. Illiquidity may have a severely adverse effect on the market value of Notes.

#### *Exchange rate risks and exchange controls*

The relevant Issuer will pay principal and interest on the Notes and the Guarantor will make any payments under the Guarantee in the Specified Currency. This presents certain risks relating to currency conversions if an investor's financial activities are denominated principally in a currency or currency unit (the **Investor's Currency**) other than the Specified Currency. These include the risk that exchange rates may significantly change (including changes due to devaluation of the Specified Currency or revaluation of the Investor's Currency) and the risk that authorities with jurisdiction over the Investor's Currency may impose or modify exchange controls. An appreciation in the value of the Investor's Currency relative to the Specified Currency would decrease (1) the Investor's Currency-equivalent yield on the Notes, (2) the Investor's Currency equivalent value of the principal payable on the Notes and (3) the Investor's Currency equivalent market value of the Notes.



Government and monetary authorities may impose (as some have done in the past) exchange controls that could adversely affect an applicable exchange rate. As a result, investors may receive less interest or principal than expected, or no interest or principal.

*Interest rate risks*

Investment in Fixed Rate Notes involves the risk that subsequent changes in market interest rates may adversely affect the value of the Fixed Rate Notes.

*Credit ratings may not reflect all risks*

One or more independent credit rating agencies may assign credit ratings to the Notes. The ratings may not reflect the potential impact of all risks related to structure, market, additional factors discussed above, and other factors that may affect the value of the Notes. A credit rating is not a recommendation to buy, sell or hold securities and may be revised or withdrawn by the rating agency at any time.

In general, European regulated investors are restricted under the CRA Regulation from using credit ratings for regulatory purposes, unless such ratings are issued by a credit rating agency established in the EU and registered under the CRA Regulation (and such registration has not been withdrawn or suspended). Such general restriction will also apply in the case of credit ratings issued by non-EU credit rating agencies, unless the relevant credit ratings are endorsed by an EU-registered credit rating agency or the relevant non-EU rating agency is certified in accordance with the CRA Regulation (and such endorsement action or certification, as the case may be, has not been withdrawn or suspended). Certain information with respect to the credit rating agencies and ratings will be disclosed in the Final Terms.

*Legal investment considerations may restrict certain investments*

The investment activities of certain investors are subject to legal investment laws and regulations, or review or regulation by certain authorities. Each potential investor should consult its legal advisers to determine whether and to what extent (1) Notes are legal investments for it, (2) Notes can be used as collateral for various types of borrowing and (3) other restrictions apply to its purchase or pledge of any Notes. Financial institutions should consult their legal advisors or the appropriate regulators to determine the appropriate treatment of Notes under any applicable risk-based capital or similar rules.

## DOCUMENTS INCORPORATED BY REFERENCE

The auditors' report and audited consolidated annual financial statements of CRH plc for the financial years ended 31 December 2010 and 31 December 2011, respectively, which have previously been published and have been filed with the Irish Stock Exchange, and the auditors' report and audited non-consolidated annual financial statements of CRH Finance UK for the financial years ended 31 December 2010 and 31 December 2011, respectively, which have been filed with the Irish Stock Exchange, shall be incorporated in, and form part of, this Base Prospectus.

The Terms and Conditions of the Notes contained in the Base Prospectus dated 31 May 2011, the Base Prospectus dated 27 August 2008 and the Base Prospectus dated 23 July 2007, in each case prepared by certain of the Issuers and the Guarantor in connection with the Programme and which have been filed with the Irish Stock Exchange shall be incorporated in, and form part of, this Base Prospectus.

Any non-incorporated parts of a document referred to herein are either deemed not relevant for an investor or are otherwise covered elsewhere in this Base Prospectus.

Following the publication of this Base Prospectus a supplement may be prepared by the Issuers and/or the Guarantor and approved by the Central Bank in accordance with Article 16 of the Prospectus Directive. Statements contained in any such supplement (or contained in any document incorporated by reference therein) shall, to the extent applicable (whether expressly, by implication or otherwise), be deemed to modify or supersede statements contained in this Base Prospectus or in a document which is incorporated by reference in this Base Prospectus. Any statement so modified or superseded shall not, except as so modified or superseded, constitute a part of this Base Prospectus.

Copies of documents incorporated by reference in this Base Prospectus can be obtained from the registered office of each of the Issuers and from the specified office of the Agent for the time being in London and, in respect of the Swiss Notes to be listed on the SIX Swiss Exchange, from the specified office of the Principal Swiss Paying Agent. This Base Prospectus will also be published on the Central Bank's website ([www.centralbank.ie](http://www.centralbank.ie)). The website of Central Bank does not form any part of the contents of this Base Prospectus.

The relevant Issuer and/or the Guarantor will, in the event of any significant new factor, material mistake or inaccuracy relating to information included in this Base Prospectus which is capable of affecting the assessment of any Notes, prepare a supplement to this Base Prospectus or publish a new Base Prospectus for use in connection with any subsequent issue of Notes.

## FORM OF THE NOTES

The Notes of each Series will be in bearer form.

### Form of Notes (other than Swiss Notes (as defined below))

Each Tranche of Notes (other than Swiss Notes) will be in bearer form and will be initially issued in the form of a temporary global note (a **Temporary Global Note**) or, if so specified in the applicable Final Terms, a permanent global note (a **Permanent Global Note**) which, in either case, will:

- (i) if the Global Notes are intended to be issued in new global note (NGN) form, as stated in the applicable Final Terms, be delivered on or prior to the original issue date of the Tranche to a common safekeeper (the **Common Safekeeper**) for Euroclear and Clearstream Banking; and
- (ii) if the Global Notes are not intended to be issued in NGN Form, be delivered on or prior to the original issue date of the Tranche to a common depository (the **Common Depository**) for, Euroclear and Clearstream, Luxembourg.

Whilst any Note is represented by a Temporary Global Note, payments of principal, interest (if any) and any other amount payable in respect of the Notes due prior to the Exchange Date (as defined below) will be made (against presentation of the Temporary Global Note if the Temporary Global Note is not intended to be issued in NGN form) only to the extent that certification (in a form to be provided) to the effect that the beneficial owners of interests in such Note are not U.S. persons or persons who have purchased for resale to any U.S. person, as required by U.S. Treasury regulations, has been received by Euroclear and/or Clearstream, Luxembourg and Euroclear and/or Clearstream, Luxembourg, as applicable, has given a like certification (based on the certifications it has received) to the Agent.

If the global Note is issued in classic global note (CGN) form, upon the initial deposit of a global Note with the Common Depository, Euroclear or Clearstream, Luxembourg will credit each subscriber with a nominal amount of Notes equal to the nominal amount thereof for which it has subscribed and paid. If the global Note is issued in NGN form, the nominal amount of the Notes shall be the aggregate amount from time to time entered in the records of Euroclear or Clearstream, Luxembourg. The records of such clearing system shall be conclusive evidence of the nominal amount of Notes represented by the global Note and a statement issued by such clearing system at any time shall be conclusive evidence of the records of the relevant clearing system at that time.

On and after the date (the **Exchange Date**) which is 40 days after a Temporary Global Note is issued, interests in such Temporary Global Note will be exchangeable (free of charge) upon a request as described therein either for (a) interests in a Permanent Global Note of the same Series or (b) for definitive Notes of the same Series with, where applicable, receipts, interest coupons and talons attached (as indicated in the applicable Final Terms and subject, in the case of definitive Notes, to such notice period as is specified in the applicable Final Terms), in each case against certification of beneficial ownership as described above unless such certification has already been given. The holder of a Temporary Global Note will not be entitled to collect any payment of interest, principal or other amount due on or after the Exchange Date unless, upon due certification, exchange of the Temporary Global Note for an interest in a Permanent Global Note or for definitive Notes is improperly withheld or refused.

Payments of principal, interest (if any) or any other amounts on a Permanent Global Note will be made through Euroclear and/or Clearstream, Luxembourg (against presentation or surrender (as the case may be) of the Permanent Global Note if the Permanent Global Note is not intended to be issued in NGN form) outside the United States and without any requirement for certification.

The applicable Final Terms will specify that a Permanent Global Note (if the Note is not a Swiss Note) will be exchangeable (free of charge), in whole but not in part, for definitive Notes with, where applicable, receipts, interest coupons and talons attached upon either (a) not less than 60 days'

written notice from Euroclear and/or Clearstream, Luxembourg (acting on the instructions of any holder of an interest in such Permanent Global Note) to the Agent as described therein or (b) only upon the occurrence of an Exchange Event. For these purposes, **Exchange Event** means that (i) an Event of Default (as defined in Condition 10) has occurred and is continuing, or (ii) the Issuer has been notified that both Euroclear and Clearstream, Luxembourg have been closed for business for a continuous period of 14 days (other than by reason of holiday, statutory or otherwise) or have announced an intention permanently to cease business or have in fact done so and no successor clearing system satisfactory to the Trustee is available. The relevant Issuer will promptly give notice to Noteholders in accordance with Condition 14 if an Exchange Event occurs. In the event of the occurrence of an Exchange Event, Euroclear and/or Clearstream, Luxembourg (acting on the instructions of any holder of an interest in such Permanent Global Note) or the Trustee may give notice to the Agent requesting exchange. Any such exchange shall occur not later than 45 days after the date of receipt of the first relevant notice by the Agent.

### Swiss Notes

Notes denominated in Swiss Francs and offered to the public in Switzerland and/or listed on the SIX Swiss Exchange (**Swiss Notes**) will be issued in the form of a Swiss permanent global note (the **Swiss Permanent Global Note**).

A Swiss Permanent Global Note may be deposited by the Principal Swiss Paying Agent with SIX SIS AG (SIS) or any other intermediary in Switzerland recognised for such purposes by the SIX Swiss Exchange (SIS or any such other intermediary, the **Intermediary**) until final redemption of the Swiss Notes or the exchange of the Swiss Permanent Global Note for definitive Notes with Coupons attached as set out below. Once a Swiss Permanent Global Note has been deposited with the Intermediary and the relevant interests in the Swiss Notes have been entered into the accounts of one or more participants of the Intermediary, the Swiss Notes will constitute intermediated securities (*Bucheffekten*) (**Intermediated Securities**) in accordance with the provisions of the Swiss Federal Intermediated Securities Act (*Bucheffektengesetz*).

Each holder of Swiss Notes shall have a quotal co-ownership interest (*Miteigentumsanteil*) in the Swiss Permanent Global Note to the extent of its claim against the Issuer, provided that for so long as the Swiss Permanent Global Note remains deposited with the Intermediary, the co-ownership interest shall be suspended and the Swiss Notes may only be transferred or otherwise disposed of in accordance with the provisions of the Swiss Federal Intermediated Securities Act (*Bucheffektengesetz*) i.e. by entry of the transferred Swiss Notes in a securities account of the transferee.

The records of the Intermediary will determine the nominal amount of Swiss Notes represented by the Swiss Permanent Global Note and held by or through each participant in the Intermediary. The holders of Swiss Notes held in the form of Intermediated Securities will be the persons for the time being shown in the records of any custodian (*Verwahrungsstelle*) as holding the relevant nominal amount of Swiss Notes in a securities account (*Effektenkonto*) with such custodian (*Verwahrungsstelle*) which is in their name (and the expression **holder** of Swiss Notes and related expressions shall be construed accordingly).

Holders of Swiss Notes shall not have the right to request delivery of definitive Swiss Notes (*Wertpapiere*).

No physical delivery of Swiss Notes shall be made unless and until definitive Swiss Notes (*Wertpapiere*) are printed. The Swiss Permanent Global Note shall be exchangeable in whole, but not in part, for definitive Notes (*Wertpapiere*) only if the Principal Swiss Paying Agent deems the printing of definitive Notes (*Wertpapiere*) to be necessary or useful, after consultation with the relevant Issuer, or if, under Swiss or any other applicable laws and regulations, the enforcement of obligations under the Swiss Notes can only be ensured by means of presentation of definitive Notes (*Wertpapiere*). Should the Principal Swiss Paying Agent so determine, it shall provide for the

printing and delivery of definitive Notes (*Wertpapiere*) with Coupons attached in accordance with the rules and regulations of the Intermediary and without cost to holders of the Swiss Notes. Should definitive Notes (*Wertpapiere*) with Coupons attached be so printed, the Swiss Permanent Global Note will immediately be cancelled by the Principal Swiss Paying Agent and the definitive Swiss Notes (*Wertpapiere*) with Coupons attached shall be delivered to the relevant holders of the Swiss Notes against cancellation of the relevant Swiss Notes in such holder's securities accounts.

#### **General provisions applicable to the Notes**

The following legend will appear on all Notes which have an original maturity of more than one year and on all receipts and interest coupons relating to such Notes:

“ANY UNITED STATES PERSON WHO HOLDS THIS OBLIGATION WILL BE SUBJECT TO LIMITATIONS UNDER THE UNITED STATES INCOME TAX LAWS, INCLUDING THE LIMITATIONS PROVIDED IN SECTIONS 165(j) AND 1287(a) OF THE INTERNAL REVENUE CODE.”

The sections referred to provide that United States holders, with certain exceptions, will not be entitled to deduct any loss on Notes, receipts or interest coupons and will not be entitled to capital gains treatment of any gain on any sale, disposition, redemption or payment of principal in respect of such Notes, receipts or interest coupons.

Notes which are represented by a global Note will only be transferable in accordance with the rules and procedures for the time being of Euroclear or Clearstream, Luxembourg and/or the Intermediary, as the case may be.

Pursuant to the Agency Agreement (as defined under “*Terms and Conditions of the Notes*”), the Agent shall arrange that, where a further Tranche of Notes is issued which is intended to form a single Series with an existing Tranche of Notes, the Notes of such further Tranche shall be assigned a common code and ISIN which are different from the common code and ISIN assigned to Notes of any other Tranche of the same Series until at least the expiry of the distribution compliance period (as defined in Regulation S under the Securities Act) applicable to the Notes of such Tranche.

In addition, the Principal Swiss Paying Agent shall arrange that, where a further Tranche of Notes represented on issue by a Swiss Permanent Global Note is issued which is intended to form a single Series with an existing Tranche of Notes so represented, the Notes of such further Tranche shall be assigned a Swiss Securities Number and ISIN which are different from the Swiss Securities Number and ISIN assigned to Notes of any other Tranche of the same Series until such time as the further Tranche does form a single Series with the existing Tranche.

Any reference herein to Euroclear and/or Clearstream, Luxembourg and/or the Intermediary shall, whenever the context so permits, be deemed to include a reference to any additional or alternative clearing system specified in the applicable Final Terms or as may otherwise be approved by the relevant Issuer, the Guarantor, the Agent and the Trustee.

No Noteholder, Receiptholder or Couponholder shall be entitled to proceed directly against the relevant Issuer or the Guarantor unless the Trustee, having become bound so to proceed, fails so to do within a reasonable period and the failure shall be continuing.

## APPLICABLE FINAL TERMS

*Set out below is the form of Final Terms which will be completed for each Tranche of Notes issued under the Programme.*

[Date]

[CRH Finance Limited/CRH Finance (U.K.) plc/CRH Finance B.V.]

Issue of [Aggregate Nominal Amount of Tranche] [Title of Notes]

Guaranteed by CRH plc  
under the €5,000,000,000  
Euro Medium Term Note Programme

### PART A – CONTRACTUAL TERMS

Terms used herein shall be deemed to be defined as such for the purposes of the Conditions set forth in the Base Prospectus dated 29 June 2012 [and the supplemental base prospectus dated [●]] which constitutes a base prospectus for the purposes of the Prospectus Directive (Directive 2003/71/EC) (the **Prospectus Directive**) as amended (which includes the amendments made by Directive 2010/73/EU (the **2010 PD Amending Directive**) to the extent that such amendments have been implemented in a relevant Member State). This document constitutes the Final Terms of the Notes described herein for the purposes of Article 5.4 of the Prospectus Directive and must be read in conjunction with the Base Prospectus. Full information on the Issuer, the Guarantor and the offer of the Notes is only available on the basis of the combination of these Final Terms and the Base Prospectus. The Base Prospectus is available for viewing at and copies may be obtained from the Issuer and the Guarantor at their registered offices.

*[In the case of Swiss Notes listed on the SIX Swiss Exchange, insert the following language:*

These Final Terms, together with the Base Prospectus [and the supplemental base prospectus dated [●]], are contained in the listing prospectus expected to be dated [●] (the **Listing Prospectus**) which constitutes the listing prospectus for the Swiss Notes for purposes of the Listing Rules of the SIX Swiss Exchange AG.]

*[The following alternative language applies if the first tranche of an issue which is being increased was issued under a Base Prospectus with an earlier date.*

Terms used herein shall be deemed to be defined as such for the purposes of the Conditions (the **Conditions**) set forth in the Base Prospectus dated [original date] [and the supplemental base prospectus dated [●]]. This document constitutes the Final Terms of the Notes described herein for the purposes of Article 5.4 of the Prospectus Directive (Directive 2003/71/EC) (the **Prospectus Directive**) as amended (which includes the amendments made by Directive 2010/73/EU (the **2010 PD Amending Directive**) to the extent that such amendments have been implemented in a relevant Member State) and must be read in conjunction with the Base Prospectus dated 29 June 2012 [and the supplemental base prospectus dated [●]] which constitutes a base prospectus for the purposes of the Prospectus Directive, save in respect of the Conditions which are extracted from the Base Prospectus dated [original date] and are attached hereto. Full information on the Issuer, the Guarantor and the offer of the Notes is only available on the basis of the combination of these Final Terms and the Base Prospectus dated 29 June 2012 [and the supplemental base prospectuses dated [●]]. Copies of such Base Prospectus are available for viewing at and copies may be obtained from the Issuer and the Guarantor at their registered offices.]

*[Include whichever of the following apply or specify as “Not Applicable” (N/A). Note that the numbering should remain as set out below, even if “Not Applicable” is indicated for individual paragraphs or subparagraphs. Italics denote directions for completing the Final Terms.]*

[When adding any other final terms or information consideration should be given as to whether such terms or information constitute “significant new factors” and consequently trigger the need for a supplement to the Base Prospectus under Article 16 of the Prospectus Directive.]

[If the Notes have a maturity of less than one year from the date of their issue, the minimum denomination must be at least the higher of €125,000 and £100,000 or its equivalent in any other currency.]

- 1. (a) Issuer: [CRH Finance Limited/CRH Finance (U.K.) plc/CRH Finance B.V.]  
(b) Guarantor: CRH plc
- 2. (a) Series Number: [ ]  
(b) Tranche Number: [ ]  
*(If fungible with an existing Series, details of that Series, including the date on which the Notes become fungible)*
- 3. Specified Currency or Currencies: [ ]
- 4. Aggregate Nominal Amount:  
(a) Series: [ ]  
(b) Tranche: [ ]
- 5. Issue Price: [ ] per cent. of the Aggregate Nominal Amount [plus accrued interest from [insert date] (if applicable)]
- 6. Specified Denominations: [ ]  
*(Note – where multiple denominations above [€100,000] or equivalent are being used the following sample wording should be followed:*  
*“[€100,000] and integral multiples of [€1,000] in excess thereof up to and including [€199,000]. No Notes in definitive form will be issued with a denomination above [€199,000].”)*  
*(N.B. If an issue of Notes is (i) NOT admitted to trading on an European Economic Area exchange; and (ii) only offered in the European Economic Area in circumstances where a prospectus is not required to be published under the Prospectus Directive the €100,000 minimum denomination is not required.)*  
(b) Calculation Amount [ ]  
*(If only one Specified Denomination, insert the Specified Denomination.*  
*If more than one Specified Denomination, insert the highest common factor. Note: There must be a common factor in the case of two or more Specified Denominations.)*

7. (a) Issue Date: [ ]
- (b) Interest Commencement Date: [*specify*/Issue Date/Not Applicable]  
(*N.B. An Interest Commencement Date will not be relevant for certain Notes, for example Zero Coupon Notes.*)
8. Maturity Date: [*Fixed rate - specify date*/  
*Floating rate - Interest Payment Date falling in or nearest to [specify month]*]<sup>1</sup>
9. Interest Basis: [[ ] per cent. Fixed Rate]  
[[LIBOR/EURIBOR] +/- [ ] per cent. Floating Rate]  
[Zero Coupon]  
[Index Linked Interest]  
[Dual Currency Interest]  
[specify other]  
(further particulars specified below)
10. Redemption/Payment Basis: [Redemption at par]  
[Index Linked Redemption]  
[Dual Currency Redemption]  
[Partly Paid]  
[Instalment]  
[specify other]  
(*N.B. If the Final Redemption Amount is other than 100 per cent. of the nominal value the Notes will be derivative securities for the purposes of the Prospectus Directive and the requirements of Annex XII to the Prospectus Directive Regulation will apply.*)
11. Change of Interest Basis or Redemption/Payment Basis: [*Specify details of any provision for change of Notes into another Interest Basis or Redemption/Payment Basis*]
12. Put/Call Options: [Investor Put]  
[Issuer Call]  
[(further particulars specified below)]
13. (a) Status of the Notes: Senior
- (b) Status of the Guarantee: Senior
- (c) [Date [Board] approval for issuance of Notes [and Guarantee] obtained: [ ] [and [ ], respectively]]  
(*N.B. Only relevant where Board (or similar) authorisation is required for the particular tranche of Notes or related Guarantee*)
14. Method of distribution: [Syndicated/Non-syndicated]

#### PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE

15. Fixed Rate Note Provisions [Applicable/Not Applicable]  
(*If not applicable, delete the remaining subparagraphs of this paragraph*)

<sup>1</sup> For Renminbi denominated Fixed Rate Notes where the Interest Payment Dates are subject to modification it will be necessary to use the second option.



- (a) Rate(s) of Interest: [ ] per cent. per annum [payable [annually/semi-annually/quarterly/other (*specify*)] in arrear]  
*(If payable other than annually, consider amending Condition 5)*
- (b) Interest Payment Date(s): [[ ] in each year up to and including the Maturity Date]/[*specify other*]<sup>2</sup>  
*(N.B. This will need to be amended in the case of long or short coupons)*
- (c) Fixed Coupon Amount(s): [ ] per Calculation Amount<sup>3</sup>  
*(Applicable to Notes in definitive form.)*
- (d) Broken Amount(s): [ ] per Calculation Amount, payable on the Interest Payment Date falling [in/on] [ ]  
*(Applicable to Notes in definitive form.)*
- (e) Day Count Fraction: [30/360 or Actual/Actual (ICMA) or Actual/365 (Fixed)<sup>4</sup> or [*specify other*]]
- (f) Determination Date(s): [ ] in each year  
*[Insert regular interest payment dates, ignoring issue date or maturity date in the case of a long or short first or last coupon]*  
*N.B. This will need to be amended in the case of regular interest payment dates which are not of equal duration*  
*N.B. Only relevant where Day Count Fraction is Actual/Actual (ICMA)]*
- (g) Step Up Rating Change and/or Step Down Rating Change: [Applicable/Not Applicable]
- (h) Step Up Margin: [[ ] per cent. per annum/Not Applicable]
- (i) Other terms relating to the method of calculating interest for Fixed Rate Notes: [None/*Give details*]
16. Floating Rate Note Provisions [Applicable/Not Applicable]  
*(If not applicable, delete the remaining subparagraphs of this paragraph)*
- (a) Specified Period(s)/Specified Interest Payment Dates: [ ]

<sup>2</sup> For certain Renminbi denominated Fixed Rate Notes, the Interest Payment Dates are subject to modification and the following words should be added: "provided that if any Interest Payment Date falls on a day which is not a Business Day, such Interest Payment Date shall be postponed to the next day which is a Business Day unless it would thereby fall into the next calendar month, in which event such Interest Payment Date shall be brought forward to the immediately preceding Business Day. For these purposes, Business Day means a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and currency deposits) in Hong Kong."

<sup>3</sup> For Renminbi denominated Fixed Rate Notes where the Interest Payment Dates are subject to modification the following alternative wording is appropriate: "Each Fixed Coupon Amount shall be calculated by multiplying the product of the Rate of Interest and the Calculation Amount by the Day Count Fraction and rounding the resultant figure to the nearest CNY0.01, CNY0.005, being rounded upwards."

<sup>4</sup> Applicable to Renminbi denominated Fixed Rate Notes.

- (b) First Interest Payment Date: [ ]
- (c) Business Day Convention: [Floating Rate Convention/Following Business Day Convention/Modified Following Business Day Convention/Preceding Business Day Convention/[specify other]]
- (d) Additional Business Centre(s): [ ]
- (e) Manner in which the Rate of Interest and Interest Amount is to be determined: [Screen Rate Determination/ISDA Determination/specify other]
- (f) Party responsible for calculating the Rate of Interest and Interest Amount (if not the Agent): [ ]
- (g) Screen Rate Determination:
- Reference Rate: [ ].  
*(Either LIBOR, EURIBOR or other, although additional information is required if other - including fallback provisions in the Agency Agreement)*
  - Interest Determination Dates: [ ]  
*(Second London business day prior to the start of each Interest Period if LIBOR (other than Sterling or euro LIBOR), first day of each Interest Period if Sterling LIBOR and the second day on which the TARGET2 System is open prior to the start of each Interest Period if EURIBOR or euro LIBOR)*
  - Relevant Screen Page: [ ]  
*(In the case of EURIBOR, if not Reuters EURIBOR01 ensure it is a page which shows a composite rate or amend the fallback provisions appropriately)*
- (h) ISDA Determination:
- Floating Rate Option: [ ]
  - Designated Maturity: [ ]
  - Reset Date: [ ]
- (i) Margin(s): [+/-] [ ] per cent. per annum
- (j) Minimum Rate of Interest: [ ] per cent. per annum
- (k) Maximum Rate of Interest: [ ] per cent. per annum
- (l) Day Count Fraction: [Actual/Actual (ISDA)  
Actual/365 (Fixed)  
Actual/365 (Sterling)  
Actual/360  
30/360  
30E/360  
30E/360 (ISDA)  
Other]  
*(See Condition 5 for alternatives)*

- (m) Step Up Rating Change and/or Step Down Rating Change: [Applicable/Not Applicable]
- (n) Step Up Margin: [[ ] per cent. per annum/Not Applicable]
- (o) Fallback provisions, rounding provisions and any other terms relating to the method of calculating interest on Floating Rate Notes, if different from those set out in the Conditions: [ ]
17. Zero Coupon Note Provisions [Applicable/Not Applicable]  
*(If not applicable, delete the remaining subparagraphs of this paragraph)*
- (a) Accrual Yield: [ ] per cent. per annum
- (b) Reference Price: [ ]
- (c) Any other formula/basis of determining amount payable: [ ]
- (d) Day Count Fraction in relation to Early Redemption Amounts and late payment: [Conditions 7.5(c) and 7.11 apply/specify other]  
*(Consider applicable day count fraction if not U.S. dollar denominated)*
18. Index Linked Interest Note Provisions [Applicable/Not Applicable]  
*(If not applicable, delete the remaining subparagraphs of this paragraph)*  
*(N.B. If the Final Redemption Amount is other than 100 per cent. of the nominal value the Notes will be derivative securities for the purposes of the Prospectus Directive and the requirements of Annex XII to the Prospectus Directive Regulation will apply.)*
- (a) Index/Formula: [give or annex details]
- (b) Calculation Agent: [give name (and, if the Notes are derivative securities to which Annex XII of the Prospectus Directive Regulation applies, address)]
- (c) Party responsible for calculating the Rate of Interest (if not the Calculation Agent) and Interest Amount (if not the Agent): [ ]
- (d) Provisions for determining Coupon where calculation by reference to Index and/or Formula is impossible or impracticable: [need to include a description of market disruption or settlement disruption events and adjustment provisions]
- (e) Specified Period(s)/Specified Interest Payment Dates: [ ]
- (f) Business Day Convention: [Floating Rate Convention/Following Business Day Convention/Modified Following Business Day

	Convention/ Convention/ <i>specify other</i> ]	Preceding Business	Day
(g) Additional Business Centre(s):	[ ]		
(h) Minimum Rate of Interest:	[ ] per cent. per annum		
(i) Maximum Rate of Interest:	[ ] per cent. per annum		
(j) Day Count Fraction:	[ ]		
19. Dual Currency Interest Note Provisions	[Applicable/Not Applicable] <i>(If not applicable, delete the remaining subparagraphs of this paragraph)</i> <i>(N.B. If the Final Redemption Amount is other than 100 per cent. of the nominal value the Notes will be derivative securities for the purposes of the Prospectus Directive and the requirements of Annex XII to the Prospectus Directive Regulation will apply.)</i>		
(a) Rate of Exchange/method of calculating Rate of Exchange:	[give or annex details]		
(b) Party, if any, responsible for calculating the principal and/or interest due (if not the Agent):	[ ]		
(c) Provisions applicable where calculation by reference to Rate of Exchange impossible or impracticable:	<i>[need to include a description of market disruption or settlement disruption events and adjustment provisions]</i>		
(d) Person at whose option Specified Currency(ies) is/are payable:	[ ]		

#### PROVISIONS RELATING TO REDEMPTION

20. Issuer Call:	[Applicable/Not Applicable] <i>(If not applicable, delete the remaining subparagraphs of this paragraph)</i>		
(a) Optional Redemption Date(s):	[ ]		
(b) Optional Redemption Amount and method, if any, of calculation of such amount(s):	[[ ] per Calculation Amount/ <i>specify other</i> /see Appendix]		
(c) If redeemable in part:			
(i) Minimum Redemption Amount:	[ ]		
(ii) Maximum Redemption Amount:	[ ]		
(d) Notice period (if other than as set out in the Conditions):	[ ] <i>(N.B. If setting notice periods which are different to those provided in the Conditions, the Issuer is advised to consider the practicalities of distribution)</i>		

*of information through intermediaries, for example, clearing systems and custodians, as well as any other notice requirements which may apply, for example, as between the Issuer and the Agent or Trustee)*

21. Investor Put: [Applicable/Not Applicable]  
*(If not applicable, delete the remaining subparagraphs of this paragraph)*
- (a) Optional Redemption Date(s): [ ]
- (b) Optional Redemption Amount and method, if any, of calculation of such amount(s): [ ] per Calculation Amount/*specify other/see Appendix*
- (c) Notice period (if other than as set out in the Conditions): [ ]  
*(N.B. If setting notice periods which are different to those provided in the Conditions, the Issuer is advised to consider the practicalities of distribution of information through intermediaries, for example, clearing systems and custodians, as well as any other notice requirements which may apply, for example, as between the Issuer and the Agent or Trustee)*
22. Investor Put Option upon Change of Control: [Applicable/Not Applicable]
23. Final Redemption Amount: [ ] per Calculation Amount/*specify other/see Appendix*  
*(N.B. If the Final Redemption Amount is other than 100 per cent. of the nominal value the Notes will be derivative securities for the purposes of the Prospectus Directive and the requirements of Annex XII to the Prospectus Directive Regulation will apply.)*
24. Early Redemption Amount payable on redemption for taxation reasons or on event of default and/or the method of calculating the same (if required or if different from that set out in Condition 7.5): [ ] per Calculation Amount/*specify other/see Appendix*

#### GENERAL PROVISIONS APPLICABLE TO THE NOTES

25. Form of Notes:
- (a) [Form:] [Temporary Global Note exchangeable for a Permanent Global Note which is exchangeable for Definitive Notes [on 60 days' notice given at any time/only upon an Exchange Event]]
- [Temporary Global Note exchangeable for Definitive Notes on and after the Exchange Date]

[Permanent Global Note exchangeable for Definitive Notes [on 60 days' notice given at any time/only upon an Exchange Event/at any time at the request of the Issuer]]

[Swiss Permanent Global Note exchangeable for definitive Swiss Notes in the limited circumstances specified in the Swiss Permanent Global Note]

*(Ensure that this is consistent with the wording in the "Form of the Notes" section in the Base Prospectus and the Notes themselves. N.B. The exchange upon notice/at any time options should not be expressed to be applicable if the Specified Denomination of the Notes in paragraph 6 includes language substantially to the following effect: "[€100,000] and integral multiples of [€1,000] in excess thereof up to and including [€199,000]." Furthermore, such Specified Denomination construction is not permitted in relation to any issue of Notes which is to be represented on issue by a Temporary Global Note exchangeable for Definitive Notes.)*

- (b) [New Global Note: [Yes][No]]
- (In the case of a Swiss Permanent Global Note, this must be No)*
26. Additional Financial Centre(s) or other special provisions relating to Payment Days: [Not Applicable/give details]  
*(Note that this paragraph relates to the place of payment and not Interest Period end dates to which sub-paragraphs 16(c) and 18(f) relate)*
27. Talons for future Coupons or Receipts to be attached to Definitive Notes (and dates on which such Talons mature): [Yes/No. If yes, give details]
28. Details relating to Partly Paid Notes: amount of each payment comprising the Issue Price and date on which each payment is to be made and consequences of failure to pay, including any right of the Issuer to forfeit the Notes and interest due on late payment: [Not Applicable/give details. N.B. a new form of Temporary Global Note and/or Permanent Global Note may be required for Partly Paid issues]
29. Details relating to Instalment Notes:
- (a) Instalment Amount(s): [Not Applicable/give details]
- (b) Instalment Date(s): [Not Applicable/give details]
30. Redenomination applicable: Redenomination [not] applicable  
*[(If Redenomination is applicable, specify the applicable Day Count Fraction and any provisions necessary to deal with floating rate interest*

*calculation (including alternative reference rates))*][*(if Redenomination is applicable, specify the terms of the redenomination in an Annex to the Final Terms)*]

31. Other final terms:

[Not Applicable/give details]

*(When adding any other final terms consideration should be given as to whether such terms constitute “significant new factors” and consequently trigger the need for a supplement to the Base Prospectus under Article 16 of the Prospectus Directive.)*

*(Consider including a term providing for tax certification if required to enable interest to be paid gross by issuers.)*

## DISTRIBUTION

32. (a) If syndicated, names of Managers :

[Not Applicable/give names]

*(If the notes are derivative securities to which Annex XII of the Prospectus Directive Regulation applies, include names and addresses of entities agreeing to underwrite the issue on a firm commitment basis and names and addresses of the entities agreeing to place the issue without a firm commitment or on a “best efforts” basis if such entities are not the same as the Managers.)*

(b) Date of [Subscription] Agreement:

[ ]

*(The above is only relevant if the Notes are derivative securities to which Annex XII of the Prospectus Directive Regulation applies)*

(c) Stabilising Manager(s) (if any):

[Not Applicable/give name]

33. If non-syndicated, name of relevant Dealer:

[Not Applicable/give name]

34. U.S. Selling Restrictions

[Reg. S Compliance Category; TEFRA D/TEFRA C/TEFRA not applicable]

35. Additional selling restrictions:

[Not Applicable/give details]

36. Use of Proceeds:

[ ]

*(The above is only relevant in the case of Swiss Notes listed on the SIX Swiss Exchange)*

37. RMB Currency Event:

[Applicable/Not Applicable]

38. Spot Rate (if different from that set out in Condition 6.8):

[Specify/Not Applicable]

39. Party responsible for calculating the Spot Rate:

[Give name (the Calculation Agent)]

40. Relevant Currency (if different from that set out in Condition 6.8):

[Specify/Not Applicable]

**PURPOSE OF FINAL TERMS**

These Final Terms comprise the final terms required for issue and admission to trading on *[specify relevant regulated market (for example, the regulated market of the Irish Stock Exchange) or other exchange (for example, the SIX Swiss Exchange) and, if relevant to listing on an official list (for example, the Official List of the Irish Stock Exchange)]* of the Notes described herein pursuant to the Euro Medium Term Note Programme of *[CRH Finance Limited/CRH Finance (U.K.) plc/CRH Finance B.V.]*.

**[Material Adverse Change Statement**

*[In the case of Swiss Notes listed on the SIX Swiss Exchange, insert:* Except as disclosed in the Listing Prospectus, no material adverse changes have occurred in the assets and liabilities, financial position or profits and losses of the Issuer since [●] and the Guarantor since [●].]

**RESPONSIBILITY**

The Issuer and the Guarantor accept responsibility for the information contained in these Final Terms. *[[Relevant third party information, for example in compliance with Annex XII to the Prospectus Directive Regulation in relation to an index or its components]* has been extracted from *[specify source]*. The Issuer confirms that such information has been accurately reproduced and that, so far as it is aware and is able to ascertain from information published by *[specify source]*, no facts have been omitted which would render the reproduced information inaccurate or misleading].

*[In the case of Swiss Notes listed on the SIX Swiss Exchange, insert:* The Issuer and the Guarantor confirm that, to the best of their knowledge, the information contained in the Listing Prospectus is correct and no material facts or circumstances have been omitted.]

Signed on behalf of *[CRH Finance Limited/CRH Finance (U.K.) plc/CRH Finance B.V.]* :

Signed on behalf of CRH plc:

By: .....  
*Duly authorised*

By: .....  
*Duly authorised*



## PART B – OTHER INFORMATION

### 1. LISTING

(i) Admission to trading:

*(Where documenting a fungible issue need to indicate that original securities are already admitted to trading)* [Application has been made to the Irish Stock Exchange for the Notes to be admitted to the Official List and trading on its regulated market [specify relevant regulated market (for example the Regulated Market of the Irish Stock Exchange) and, if relevant, listing on an official list (for example, the Official List of the Irish Stock Exchange)] with effect from [ ].]  
[Application is expected to be made by the Issuer (or on its behalf) for the Notes to be admitted to trading on [specify relevant regulated market (for example the Regulated Market of the Irish Stock Exchange) and, if relevant, listing on an official list (for example, the Official List of the Irish Stock Exchange)] with effect from [ ].]

[Application has been made for the Notes to be admitted to trading on the SIX Swiss Exchange with effect from [ ]. The last trading day is expected to be [third business day prior to the Maturity Date].

[Application for definitive listing on the SIX Swiss Exchange will be made as soon as practicable and, if granted, will only be granted after the Issue Date.]

#### *Representation*

In accordance with Article 43 of the Listing Rules of the SIX Swiss Exchange, [ ] has been appointed by the Issuer and the Guarantor as representative to lodge the listing application with the SIX Exchange Regulation of the SIX Swiss Exchange.

#### *Documents Available*

Copies of these Final Terms and the Prospectus are available at [ ].]

*(Required in the case of Notes listed on the SIX Swiss Exchange)*

[Not Applicable.]

(ii) Estimate of total expenses related to admission to trading:

[ ]

(iii) Minimum trading size:

[ ] [Not Applicable]

*(N.B. Required in case of Notes listed on SIX Swiss Exchange, if only multiple denominations can be traded)*

## 2. RATINGS

Ratings:

The Notes to be issued [[have been]/[are expected to be]] rated [*insert details*] by [*insert legal names of relevant CRA(s)*].

**EITHER** [[*Insert the legal name of the relevant CRA entity*] is established in the European Union and is registered under Regulation (EC) No. 1060/2009 (as amended). [As such [*insert the legal name of the relevant CRA entity*] is included in the list of credit rating agencies published by the European Securities and Markets Authority on its website in accordance with such Regulation.]]

**OR** [[*Insert the legal name of the relevant non-EU CRA entity*] is not established in the European Union and is not registered in accordance with Regulation (EC) No. 1060/2009 (as amended)]. [*Insert the legal name of the relevant non-EU CRA entity*] is therefore not included in the list of credit rating agencies published by the European Securities and Markets Authority on its website in accordance with such Regulation].]

**OR** [[*Insert the legal name of the relevant non-EU CRA entity*] is not established in the European Union and has not applied for registration under Regulation (EC) No. 1060/2009 (as amended) (the **CRA Regulation**). The ratings have been endorsed by [*insert the legal name of the relevant EU-registered CRA entity*] in accordance with the CRA Regulation. [*Insert the legal name of the relevant EU CRA entity*] is established in the European Union and registered under the CRA Regulation[. As such [*insert the legal name of the relevant EU CRA entity*] is included in the list of credit rating agencies published by the European Securities and Markets Authority on its website in accordance with the CRA Regulation].] The European Securities Markets Authority has indicated that ratings issued in [Japan/Australia/the USA/Canada/Hong Kong/Singapore/Argentina/Mexico (*delete as appropriate*)] which have been endorsed by [*insert the legal name of the relevant EU CRA entity that applied for registration*] may be used in the EU by the relevant market participants.]

**OR** [[*Insert the legal name of the relevant non-EU CRA entity*] is not established in the European Union and has not applied for registration under Regulation (EC) No. 1060/2009 (as amended)

(the **CRA Regulation**), but it [is]/[has applied to be] certified in accordance with the CRA Regulation[[ [EITHER:] and it is included in the list of credit rating agencies published by the European Securities and Markets Authority on its website in accordance with the CRA Regulation] [[OR:] although notification of the corresponding certification decision has not yet been provided by the European Securities and Markets Authority and [*insert the legal name of the relevant non-EU CRA entity*] is not included in the list of credit rating agencies published by the European Securities and Markets Authority on its website in accordance with the CRA Regulation].]

OR [[*Insert the legal name of the relevant CRA entity*] is established in the European Union and has applied for registration under Regulation (EC) No. 1060/2009 (as amended), although notification of the corresponding registration decision has not yet been provided by the European Securities and Markets Authority [and [*insert the legal name of the relevant CRA entity*] is not included in the list of credit rating agencies published by the European Securities and Markets Authority on its website in accordance with such Regulation].]

OR [[*Insert the legal name of the relevant non-EU CRA entity*] is not established in the European Union and has not applied for registration under Regulation (EC) No. 1060/2009 (as amended) (the **CRA Regulation**). However, the application for registration under the CRA Regulation of [*insert the legal name of the relevant EU CRA entity that applied for registration*], which is established in the European Union, disclosed the intention to endorse credit ratings of [*insert the legal name of the relevant non-EU CRA entity*], although notification of the corresponding registration decision has not yet been provided by the European Securities and Markets Authority and [*insert the legal name of the relevant EU CRA entity*] is not included in the list of credit rating agencies published by the European Securities and Markets Authority on its website in accordance with the CRA Regulation].] The European Securities Markets Authority has indicated that ratings issued in [Japan/Australia/the USA/Canada/Hong Kong/Singapore/Argentina/Mexico (*delete as appropriate*)] which have been endorsed by [*insert the legal name of the relevant EU CRA entity that applied for registration*] may be used in the EU by the relevant market participants.]

### 3. INTERESTS OF NATURAL AND LEGAL PERSONS INVOLVED IN THE ISSUE

[Save for any fees payable to the [Managers/Dealers], so far as the Issuer is aware, no person involved in the issue of the Notes has an interest material to the offer. - *Amend as appropriate if there are other interests*]

*[(When adding any other description, consideration should be given as to whether such matters described constitute “significant new factors” and consequently trigger the need for a supplement to the Base Prospectus under Article 16 of the Prospectus Directive.)]*

### 4. REASONS FOR THE OFFER, ESTIMATED NET PROCEEDS AND TOTAL EXPENSES

[(i) Reasons for the offer [ ]

[(ii) Estimated net proceeds: [ ]

[(iii) Estimated total expenses: [ ].

*(N.B.: Delete unless the Notes are derivative securities to which Annex XII of the Prospectus Directive Regulation applies, in which case (i) above is required where the reasons for the offer are different from making profit and/or hedging certain risks and, where such reasons are inserted in (i), disclosure of net proceeds and total expenses at (ii) and (iii) above are also required.)*

### 5. YIELD (*Fixed Rate Notes only*)

Indication of yield: [ ]

The yield is calculated at the Issue Date on the basis of the Issue Price. It is not an indication of future yield.

### 6. PERFORMANCE OF INDEX/FORMULA AND OTHER INFORMATION CONCERNING THE UNDERLYING (*INDEX-LINKED NOTES ONLY*)

*[Need to include details of where past and future performance and volatility of the index/formula can be obtained.]*

*[Where the underlying is an index need to include the name of the index and a description if composed by the Issuer and if the index is not composed by the Issuer need to include details of where the information about the index can be obtained. .]*

*[Include other information concerning the underlying required by paragraph 4.2 of Annex XII of the Prospectus Directive Regulation.]*

*[(When completing the above paragraphs, consideration should be given as to whether such matters described constitute “significant new factors” and consequently trigger the need for a supplement to the Base Prospectus under Article 16 of the Prospectus Directive.)]*

The Issuer [intends to provide post-issuance information [specify what information will be reported and where it can be obtained]] [does not intend to provide post-issuance information.]

*(N.B. This paragraph 6 only applies if the Notes are derivative securities to which Annex XII of the Prospectus Directive Regulation applies)*

## 7. PERFORMANCE OF RATE[S] OF EXCHANGE (*DUAL CURRENCY NOTES ONLY*)

[Need to include details of where past and future performance and volatility of the relevant rates can be obtained.]

[(When completing this paragraph, consideration should be given as to whether such matters described constitute “significant new factors” and consequently trigger the need for a supplement to the Base Prospectus under Article 16 of the Prospectus Directive.)]

(N.B. This paragraph 7 only applies if the Notes are derivative securities to which Annex XII of the Prospectus Directive Regulation applies.)

## 8. OPERATIONAL INFORMATION

- (i) ISIN Code: [ ]
- (ii) Common Code: [ ]
- (iii) Swiss Security Number: [ ] [Not Applicable]
- (iv) Any clearing system(s) other than Euroclear Bank S.A./N.V., Clearstream Banking, *société anonyme* and SIX SIS AG and the relevant identification number(s): [Not Applicable/give name(s) and number(s)]
- (v) Delivery: Delivery [against/free of] payment
- (vi) Names and addresses of initial Paying Agent(s): [ ] [Not Applicable]
- (vii) Names and addresses of additional Paying Agent(s) (including, in the case of Swiss Notes, the Swiss Paying Agent(s)) (if any): [ ] [Not Applicable]
- (viii) Intended to be held in a manner which would allow Eurosystem eligibility: [Yes] [No]  
[Note that the designation “yes” simply means that the Notes are intended upon issue to be deposited with one of the ICSDs as common safekeeper and does not necessarily mean that the Notes will be recognised as eligible collateral for Eurosystem monetary policy and intra-day credit operations by the Eurosystem either upon issue or at any or all times during their life. Such recognition will depend upon satisfaction of the Eurosystem eligibility criteria.] [include this text if “yes” selected in which case the Notes must be issued in NGN form]
- (ix) Disclosure in relation to Swiss statutory rules on noteholder meetings: [specify] [Not Applicable]  
(The above is only relevant to public issues (including Swiss Notes listed on the SIX Swiss Exchange) offered in or from Switzerland)

## TERMS AND CONDITIONS OF THE NOTES

*The following are the Terms and Conditions of the Notes which will be incorporated by reference into each Global Note (as defined below) and each definitive Note, in the latter case only if permitted by the relevant stock exchange or other relevant authority (if any) and agreed by the relevant Issuer and the relevant Dealer at the time of issue but, if not so permitted and agreed, such definitive Note will have endorsed thereon or attached thereto such Terms and Conditions. The applicable Final Terms in relation to any Tranche of Notes may specify other terms and conditions which shall, to the extent so specified or to the extent inconsistent with the following Terms and Conditions, replace or modify the following Terms and Conditions for the purpose of such Notes. The applicable Final Terms (or the relevant provisions thereof) will be endorsed upon, or attached to, each Global Note and definitive Note. Reference should be made to "Form of the Notes" for a description of the content of Final Terms which will specify which of such terms are to apply in relation to the relevant Notes.*

This Note is one of a Series (as defined below) of Notes issued by whichever of CRH Finance Limited (**CRH Finance**), CRH Finance (U.K.) plc (**CRH Finance UK**) or CRH Finance B.V. (**CRH Finance BV**) is specified as the Issuer in the applicable Final Terms (as defined below) and references to the **Issuer** shall be construed accordingly. This Note is constituted by an amended and restated trust deed (such amended and restated trust deed as modified and/or supplemented and/or restated from time to time, the **Trust Deed**) dated 29 June 2012 made between CRH Finance, CRH Finance UK and CRH Finance BV, CRH plc (as guarantor (the **Guarantor**)) and Deutsche Trustee Company Limited (the **Trustee**, which expression shall include any successor as Trustee).

References herein to the **Notes** shall be references to the Notes of this Series and shall mean:

- (a) in relation to any Notes represented by a global Note (a **Global Note**), units of each Specified Denomination in the Specified Currency;
- (b) any Global Note (including a Swiss Permanent Global Note (as defined below)); and
- (c) any definitive Notes issued in exchange for a Global Note.

The Notes, the Receipts (as defined below) and the Coupons (as defined below) have the benefit of an amended and restated agency agreement (such amended and restated agency agreement as amended and/or supplemented and/or restated from time to time, the **Agency Agreement**) dated 29 June 2012 and made between CRH Finance, CRH Finance UK and CRH Finance BV, the Guarantor, the Trustee, Deutsche Bank AG, London Branch as issuing and principal paying agent and agent bank in respect of all Notes other than Swiss Notes (as defined below) (the **Agent**, which expression shall include any successor agent), the other paying agents named therein (together with the Agent, the **Paying Agents**, which expression shall include any additional or successor paying agents) and UBS AG as issuing and principal paying agent in respect of Notes represented on issue by a Swiss Permanent Global Note (the **Principal Swiss Paying Agent**, which expression shall include any successor principal Swiss paying agent). If this Note is represented on issue by a Swiss Permanent Global Note, the Principal Swiss Paying Agent and the other Swiss paying agents named in the applicable Final Terms will act as **Agent** and **Paying Agents**, respectively, in respect of this Note and the expressions Agent and Paying Agents shall be construed accordingly. In respect of each Tranche of Swiss Notes, the Issuer shall enter into a Supplemental Agency Agreement (substantially in the form of Schedule 3 to the Agency Agreement) with, *inter alia*, the Principal Swiss Paying Agent, copies of which will be obtainable during normal business hours at the specified offices of the Principal Swiss Paying Agent.

Interest bearing definitive Notes have interest coupons (**Coupons**) and, if indicated in the applicable Final Terms, talons for further Coupons (**Talons**) attached on issue. Any reference herein to Coupons or coupons shall, unless the context otherwise requires, be deemed to include a reference to Talons or talons. Definitive Notes repayable in instalments have receipts (**Receipts**) for the payment of the instalments of principal (other than the final instalment) attached on issue. Global Notes do not have Receipts, Coupons or Talons attached on issue.

The final terms for this Note (or the relevant provisions thereof) are set out in Part A of the Final Terms attached to or endorsed on this Note which supplement these Terms and Conditions (the **Conditions**) and may specify other terms and conditions which shall, to the extent so specified or to the extent inconsistent with the Conditions, replace or modify the Conditions for the purposes of this Note. References to the **applicable Final Terms** are to Part A of the Final Terms (or the relevant provisions thereof) attached to or endorsed on this Note.

The Trustee acts for the benefit of the holders for the time being of the Notes (the **Noteholders**, which expression shall, in relation to any Notes represented by a Global Note, be construed as provided below), the holders of the Receipts (the **Receiptholders**) and the holders of the Coupons (the **Couponholders**, which expression shall, unless the context otherwise requires, include the holders of the Talons), in accordance with the provisions of the Trust Deed.

As used herein, **Tranche** means Notes which are identical in all respects (including as to listing and admission to trading) and **Series** means a Tranche of Notes together with any further Tranche or Tranches of Notes which are (a) expressed to be consolidated and form a single series and (b) identical in all respects (including as to listing and admission to trading) except for their respective Issue Dates, Interest Commencement Dates and/or Issue Prices.

Copies of the Trust Deed and the Agency Agreement are available for inspection during normal business hours at the registered office for the time being of the Trustee being at Winchester House, 1 Great Winchester Street, London EC2N 2DB and at the specified office of each of the Paying Agents. Copies of the applicable Final Terms are available for viewing at the registered office of the Issuer and of the Agent and copies may be obtained from those offices save that, if this Note is neither admitted to trading on a regulated market in the European Economic Area nor offered in the European Economic Area in circumstances where a prospectus is required to be published under the Prospectus Directive, the applicable Final Terms will only be obtainable by a Noteholder holding one or more Notes and such Noteholder must produce evidence satisfactory to the Issuer, the Trustee and the relevant Paying Agent as to its holding of such Notes and identity. The Noteholders, the Receiptholders and the Couponholders are deemed to have notice of, and are entitled to the benefit of, all the provisions of the Trust Deed and the applicable Final Terms which are applicable to them and are deemed to have notice of all the provisions of the Agency Agreement applicable to them. The statements in the Conditions include summaries of, and are subject to, the detailed provisions of the Trust Deed and the Agency Agreement.

Words and expressions defined in the Trust Deed, the Agency Agreement or used in the applicable Final Terms shall have the same meanings where used in the Conditions unless the context otherwise requires or unless otherwise stated and provided that, in the event of inconsistency between the Trust Deed and the Agency Agreement, the Trust Deed will prevail and, in the event of inconsistency between the Trust Deed or the Agency Agreement and the applicable Final Terms, the applicable Final Terms will prevail.

As used herein, **euro** means the currency introduced at the start of the third stage of European economic and monetary union pursuant to the Treaty on the Functioning of the European Union, as amended. **CNY**, **RMB** and **Renminbi** each mean the currency of the PRC and **PRC** means the People's Republic of China which for the purpose of these Terms and Conditions, excludes the Hong Kong Special Administrative Region of the PRC, the Macao Special Administrative Region of the PRC and Taiwan.

## 1. FORM, DENOMINATION AND TITLE

The Notes are in bearer form and, in the case of definitive Notes, serially numbered, in the Specified Currency and the Specified Denomination(s). Notes of one Specified Denomination may not be exchanged for Notes of another Specified Denomination.

This Note may be a Fixed Rate Note, a Floating Rate Note, a Zero Coupon Note, an Index Linked Interest Note, a Dual Currency Interest Note or a combination of any of the foregoing, depending upon the Interest Basis shown in the applicable Final Terms.

This Note may be an Index Linked Redemption Note, an Instalment Note, a Dual Currency Redemption Note, a Partly Paid Note or a combination of any of the foregoing, depending upon the Redemption/Payment Basis shown in the applicable Final Terms.

Definitive Notes are issued with Coupons attached, unless they are Zero Coupon Notes in which case references to Coupons and Couponholders in the Conditions are not applicable.

Subject as set out below, title to the Notes, Receipts and Coupons will pass by delivery. The Issuer, the Guarantor, the Paying Agents and the Trustee will (except as otherwise required by law) deem and treat the bearer of any Note, Receipt or Coupon as the absolute owner thereof (whether or not overdue and notwithstanding any notice of ownership or writing thereon or notice of any previous loss or theft thereof) for all purposes but, in the case of any Global Note, without prejudice to the provisions set out in the next succeeding paragraph.

Save as provided below in respect of Swiss Notes, for so long as any of the Notes is represented by a Global Note held on behalf of Euroclear Bank S.A./N.V. (**Euroclear**) and/or Clearstream Banking, société anonyme (**Clearstream, Luxembourg**), each person (other than Euroclear or Clearstream, Luxembourg) who is for the time being shown in the records of Euroclear or of Clearstream, Luxembourg as the holder of a particular nominal amount of such Notes (in which regard any certificate or other document issued by Euroclear or Clearstream, Luxembourg as to the nominal amount of such Notes standing to the account of any person shall be conclusive and binding for all purposes save in the case of manifest error) shall be treated by the Issuer, the Guarantor, the Paying Agents and the Trustee as the holder of such nominal amount of such Notes for all purposes other than with respect to the payment of principal or interest on such nominal amount of such Notes, for which purpose the bearer of the relevant Global Note shall be treated by the Issuer, the Guarantor, any Paying Agent and the Trustee as the holder of such nominal amount of such Notes in accordance with and subject to the terms of the relevant Global Note and the expressions **Noteholder** and **holder of Notes** and related expressions shall be construed accordingly. In determining whether a particular person is entitled to a particular nominal amount of Notes as aforesaid, the Trustee may rely on such evidence and/or information and/or certification as it shall, in its absolute discretion, think fit and, if it does so rely, such evidence and/or information and/or certification shall, in the absence of manifest error, be conclusive and binding on all concerned.

Notes denominated in Swiss Francs and offered to the public in Switzerland and/or listed on the SIX Swiss Exchange (**Swiss Notes**) will be issued in the form of a Swiss permanent global note (the **Swiss Permanent Global Note**).

A Swiss Permanent Global Note may be deposited by the Principal Swiss Paying Agent with SIX SIS AG (**SIS**) or any other intermediary in Switzerland recognised for such purposes by the SIX Swiss Exchange (**SIS** or any such other intermediary, the **Intermediary**) until final redemption of the Swiss Notes or the exchange of the Swiss Permanent Global Note for definitive Notes with Coupons attached as set out below. Once a Swiss Permanent Global Note has been deposited with the Intermediary and the relevant interests in the Swiss Notes have been entered into the accounts of one or more participants of the Intermediary, the Swiss Notes will constitute intermediated securities (*Bucheffekten*) (**Intermediated Securities**) in accordance with the provisions of the Swiss Federal Intermediated Securities Act (*Bucheffektengesetz*).

Each holder of Swiss Notes shall have a quotal co-ownership interest (*Miteigentumsanteil*) in the Swiss Permanent Global Note to the extent of its claim against the Issuer, provided that for so long as the Swiss Permanent Global Note remains deposited with the Intermediary, the



co-ownership interest shall be suspended and the Swiss Notes may only be transferred or otherwise disposed of in accordance with the provisions of the Swiss Federal Intermediated Securities Act (*Bucheffektengesetz*) i.e. by entry of the transferred Swiss Notes in a securities account of the transferee.

The records of the Intermediary will determine the nominal amount of Swiss Notes represented by the Swiss Permanent Global Note and held by or through each participant in the Intermediary. The holders of Swiss Notes held in the form of Intermediated Securities will be the persons for the time being shown in the records of any custodian (*Verwahrungsstelle*) as holding the relevant nominal amount of Swiss Notes in a securities account (*Effektenkonto*) with such custodian (*Verwahrungsstelle*) which is in their name (and the expression **holder** of Swiss Notes and related expressions shall be construed accordingly).

Holders of Swiss Notes shall not have the right to request delivery of definitive Swiss Notes (*Wertpapiere*).

No physical delivery of Swiss Notes shall be made unless and until definitive Swiss Notes (*Wertpapiere*) are printed. The Swiss Permanent Global Note shall be exchangeable in whole, but not in part, for definitive Notes (*Wertpapiere*) only if the Principal Swiss Paying Agent deems the printing of definitive Notes (*Wertpapiere*) to be necessary or useful, after consultation with the relevant Issuer, or if, under Swiss or any other applicable laws and regulations, the enforcement of obligations under the Swiss Notes can only be ensured by means of presentation of definitive Notes (*Wertpapiere*). Should the Principal Swiss Paying Agent so determine, it shall provide for the printing and delivery of definitive Notes (*Wertpapiere*) with Coupons attached in accordance with the rules and regulations of the Intermediary and without cost to holders of the Swiss Notes. Should definitive Notes (*Wertpapiere*) with Coupons attached be so printed, the Swiss Permanent Global Note will immediately be cancelled by the Principal Swiss Paying Agent and the definitive Swiss Notes (*Wertpapiere*) with Coupons attached shall be delivered to the relevant holders of the Swiss Notes against cancellation of the relevant Swiss Notes in such holder's securities accounts.

Notes which are represented by a Global Note will be transferable only in accordance with the rules and procedures for the time being of Euroclear, Clearstream, Luxembourg and/or the Intermediary, as the case may be. References to Euroclear and/or Clearstream, Luxembourg and/or the Intermediary shall, whenever the context so permits, be deemed to include a reference to any additional or alternative clearing system specified in the applicable Final Terms or as may otherwise be approved by the Issuer, the Agent and the Trustee.

## 2. STATUS OF THE NOTES AND THE GUARANTEE

### 2.1 Status of the Notes

The Notes and any relative Receipts and Coupons are direct, unconditional, unsubordinated and (subject to the provisions of Condition 3) unsecured obligations of the Issuer and rank *pari passu* among themselves and (save for certain obligations required to be preferred by law) equally with all other unsecured obligations (other than subordinated obligations, if any) of the Issuer, from time to time outstanding but, in the event of insolvency, only to the extent permitted by applicable laws relating to creditors' rights.

### 2.2 Status of the Guarantee

The payment of principal and interest in respect of the Notes and all other moneys payable by the Issuer under or pursuant to the Trust Deed has been unconditionally and irrevocably guaranteed by the Guarantor in the Trust Deed (the **Guarantee**). The obligations of the Guarantor under the Guarantee are direct, unconditional, unsubordinated and (subject to the provisions of Condition 3) unsecured obligations of the Guarantor and (save for certain obligations required to be preferred by law) rank and will rank equally with all other

outstanding unsecured obligations (other than subordinated obligations, if any) of the Guarantor, present and future, but, in the event of insolvency, only to the extent permitted by applicable laws relating to creditors' rights.

### 3. NEGATIVE PLEDGE

So long as any of the Notes, Receipts or Coupons remain outstanding (as defined in the Trust Deed) each of the Issuer and the Guarantor undertakes that it will not, and, in the case of the Guarantor, that it will procure that no Principal Subsidiary (as defined below) will, create or have outstanding any mortgage, charge, pledge lien or other form of encumbrance or security interest (each a **Security Interest**) other than a Permitted Security Interest (as defined below) upon the whole or any part of its undertaking, assets or revenues (including any uncalled capital), present or future, in order to secure any Relevant Debt (as defined below) or to secure any guarantee of or indemnity in respect of any Relevant Debt, unless at the same time or prior thereto, the Issuer's obligations under the Notes, the Receipts, the Coupons and the Trust Deed or, as the case may be, the Guarantor's obligations under the Guarantee (A) are secured equally and rateably therewith to the satisfaction of the Trustee or (B) have the benefit of such other security, guarantee, indemnity or other arrangement as the Trustee in its absolute discretion shall deem to be not materially less beneficial to the Noteholders or as shall be approved by an Extraordinary Resolution (as defined in the Trust Deed) of the Noteholders.

For the purposes of these Conditions:

**Group** means the Guarantor and its Subsidiaries, taken as a whole;

**Permitted Security Interest** means:

- (a) any Security Interest arising solely by operation of law; or
- (b) any Security Interest upon the whole or any part of the present or future undertaking, assets or revenues (including any uncalled capital) of any company which is acquired by the Issuer, the Guarantor or a Principal Subsidiary, as the case may be, after the date on which agreement is reached to issue the first Tranche of the Notes and where such Security Interest was created prior to the date of such acquisition, provided that such Security Interest was not created in contemplation of such acquisition and the amount thereby secured has not been increased in contemplation of, or since the date of, such acquisition; or
- (c) any Security Interest in respect of Relevant Debt which exists on the date on which agreement is reached to issue the first Tranche of the Notes; or
- (d) any extension, renewal or replacement (or successive extensions, renewals or replacements), as a whole or in part, of any Security Interest referred to in any of the foregoing paragraphs or of any Relevant Debt secured thereby; or
- (e) any one or more other Security Interest(s) not falling within (a) to (d) above and securing indebtedness the principal, capital or nominal amount of which does not exceed 10 per cent. of Consolidated Tangible Net Worth (as defined in Condition 10.1) or its equivalent in other currencies at any time;

**Principal Subsidiary** means:

- (a) any Subsidiary of the Guarantor which is an active trading company and whose unconsolidated net assets or pre-tax profit, as the case may be, equal or exceed 10 per cent. of the consolidated net assets or adjusted consolidated pre-tax profit, respectively, of the Group, and for the purposes of the above:

- (i) the consolidated net assets of the Group shall be ascertained by reference to the latest audited published consolidated accounts of the Group;
- (ii) the adjusted consolidated pre-tax profit of the Group shall be the aggregate of:
  - (A) the consolidated pre-tax profit of the Group ascertained by reference to the latest audited published consolidated accounts of the Group; and
  - (B) the consolidated pre-tax profit (the pre-acquisition profit) of any Subsidiary which became a member of the Group during the period for which the latest audited published consolidated accounts of the Group were prepared (an acquired Subsidiary) for the part of that period which falls before the effective date of that acquisition, calculated in accordance with accounting standards used in the preparation of the latest audited published accounts of the Group;
- (iii) the net assets of any Subsidiary shall be the net assets of that Subsidiary calculated in accordance with accounting standards used in the preparation of the latest audited published accounts of the Group; and
- (iv) the pre-tax profit of any Subsidiary shall be the pre-tax profit of that Subsidiary calculated in accordance with accounting standards used in the preparation of the latest audited published accounts of the Group plus, in the case of any acquired Subsidiary, an amount equal to any pre-acquisition, pre-tax profit.

For the purposes of the above, “net assets” in respect of the Group or any such Subsidiary means the fixed assets and current assets of the Group or that trading Subsidiary (as the case may be) but excluding investments in any Subsidiary and intra group balances or

- (b) a Subsidiary of the Guarantor to which has been transferred (whether by one transaction or a series of transactions, related or not) the whole or substantially the whole of the assets of a Subsidiary which immediately prior to the relevant transaction(s) was a Principal Subsidiary.

A certificate signed by two directors of the Guarantor whether or not addressed to the Trustee that, in their opinion, a Subsidiary of the Guarantor is or is not or was or was not at any particular time or throughout any specified period, a Principal Subsidiary shall, in the absence of manifest error, be conclusive and binding on the Issuer, the Guarantor and the Noteholders, all as further provided in the Trust Deed;

**Relevant Debt** means any present or future indebtedness in the form of, or represented by, bonds, notes, debentures, loan stock or other securities that are for the time being, or are intended to be (with the agreement of the issuer thereof) quoted, listed or ordinarily dealt in on any stock exchange, over-the-counter or other securities market and which have an original maturity of more than one year; and

**Subsidiary** means any entity whose affairs are required by law or in accordance with the generally accepted accounting principles used in the preparation of the audited annual consolidated financial statements of the Guarantor to be fully consolidated in such financial statements.

## 4. REDENOMINATION

### 4.1 Redenomination

Where redenomination is specified in the applicable Final Terms as being applicable, the Issuer may, without the consent of the Noteholders, the Receiptholders and the Couponholders but after prior consultation with the Trustee, on giving prior notice to the

Agent, Euroclear and Clearstream, Luxembourg and at least 30 days' prior notice to the Noteholders in accordance with Condition 14, elect that, with effect from the Redenomination Date specified in the notice, the Notes shall be redenominated in euro.

The election will have effect as follows:

- (a) the Notes and the Receipts shall be deemed to be redenominated in euro in the denomination of euro 0.01 with a nominal amount for each Note and Receipt equal to the nominal amount of that Note or Receipt in the Specified Currency, converted into euro at the Established Rate, provided that, if the Issuer determines, with the agreement of the Agent and the Trustee, that the then market practice in respect of the redenomination in euro of internationally offered securities is different from the provisions specified above, such provisions shall be deemed to be amended so as to comply with such market practice and the Issuer shall promptly notify the Noteholders, the stock exchange (if any) on which the Notes may be listed and the Paying Agents of such deemed amendments;
- (b) save to the extent that an Exchange Notice has been given in accordance with paragraph (d) below, the amount of interest due in respect of the Notes will be calculated by reference to the aggregate nominal amount of Notes held (or, as the case may be, in respect of which Coupons are presented for payment), by the relevant holder and the amount of such payment shall be rounded down to the nearest euro 0.01;
- (c) if definitive Notes are required to be issued after the Redenomination Date, they shall be issued at the expense of the Issuer (i) in the case of Relevant Notes in the denomination of euro 100,000 and/or such higher amounts as the Agent may determine and notify to the Noteholders and any remaining amounts less than euro 100,000 shall be redeemed by the Issuer and paid to the Noteholders in euro in accordance with Condition 6; and (ii) in the case of Notes which are not Relevant Notes, in the denominations of euro 1,000, euro 10,000, euro 100,000 and (but only to the extent of any remaining amounts less than euro 1,000 or such smaller denominations as the Agent and the Trustee may approve) euro 0.01 and such other denominations as the Agent shall determine and notify to the Noteholders;
- (d) if issued prior to the Redenomination Date, all unmatured Coupons denominated in the Specified Currency (whether or not attached to the Notes) will become void with effect from the date on which the Issuer gives notice (the **Exchange Notice**) that replacement euro-denominated Notes, Receipts and Coupons are available for exchange (provided that such securities are so available) and no payments will be made in respect of them. The payment obligations contained in any Notes and Receipts so issued will also become void on that date although those Notes and Receipts will continue to constitute valid exchange obligations of the Issuer. New euro-denominated Notes, Receipts and Coupons will be issued in exchange for Notes, Receipts and Coupons denominated in the Specified Currency in such manner as the Agent may specify and as shall be notified to the Noteholders in the Exchange Notice. No Exchange Notice may be given less than 15 days prior to any date for payment of principal or interest on the Notes;
- (e) after the Redenomination Date, all payments in respect of the Notes, the Receipts and the Coupons, other than payments of interest in respect of periods commencing before the Redenomination Date, will be made solely in euro as though references in the Notes to the Specified Currency were to euro. Payments will be made in euro by credit or transfer to a euro account (or any other account to which euro may be credited or transferred) specified by the payee or, at the option of the payee, by a euro cheque;
- (f) if the Notes are Fixed Rate Notes and interest for any period ending on or after the Redenomination Date is required to be calculated for a period ending other than on an Interest Payment Date, it will be calculated:

- (i) in the case of the Notes represented by a Global Note, by applying the Rate of Interest to the aggregate outstanding nominal amount of the Notes represented by such Global Note; and
- (ii) in the case of definitive Notes, by applying the Rate of Interest to the Calculation Amount;

and, in each case, multiplying such sum by the applicable Day Count Fraction, and rounding the resultant figure to the nearest sub-unit of the relevant Specified Currency, half of any such sub-unit being rounded upwards or otherwise in accordance with applicable market convention. Where the Specified Denomination of a Fixed Rate Note in definitive form is a multiple of the Calculation Amount, the amount of interest payable in respect of such Fixed Rate Note shall be the product of the amount (determined in the manner provided above) for the Calculation Amount and the amount by which the Calculation Amount is multiplied to reach the Specified Denomination, without any further rounding; and

- (g) if the Notes are Floating Rate Notes, the applicable Final Terms will specify any relevant changes to the provisions relating to interest.

## 4.2 Definitions

In the Conditions, the following expressions have the following meanings:

**Established Rate** means the rate for the conversion of the Specified Currency (including compliance with rules relating to roundings in accordance with applicable European Union regulations) into euro established by the Council of the European Union pursuant to Article 140 of the Treaty;

**euro** means the currency introduced at the start of the third stage of European economic and monetary union pursuant to the Treaty;

**Redenomination Date** means (in the case of interest bearing Notes) any date for payment of interest under the Notes or (in the case of Zero Coupon Notes) any date, in each case specified by the Issuer in the notice given to the Noteholders pursuant to Condition 4.1 above and which falls on or after the date on which the country of the Specified Currency first participates in the third stage of European economic and monetary union; and

**Relevant Notes** means all Notes where the applicable Final Terms provide for a minimum Specified Denomination in the Specified Currency which is equivalent to at least euro 100,000 and which are admitted to trading on a regulated market in the European Economic Area; and

**Treaty** means the Treaty on the Functioning of the European Union, as amended.

## 5. INTEREST

### 5.1 Interest on Fixed Rate Notes

Each Fixed Rate Note bears interest from (and including) the Interest Commencement Date at the rate(s) per annum equal to the Rate(s) of Interest. Interest will be payable in arrear on the Interest Payment Date(s) in each year up to (and including) the Maturity Date.

If the Notes are in definitive form, except as provided in the applicable Final Terms, the amount of interest payable on each Interest Payment Date in respect of the Fixed Interest Period ending on (but excluding) such date will amount to the Fixed Coupon Amount. Payments of interest on any Interest Payment Date will, if so specified in the applicable Final Terms, amount to the Broken Amount so specified.

As used in the Conditions, **Fixed Interest Period** means the period from (and including) an Interest Payment Date (or the Interest Commencement Date) to (but excluding) the next (or first) Interest Payment Date.

Except in the case of Notes in definitive form where an applicable Fixed Coupon Amount or Broken Amount is specified in the applicable Final Terms, interest shall be calculated in respect of any period by applying the Rate of Interest to:

- (A) in the case of Fixed Rate Notes which are represented by a Global Note, the aggregate outstanding nominal amount of the Fixed Rate Notes represented by such Global Note (or, if they are Partly Paid Notes, the aggregate amount paid up); or
- (B) in the case of Fixed Rate Notes in definitive form, the Calculation Amount;

and, in each case, multiplying such sum by the applicable Day Count Fraction, and rounding the resultant figure to the nearest sub-unit of the relevant Specified Currency, half of any such sub-unit being rounded upwards or otherwise in accordance with applicable market convention. Where the Specified Denomination of a Fixed Rate Note in definitive form is a multiple of the Calculation Amount, the amount of interest payable in respect of such Fixed Rate Note shall be the product of the amount (determined in the manner provided above) for the Calculation Amount and the amount by which the Calculation Amount is multiplied to reach the Specified Denomination, without any further rounding.

**Day Count Fraction** means, in respect of the calculation of an amount of interest in accordance with this Condition 5.1:

- (a) if “Actual/Actual (ICMA)” is specified in the applicable Final Terms:
  - (i) in the case of Notes where the number of days in the relevant period from (and including) the most recent Interest Payment Date (or, if none, the Interest Commencement Date) to (but excluding) the relevant payment date (the **Accrual Period**) is equal to or shorter than the Determination Period during which the Accrual Period ends, the number of days in such Accrual Period divided by the product of (I) the number of days in such Determination Period and (II) the number of Determination Dates (as specified in the applicable Final Terms) that would occur in one calendar year; or
  - (ii) in the case of Notes where the Accrual Period is longer than the Determination Period during which the Accrual Period ends, the sum of:
    - (A) the number of days in such Accrual Period falling in the Determination Period in which the Accrual Period begins divided by the product of (x) the number of days in such Determination Period and (y) the number of Determination Dates that would occur in one calendar year; and
    - (B) the number of days in such Accrual Period falling in the next Determination Period divided by the product of (x) the number of days in such Determination Period and (y) the number of Determination Dates that would occur in one calendar year;
- (b) if “30/360” is specified in the applicable Final Terms, the number of days in the period from (and including) the most recent Interest Payment Date (or, if none, the Interest Commencement Date) to (but excluding) the relevant payment date (such number of days being calculated on the basis of a year of 360 days with 12 30-day months) divided by 360; and
- (c) if “Actual/365 Fixed” is specified in the applicable Final Terms, the actual number of days in the Interest Period divided by 365.

In the Conditions:

**Determination Period** means each period from (and including) a Determination Date to (but excluding) the next Determination Date (including, where either the Interest Commencement Date or the final Interest Payment Date is not a Determination Date, the period commencing on the first Determination Date prior to, and ending on the first Determination Date falling after, such date); and

**sub unit** means, with respect to any currency other than euro, the lowest amount of such currency that is available as legal tender in the country of such currency and, with respect to euro, one cent.

## 5.2 Interest on Floating Rate Notes and Index Linked Interest Notes

### (a) Interest Payment Dates

Each Floating Rate Note and Index Linked Interest Note bears interest from (and including) the Interest Commencement Date and such interest will be payable in arrear on either:

- (i) the Specified Interest Payment Date(s) in each year specified in the applicable Final Terms; or
- (ii) if no Specified Interest Payment Date(s) is/are specified in the applicable Final Terms, each date (each such date, together with each Specified Interest Payment Date, an **Interest Payment Date**) which falls the number of months or other period specified as the Specified Period in the applicable Final Terms after the preceding Interest Payment Date or, in the case of the first Interest Payment Date, after the Interest Commencement Date.

Such interest will be payable in respect of each Interest Period (which expression shall, in the Conditions, mean the period from (and including) an Interest Payment Date (or the Interest Commencement Date) to (but excluding) the next (or first) Interest Payment Date).

If a Business Day Convention is specified in the applicable Final Terms and (x) if there is no numerically corresponding day in the calendar month in which an Interest Payment Date should occur or (y) if any Interest Payment Date would otherwise fall on a day which is not a Business Day, then, if the Business Day Convention specified is:

- (A) in any case where Specified Periods are specified in accordance with Condition 5.2(a)(ii) above, the Floating Rate Convention, such Interest Payment Date (a) in the case of (x) above, shall be the last day that is a Business Day in the relevant month and the provisions of (ii) below shall apply *mutatis mutandis* or (b) in the case of (y) above, shall be postponed to the next day which is a Business Day unless it would thereby fall into the next calendar month, in which event (i) such Interest Payment Date shall be brought forward to the immediately preceding Business Day and (ii) each subsequent Interest Payment Date shall be the last Business Day in the month which falls the Specified Period after the preceding applicable Interest Payment Date occurred; or
- (B) the Following Business Day Convention, such Interest Payment Date shall be postponed to the next day which is a Business Day; or
- (C) the Modified Following Business Day Convention, such Interest Payment Date shall be postponed to the next day which is a Business Day unless it would thereby fall into the next calendar month, in which event such Interest Payment Date shall be brought forward to the immediately preceding Business Day; or
- (D) the Preceding Business Day Convention, such Interest Payment Date shall be brought forward to the immediately preceding Business Day.

In the Conditions, **Business Day** means a day which is both:

- (a) a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in each Additional Business Centre specified in the applicable Final Terms; and
- (b) either (i) in relation to any sum payable in a Specified Currency other than euro or Renminbi, a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in the principal financial centre of the country of the relevant Specified Currency (which if the Specified Currency is Australian dollars or New Zealand dollars shall be Sydney and Auckland, respectively) or (ii) in relation to any sum payable in euro, a day on which the Trans-European Automated Real-Time Gross Settlement Express Transfer (TARGET2) System (the **TARGET2 System**) is open or (iii) in relation to any sum payable in Renminbi, a day (other than a Saturday, Sunday or public holiday) on which commercial banks in Hong Kong are generally open for business and settlement of Renminbi payments in Hong Kong.

**(b) Rate of Interest**

The Rate of Interest payable from time to time in respect of Floating Rate Notes and Index Linked Interest Notes will be determined in the manner specified in the applicable Final Terms.

(i) ISDA Determination for Floating Rate Notes

Where ISDA Determination is specified in the applicable Final Terms as the manner in which the Rate of Interest is to be determined, the Rate of Interest for each Interest Period will be the relevant ISDA Rate plus or minus (as indicated in the applicable Final Terms) the Margin (if any). For the purposes of this subparagraph (i), **ISDA Rate** for an Interest Period means a rate equal to the Floating Rate that would be determined by the Agent under an interest rate swap transaction if the Agent were acting as Calculation Agent for that swap transaction under the terms of an agreement incorporating the 2000 ISDA Definitions, as published by the International Swaps and Derivatives Association, Inc. and as amended and updated as at the Issue Date of the first Tranche of the Notes (the **ISDA Definitions**) and under which:

- (A) the Floating Rate Option is as specified in the applicable Final Terms;
- (B) the Designated Maturity is a period specified in the applicable Final Terms; and
- (C) the relevant Reset Date is either (a) if the applicable Floating Rate Option is based on the London interbank offered rate (**LIBOR**) or on the Euro-zone interbank offered rate (**EURIBOR**), the first day of that Interest Period or (b) in any other case, as specified in the applicable Final Terms.

For the purposes of this subparagraph (i), **Floating Rate**, **Calculation Agent**, **Floating Rate Option**, **Designated Maturity** and **Reset Date** have the meanings given to those terms in the ISDA Definitions.

Unless otherwise stated in the applicable Final Terms the Minimum Rate of Interest shall be deemed to be zero.

(ii) Screen Rate Determination for Floating Rate Notes



Where Screen Rate Determination is specified in the applicable Final Terms as the manner in which the Rate of Interest is to be determined, the Rate of Interest for each Interest Period will, subject as provided below, be either:

- (A) the offered quotation; or
- (B) the arithmetic mean (rounded if necessary to the fifth decimal place, with 0.000005 being rounded upwards) of the offered quotations,

(expressed as a percentage rate per annum) for the Reference Rate which appears or appear, as the case may be, on the Relevant Screen Page as at 11.00 a.m. (London time, in the case of LIBOR, or Brussels time, in the case of EURIBOR) on the Interest Determination Date in question plus or minus (as indicated in the applicable Final Terms) the Margin (if any), all as determined by the Agent. If five or more of such offered quotations are available on the Relevant Screen Page, the highest (or, if there is more than one such highest quotation, one only of such quotations) and the lowest (or, if there is more than one such lowest quotation, one only of such quotations) shall be disregarded by the Agent for the purpose of determining the arithmetic mean (rounded as provided above) of such offered quotations.

The Agency Agreement contains provisions for determining the Rate of Interest in the event that the Relevant Screen Page is not available or if, in the case of (A) above, no such offered quotation appears or, in the case of (B) above, fewer than three such offered quotations appear, in each case as at the time specified in the preceding paragraph.

If the Reference Rate from time to time in respect of Floating Rate Notes is specified in the applicable Final Terms as being other than LIBOR or EURIBOR, the Rate of Interest in respect of such Notes will be determined as provided in the applicable Final Terms.

**(c) Minimum Rate of Interest and/or Maximum Rate of Interest**

If the applicable Final Terms specifies a Minimum Rate of Interest for any Interest Period, then, in the event that the Rate of Interest in respect of such Interest Period determined in accordance with the provisions of paragraph (b) above is less than such Minimum Rate of Interest, the Rate of Interest for such Interest Period shall be such Minimum Rate of Interest.

If the applicable Final Terms specifies a Maximum Rate of Interest for any Interest Period, then, in the event that the Rate of Interest in respect of such Interest Period determined in accordance with the provisions of paragraph (b) above is greater than such Maximum Rate of Interest, the Rate of Interest for such Interest Period shall be such Maximum Rate of Interest.

**(d) Determination of Rate of Interest and calculation of Interest Amounts**

The Agent, in the case of Floating Rate Notes, and the Calculation Agent, in the case of Index Linked Interest Notes, will at or as soon as practicable after each time at which the Rate of Interest is to be determined, determine the Rate of Interest for the relevant Interest Period. In the case of Index Linked Interest Notes, the Calculation Agent will notify the Agent of the Rate of Interest for the relevant Interest Period as soon as practicable after calculating the same.

The Agent will calculate the amount of interest (the **Interest Amount**) payable on the Floating Rate Notes or Index Linked Interest Notes for the relevant Interest Period by applying the Rate of Interest to:

- (A) in the case of Floating Rate Notes or Index Linked Interest Notes which are represented by a Global Note, the aggregate outstanding nominal amount of the Notes represented by such Global Note (or, if they are Partly Paid Notes, the aggregate amount paid up); or

- (B) in the case of Floating Rate Notes or Index Linked Interest Notes in definitive form, the Calculation Amount;

and, in each case, multiplying such sum by the applicable Day Count Fraction, and rounding the resultant figure to the nearest sub-unit of the relevant Specified Currency, half of any such sub-unit being rounded upwards or otherwise in accordance with applicable market convention. Where the Specified Denomination of a Floating Rate Note or an Index Linked Interest Note in definitive form is a multiple of the Calculation Amount, the Interest Amount payable in respect of such Note shall be the product of the amount (determined in the manner provided above) for the Calculation Amount and the amount by which the Calculation Amount is multiplied to reach the Specified Denomination, without any further rounding.

**Day Count Fraction** means, in respect of the calculation of an amount of interest in accordance with this Condition 5.2:

- (i) if “Actual/Actual (ISDA)” or “Actual/Actual” is specified in the applicable Final Terms, the actual number of days in the Interest Period divided by 365 (or, if any portion of that Interest Period falls in a leap year, the sum of (I) the actual number of days in that portion of the Interest Period falling in a leap year divided by 366 and (II) the actual number of days in that portion of the Interest Period falling in a non-leap year divided by 365);
- (ii) if “Actual/365 (Fixed)” is specified in the applicable Final Terms, the actual number of days in the Interest Period divided by 365;
- (iii) if “Actual/365 (Sterling)” is specified in the applicable Final Terms, the actual number of days in the Interest Period divided by 365 or, in the case of an Interest Payment Date falling in a leap year, 366;
- (iv) if “Actual/360” is specified in the applicable Final Terms, the actual number of days in the Interest Period divided by 360;
- (v) if “30/360”, “360/360” or “Bond Basis” is specified in the applicable Final Terms, the number of days in the Interest Period divided by 360, calculated on a formula basis as follows:

$$\text{Day Count Fraction} = \frac{[360 \times (Y_2 - Y_1)] + [30 \times (M_2 - M_1)] + (D_2 - D_1)}{360}$$

where:

“Y<sub>1</sub>” is the year, expressed as a number, in which the first day of the Interest Period falls;

“Y<sub>2</sub>” is the year, expressed as a number, in which the day immediately following the last day of the Interest Period falls;

“M<sub>1</sub>” is the calendar month, expressed as a number, in which the first day of the Interest Period falls;

“M<sub>2</sub>” is the calendar month, expressed as a number, in which the day immediately following the last day of the Interest Period falls;

“D<sub>1</sub>” is the first calendar day, expressed as a number, of the Interest Period, unless such number is 31, in which case D<sub>1</sub> will be 30; and

“D<sub>2</sub>” is the calendar day, expressed as a number, immediately following the last day included in the Interest Period, unless such number would be 31 and D<sub>1</sub> is greater than 29, in which case D<sub>2</sub> will be 30;

- (vi) if “30E/360” or “Eurobond Basis” is specified in the applicable Final Terms, the number of days in the Interest Period divided by 360, calculated on a formula basis as follows:

$$\text{Day Count Fraction} = \frac{[360 \times (Y_2 - Y_1)] + [30 \times (M_2 - M_1)] + (D_2 - D_1)}{360}$$

where:

“Y<sub>1</sub>” is the year, expressed as a number, in which the first day of the Interest Period falls;

“Y<sub>2</sub>” is the year, expressed as a number, in which the day immediately following the last day of the Interest Period falls;

“M<sub>1</sub>” is the calendar month, expressed as a number, in which the first day of the Interest Period falls;

“M<sub>2</sub>” is the calendar month, expressed as a number, in which the day immediately following the last day of the Interest Period falls;

“D<sub>1</sub>” is the first calendar day, expressed as a number, of the Interest Period, unless such number would be 31, in which case D<sub>1</sub> will be 30; and

“D<sub>2</sub>” is the calendar day, expressed as a number, immediately following the last day included in the Interest Period, unless such number would be 31, in which case D<sub>2</sub> will be 30;

- (vii) if “30E/360 (ISDA)” is specified in the applicable Final Terms, the number of days in the Interest Period divided by 360, calculated on a formula basis as follows:

$$\text{Day Count Fraction} = \frac{[360 \times (Y_2 - Y_1)] + [30 \times (M_2 - M_1)] + (D_2 - D_1)}{360}$$

where:

“Y<sub>1</sub>” is the year, expressed as a number, in which the first day of the Interest Period falls;

“Y<sub>2</sub>” is the year, expressed as a number, in which the day immediately following the last day of the Interest Period falls;

“M<sub>1</sub>” is the calendar month, expressed as a number, in which the first day of the Interest Period falls;

“M<sub>2</sub>” is the calendar month, expressed as a number, in which the day immediately following the last day of the Interest Period falls;

“D<sub>1</sub>” is the first calendar day, expressed as a number, of the Interest Period, unless (i) that day is the last day of February or (ii) such number would be 31, in which case D<sub>1</sub> will be 30; and

“D<sub>2</sub>” is the calendar day, expressed as a number, immediately following the last day included in the Interest Period, unless (i) that day is the last day of February but not the Maturity Date or (ii) such number would be 31, in which case D<sub>2</sub> will be 30.

**(e) Notification of Rate of Interest and Interest Amounts**

The Agent will cause the Rate of Interest and each Interest Amount for each Interest Period and the relevant Interest Payment Date to be notified to the Issuer, the Trustee and any stock exchange on which the relevant Floating Rate Notes or Index Linked Interest Notes are for the time being listed and notice thereof to be published in accordance with Condition 14 as soon as possible after their determination but in no event later than the fourth London Business Day thereafter. Each Interest Amount and Interest Payment Date so notified may

subsequently be amended (or appropriate alternative arrangements made by way of adjustment) without prior notice in the event of an extension or shortening of the Interest Period. Any such amendment will be promptly notified to each stock exchange on which the relevant Floating Rate Notes or Index Linked Interest Notes are for the time being listed and to the Noteholders in accordance with Condition 14. For the purposes of this paragraph, the expression **London Business Day** means a day (other than a Saturday or a Sunday) on which banks and foreign exchange markets are open for general business in London.

**(f) Determination or Calculation by Trustee**

If for any reason at any relevant time the Agent or, as the case may be, the Calculation Agent defaults in its obligation to determine the Rate of Interest or the Agent defaults in its obligation to calculate any Interest Amount in accordance with subparagraph (b)(i) or subparagraph (b)(ii) above or as otherwise specified in the applicable Final Terms, as the case may be, and in each case in accordance with paragraph (d) above, the Trustee shall determine the Rate of Interest at such rate as, in its absolute discretion (having such regard as it shall think fit to the foregoing provisions of this Condition, but subject always to any Minimum Rate of Interest or Maximum Rate of Interest specified in the applicable Final Terms), it shall deem fair and reasonable in all the circumstances or, as the case may be, the Trustee shall calculate the Interest Amount(s) in such manner as it shall deem fair and reasonable in all the circumstances and each such determination or calculation shall be deemed to have been made by the Agent or the Calculation Agent, as applicable.

**(g) Certificates to be final**

All certificates, communications, opinions, determinations, calculations, quotations and decisions given, expressed, made or obtained for the purposes of the provisions of this Condition, whether by the Agent or, if applicable, the Calculation Agent, shall (in the absence of wilful default, bad faith or manifest error) be binding on the Issuers, the Guarantor, the Agent, the Calculation Agent (if applicable), the other Paying Agents and all Noteholders, Receiptholders and Couponholders and (in the absence of wilful default or bad faith) no liability to the Issuers, the Guarantor, the Noteholders, the Receiptholders or the Couponholders shall attach to the Agent or, if applicable, the Calculation Agent or the Trustee in connection with the exercise or non-exercise by it of its powers, duties and discretions pursuant to such provisions.

**5.3 Interest on Dual Currency Interest Notes**

The rate or amount of interest payable in respect of Dual Currency Interest Notes shall be determined in the manner specified in the applicable Final Terms.

**5.4 Interest on Partly Paid Notes**

In the case of Partly Paid Notes (other than Partly Paid Notes which are Zero Coupon Notes), interest will accrue as aforesaid on the paid-up nominal amount of such Notes and otherwise as specified in the applicable Final Terms.

**5.5 Accrual of interest**

Each Note (or in the case of the redemption of part only of a Note, that part only of such Note) will cease to bear interest (if any) from the date for its redemption unless payment of principal is improperly withheld or refused. In such event, interest will continue to accrue until whichever is the earlier of:

- (a) the date on which all amounts due in respect of such Note have been paid; and

- (b) five days after the date on which the full amount of the moneys payable in respect of such Note has been received by the Agent and notice to that effect has been given to the Noteholders in accordance with Condition 14 as provided in the Trust Deed.

## 5.6 Adjustment of Interest for Fixed Rate Notes and Floating Rate Notes

If Step Up Rating Change and/or Step Down Rating Change is specified in the applicable Final Terms, the following terms relating to the Rate of Interest for Fixed Rate Notes and Floating Rate Notes shall apply:

- (a) Subject to paragraphs (c) and (e) below, from and including the first Interest Payment Date falling on or after the date of a Step Up Rating Change, the Rate of Interest (in the case of Fixed Rate Notes) or the Margin (in the case of Floating Rate Notes) shall be increased by the Step Up Margin specified in the applicable Final Terms.
- (b) Subject to paragraphs (c) and (e) below, in the event of a Step Down Rating Change following a Step Up Rating Change, with effect from and including the first Interest Payment Date falling on or after the date of such Step Down Rating Change, the Rate of Interest (in the case of Fixed Rate Notes) or the Margin (in the case of Floating Rate Notes) shall be decreased by the Step Up Margin so that it again becomes the initial Rate of Interest (in the case of Fixed Rate Notes) or the initial Margin (in the case of Floating Rate Notes).
- (c) If a Step Up Rating Change and, subsequently, a Step Down Rating Change occur during the same Fixed Interest Period (in the case of Fixed Rate Notes) or the same Interest Period (in the case of Floating Rate Notes), the Rate of Interest (in the case of Fixed Rate Notes) or the Margin (in the case of Floating Rate Notes) shall neither be increased nor decreased as a result of either such event.
- (d) The Issuer will cause the occurrence of an event giving rise to an adjustment to the Rate of Interest (in the case of Fixed Rate Notes) or the Margin (in the case of Floating Rate Notes) pursuant to this Condition to be notified to the Trustee, Agent and (in accordance with Condition 14) the Noteholders as soon as reasonably practicable after the occurrence of the relevant event but in no event later than the fifth London Business Day thereafter.
- (e) Only the first Step Up Rating Change (if any) and the first Step Down Rating Change (if any) shall give rise to an adjustment to the Rate of Interest (in the case of Fixed Rate Notes) or the Margin (in the case of Floating Rate Notes).
- (f) If the rating designations employed by any of Moody's or S&P are changed from those which are described in this Condition, or if a rating is procured from a Substitute Rating Agency, the Issuer shall determine, with the agreement of the Trustee (not to be unreasonably withheld or delayed), the rating designations of Moody's or S&P or such Substitute Rating Agency (as appropriate) as are most equivalent to the prior rating designations of Moody's or S&P and this Condition shall be read accordingly.
- (g) The Trustee is under no obligation to ascertain whether a Step Down Rating Change or a Step Up Rating Change or any event which could lead to the occurrence of or could constitute a Step Down Rating Change or a Step Up Rating Change, has occurred and, until it shall have actual knowledge or notice pursuant to the Trust Deed to the contrary, the Trustee may assume that no Step Down Rating Change or Step Up Rating Change or other such event has occurred.

In the Conditions, the following words have the following meanings.

**Investment Grade** means a rating of BBB- or above in relation to S&P, Baa3 or above in relation to Moody's, or, where a Substitute Rating Agency has been designated by the Issuer, a comparable rating or above.

**Rating Agency** means Moody's Deutschland GmbH or any other entity that is part of the group to which Moody's Deutschland GmbH or its successor belongs (**Moody's**) or Standard & Poor's Credit Market Services Europe Limited or any other entity that is part of the group to which Standard & Poor's Credit Market Services Europe Limited or its successor belongs (**S&P**), or their respective successors or any rating agency (a **Substitute Rating Agency**) substituted for any of them by the Issuer from time to time with the prior written approval of the Trustee.

**Step Down Rating Change** means, at any time after a Step Up Rating Change, the first public announcement by any Rating Agency (a) of a credit rating being applied or, as the case may be, (b) of an increase in the credit rating of the Notes with the result that, following such public announcement(s), the Notes are rated by each Rating Agency (and none of the Rating Agencies rate the Notes below) Investment Grade.

**Step Up Rating Change** means the first public announcement by any Rating Agency of its ceasing to apply a credit rating to the Notes or of a decrease in the credit rating of the Notes to below Investment Grade.

## 6. PAYMENTS

### 6.1 Method of payment

Subject as provided below:

- (a) payments in a Specified Currency other than euro will be made by credit or transfer to an account in the relevant Specified Currency maintained by the payee with, or, at the option of the payee, by a cheque in such Specified Currency drawn on, a bank in the principal financial centre of the country of such Specified Currency (which, if the Specified Currency is Australian dollars or New Zealand dollars, shall be Sydney and Auckland, respectively); and
- (b) payments in euro will be made by credit or transfer to a euro account (or any other account to which euro may be credited or transferred) specified by the payee or, at the option of the payee, by a euro cheque.

Payments will be subject in all cases to any fiscal or other laws and regulations applicable thereto in the place of payment, but without prejudice to the provisions of Condition 8.

### 6.2 Presentation of definitive Notes, Receipts and Coupons

Payments of principal in respect of definitive Notes will (subject as provided below) be made in the manner provided in Condition 6.1 above and, in the case of Swiss Notes, Condition 6.5 below only against presentation and surrender (or, in the case of part payment of any sum due, endorsement) of definitive Notes, and payments of interest in respect of definitive Notes will (subject as provided below) be made as aforesaid only against presentation and surrender (or, in the case of part payment of any sum due, endorsement) of Coupons, in each case at the specified office of any Paying Agent outside the United States (which expression, as used herein, means the United States of America (including the States and the District of Columbia), and its possessions.

Payments of instalments of principal (if any) in respect of definitive Notes, other than the final instalment, will (subject as provided below) be made in the manner provided in Condition 6.1 above and, in the case of Swiss Notes, Condition 6.5 below only against presentation and surrender (or, in the case of part payment of any sum due, endorsement) of the relevant

Receipt in accordance with the preceding paragraph. Payment of the final instalment will be made in the manner provided in Condition 6.1 above and, in the case of Swiss Notes, Condition 6.5 below only against presentation and surrender (or, in the case of part payment of any sum due, endorsement) of the relevant Note in accordance with the preceding paragraph. Each Receipt must be presented for payment of the relevant instalment together with the definitive Note to which it appertains. Receipts presented without the definitive Note to which they appertain do not constitute valid obligations of the Issuer. Upon the date on which any definitive Note becomes due and repayable, unmatured Receipts (if any) relating thereto (whether or not attached) shall become void and no payment shall be made in respect thereof.

Fixed Rate Notes in definitive form (other than Dual Currency Notes, Index Linked Notes or Long Maturity Notes (as defined below)) should be presented for payment together with all unmatured Coupons appertaining thereto (which expression shall for this purpose include Coupons falling to be issued on exchange of matured Talons), failing which the amount of any missing unmatured Coupon (or, in the case of payment not being made in full, the same proportion of the amount of such missing unmatured Coupon as the sum so paid bears to the sum due) will be deducted from the sum due for payment. Each amount of principal so deducted will be paid in the manner mentioned above against surrender of the relative missing Coupon at any time before the expiry of 10 years after the Relevant Date (as defined in Condition 8) in respect of such principal (whether or not such Coupon would otherwise have become void under Condition 9) or, if later, five years from the date on which such Coupon would otherwise have become due, but in no event thereafter.

Upon any Fixed Rate Note in definitive form becoming due and repayable prior to its Maturity Date, all unmatured Talons (if any) appertaining thereto will become void and no further Coupons will be issued in respect thereof.

Upon the date on which any Floating Rate Note, Dual Currency Note, Index Linked Note or Long Maturity Note in definitive form becomes due and repayable, unmatured Coupons and Talons (if any) relating thereto (whether or not attached) shall become void and no payment or, as the case may be, exchange for further Coupons shall be made in respect thereof. A **Long Maturity Note** is a Fixed Rate Note (other than a Fixed Rate Note which on issue had a Talon attached) whose nominal amount on issue is less than the aggregate interest payable thereon provided that such Note shall cease to be a Long Maturity Note on the Interest Payment Date on which the aggregate amount of interest remaining to be paid after that date is less than the nominal amount of such Note.

If the due date for redemption of any definitive Note is not an Interest Payment Date, interest (if any) accrued in respect of such Note from (and including) the preceding Interest Payment Date or, as the case may be, the Interest Commencement Date shall be payable only against surrender of the relevant definitive Note.

### **6.3 Payments in respect of Global Notes (other than Swiss Permanent Global Notes)**

Payments of principal and interest (if any) in respect of Notes represented by any Global Note will (subject as provided below) be made in the manner specified above in relation to definitive Notes or otherwise in the manner specified in the relevant Global Note against presentation or surrender, as the case may be, of such Global Note, where applicable at the specified office of any Paying Agent outside the United States. A record of each payment made, distinguishing between any payment of principal and any payment of interest, will be made on such Global Note either by the Paying Agent to which it was presented or in the records of Euroclear and Clearstream, Luxembourg as applicable.

#### **6.4 General provisions applicable to payments**

The holder of a Global Note (other than a Swiss Permanent Global Note) shall be the only person entitled to receive payments in respect of Notes represented by such Global Note and the Issuer or, as the case may be, the Guarantor will be discharged by payment to, or to the order of, the holder of such Global Note in respect of each amount so paid. Each of the persons shown in the records of Euroclear or Clearstream, Luxembourg as the beneficial holder of a particular nominal amount of Notes represented by such Global Note must look solely to Euroclear or Clearstream, Luxembourg, as the case may be, for his share of each payment so made by the Issuer or, as the case may be, the Guarantor to, or to the order of, the holder of such Global Note.

Notwithstanding the foregoing provisions of this Condition, if any amount of principal and/or interest in respect of Notes is payable in U.S. dollars, such U.S. dollar payments of principal and/or interest in respect of such Notes will be made at the specified office of a Paying Agent in the United States if:

- (a) the Issuer has appointed Paying Agents with specified offices outside the United States with the reasonable expectation that such Paying Agents would be able to make payment in U.S. dollars at such specified offices outside the United States of the full amount of principal and interest on the Notes in the manner provided above when due;
- (b) payment of the full amount of such principal and interest at all such specified offices outside the United States is illegal or effectively precluded by exchange controls or other similar restrictions on the full payment or receipt of principal and interest in U.S. dollars; and
- (c) such payment is then permitted under United States law without involving, in the opinion of the Issuer and the Guarantor, adverse tax consequences to the Issuer or the Guarantor.

#### **6.5 Payments in respect of Swiss Notes**

The Issuer or, as the case may be, the Guarantor shall make all payments of principal and interest due under Swiss Notes to the Principal Swiss Paying Agent which shall, where applicable, promptly reimburse each other Swiss paying agent on demand for payments in respect of such Swiss Notes properly made by such other Swiss paying agent.

Payments in respect of such Notes will be made irrespective of any present or future transfer restrictions and without regard to any bilateral or multilateral payment or clearing agreement which may be applicable at the time of such payments.

Payments of principal and interest in respect of Swiss Notes will be made in freely disposable Swiss Francs without collection costs in Switzerland and without any restrictions and irrespective of nationality, domicile or residence of the holder of the relevant Swiss Note or Coupon and without requiring any certification, affidavit or the fulfilment of any other formality.

The receipt by the Principal Swiss Paying Agent of the due and punctual payment of the relevant funds in Swiss Francs in Zurich shall release the Issuer from its obligations under the Swiss Notes and Coupons for the payment of interest and principal due on the respective Interest Payment Dates and on the Maturity Date to the extent of such payment and except to the extent that there is a default in the subsequent payment thereof to the Noteholders or Couponholders (as the case may be).

#### **6.6 Payment Day**

If the date for payment of any amount in respect of any Note, Receipt or Coupon is not a Payment Day, the holder thereof shall not be entitled to payment until the next following



Payment Day in the relevant place and shall not be entitled to further interest or other payment in respect of such delay. For these purposes, **Payment Day** means any day which (subject to Condition 9) is:

- (a) a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in:
  - (i) in the case of Notes in definitive form only, the relevant place of presentation;
  - (ii) each Additional Financial Centre specified in the applicable Final Terms; and
- (b) either (A) in relation to any sum payable in a Specified Currency other than euro, a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in the principal financial centre of the country of the relevant Specified Currency (which if the Specified Currency is Australian dollars or New Zealand dollars shall be Sydney and Auckland, respectively) or (B) in relation to any sum payable in euro, a day on which the TARGET2 System is open or (C) in relation to any sum payable in Renminbi, a day (other than a Saturday, Sunday or public holiday) on which commercial banks in Hong Kong are generally open for business and settlement of Renminbi payments in Hong Kong.

#### **6.7 Interpretation of principal and interest**

Any reference in the Conditions to principal in respect of the Notes shall be deemed to include, as applicable:

- (a) any additional amounts which may be payable with respect to principal under Condition 8 or under any undertaking or covenant given in addition thereto, or in substitution therefor, pursuant to the Trust Deed;
- (b) the Final Redemption Amount of the Notes;
- (c) the Early Redemption Amount of the Notes;
- (d) the Optional Redemption Amount(s) (if any) of the Notes;
- (e) in relation to Notes redeemable in instalments, the Instalment Amounts;
- (f) in relation to Zero Coupon Notes, the Amortised Face Amount (as defined in Condition 7); and
- (g) any premium and any other amounts (other than interest) which may be payable by the Issuer under or in respect of the Notes.

Any reference in the Conditions to interest in respect of the Notes shall be deemed to include, as applicable, any additional amounts which may be payable with respect to interest under Condition 8 or under any undertaking or covenant given in addition thereto, or in substitution therefor, pursuant to the Trust Deed.

#### **6.8 RMB Currency Event**

If “RMB Currency Event” is specified in the applicable Final Terms and a RMB Currency Event, as determined by the Issuer (or the Guarantor, as the case may be) acting in good faith, exists on a date for payment of any amount in respect of any Note, Receipt or Coupon, the Issuer’s obligation to make a payment in RMB under the terms of the Notes (or, as the case may be, the Guarantor’s obligations to make a payment in RMB under the Guarantee) may be replaced

by an obligation to pay such amount in the Relevant Currency converted using the Spot Rate for the relevant Determination Date.

Upon the occurrence of a RMB Currency Event, the Issuer or the Guarantor, as applicable, shall give notice as soon as practicable to the Noteholders in accordance with Condition 14 stating the occurrence of the RMB Currency Event, giving details thereof and the action proposed to be taken in relation thereto.

For the purpose of this Condition and unless stated otherwise in the applicable Final Terms:

**Determination Business Day** means a day (other than a Saturday or Sunday) on which commercial banks are open for general business (including dealings in foreign exchange) in Hong Kong, London and New York City;

**Determination Date** means the day which is two Determination Business Days before the due date of the relevant payment under the Notes;

**Governmental Authority** means any *de facto* or *de jure* government (or any agency or instrumentality thereof), court, tribunal, administrative or other governmental authority or any other entity (private or public) charged with the regulation of the financial markets (including the central bank) of Hong Kong;

**Relevant Currency** means U.S. dollars or such other currency as may be specified in the applicable Final Terms;

**RMB Currency Events** means any one of RMB Illiquidity, RMB Non-Transferability and RMB Inconvertibility;

**RMB Illiquidity** means the general Renminbi exchange market in Hong Kong becomes illiquid and, as a result of which, the Issuer (or the Guarantor, as the case may be) cannot obtain sufficient Renminbi in order to satisfy its obligation to pay interest and principal (in whole or in part) in respect of the Notes as determined by the Issuer (or the Guarantor, as the case may be) in good faith and in a commercially reasonable manner following consultation with two independent foreign exchange dealers of international repute active in the RMB exchange market in Hong Kong;

**RMB Inconvertibility** means the occurrence of any event that makes it impossible for the Issuer (or the Guarantor, as the case may be) to convert any amount due in respect of the Notes into RMB on any payment date at the general RMB exchange market in Hong Kong, other than where such impossibility is due solely to the failure of the Issuer (or the Guarantor, as the case may be) to comply with any law, rule or regulation enacted by any Governmental Authority (unless such law, rule or regulation is enacted after the Issue Date of the first Tranche of the relevant Series and it is impossible for the Issuer (or the Guarantor, as the case may be), due to an event beyond its control, to comply with such law, rule or regulation);

**RMB Non-Transferability** means the occurrence of any event that makes it impossible for the Issuer (or the Guarantor, as the case may be) to deliver RMB between accounts inside Hong Kong or from an account inside Hong Kong to an account outside Hong Kong (including where the RMB clearing and settlement system for participating banks in Hong Kong is disrupted or suspended), other than where such impossibility is due solely to the failure of the Issuer (or the Guarantor, as the case may be) to comply with any law, rule or regulation enacted by any Governmental Authority (unless such law, rule or regulation is enacted after the Issue Date of the first Tranche of the relevant Series and it is impossible for the Issuer (or the Guarantor, as the case may be), due to an event beyond its control, to comply with such law, rule or regulation); and

**Spot Rate** means, unless specified otherwise in the applicable Final Terms, the spot CNY/U.S. dollar exchange rate for the purchase of U.S. dollars with Renminbi in the over-the-counter

Renminbi exchange market in Hong Kong for settlement in two Determination Business Days' time, as determined by the Calculation Agent at or around 11.00 a.m. (Hong Kong time) on the Determination Date, on a deliverable basis by reference to Reuters Screen Page TRADCNY3, or if no such rate is available, on a non-deliverable basis by reference to Reuters Screen Page TRADNDF. If neither rate is available, the Calculation Agent shall determine the rate taking into consideration all available information which the Calculation Agent deems relevant, including pricing information obtained from the Renminbi non-deliverable exchange market in Hong Kong or elsewhere and the CNY/U.S. dollar exchange rate in the PRC domestic foreign exchange market.

## **6.9 RMB account**

All payments in respect of any Note, Receipt or Coupon in RMB will be made solely by credit to a RMB account maintained by the payee at a bank in Hong Kong in accordance with applicable laws, rules, regulations and guidelines issued from time to time (including all applicable laws and regulations with respect to the settlement of RMB in Hong Kong).

## **7. REDEMPTION AND PURCHASE**

### **7.1 Redemption at maturity**

Unless previously redeemed or purchased and cancelled as specified below, each Note (including each Index Linked Redemption Note and Dual Currency Redemption Note) will be redeemed by the Issuer at its Final Redemption Amount specified in, or determined in the manner specified in, the applicable Final Terms in the relevant Specified Currency on the Maturity Date.

### **7.2 Redemption for tax reasons**

The Notes may be redeemed at the option of the Issuer in whole, but not in part, at any time (if this Note is neither a Floating Rate Note, an Index Linked Interest Note nor a Dual Currency Interest Note) or on any Interest Payment Date (if this Note is either a Floating Rate Note, an Index Linked Interest Note or a Dual Currency Interest Note), on giving not less than 30 nor more than 60 days' notice to the Trustee and the Agent and, in accordance with Condition 14, the Noteholders (which notice shall be irrevocable), if the Issuer or, as the case may be, the Guarantor satisfies the Trustee immediately before the giving of such notice that:

- (a) on the occasion of the next payment due under the Notes, the Issuer has or will become obliged to pay additional amounts as provided or referred to in Condition 8 or the Guarantor would be unable for reasons outside its control to procure payment by the Issuer and in making payment itself would be required to pay such additional amounts, in each case as a result of any change in, or amendment to, the laws or regulations of a Tax Jurisdiction (as defined in Condition 8) or any change in the application or official interpretation of such laws or regulations, which change or amendment becomes effective on or after the date on which agreement is reached to issue the first Tranche of the Notes; and
- (b) such obligation cannot be avoided by the Issuer or, as the case may be, the Guarantor taking reasonable measures available to it,

provided that no such notice of redemption shall be given earlier than 90 days prior to the earliest date on which the Issuer or, as the case may be, the Guarantor would be obliged to pay such additional amounts were a payment in respect of the Notes then due.

Prior to the publication of any notice of redemption pursuant to this Condition, the Issuer shall deliver to the Trustee a certificate signed by two directors of the Issuer or, as the case may be, two directors of the Guarantor stating that the obligation referred to in paragraph (a)

above cannot be avoided by the Issuer or, as the case may be, the Guarantor taking reasonable measures available to it and the Trustee shall be entitled to accept the certificate as sufficient evidence of the satisfaction of the condition precedent set out in paragraph (b) above, in which event it shall be conclusive and binding on the Noteholders, the Receiptholders and the Couponholders.

Notes redeemed pursuant to this Condition 7.2 will be redeemed at their Early Redemption Amount referred to in Condition 7.5 below together (if appropriate) with interest accrued to (but excluding) the date of redemption.

### **7.3 Redemption at the option of the Issuer (Issuer Call)**

If Issuer Call is specified in the applicable Final Terms, the Issuer may, having given:

- (a) not less than 15 nor more than 30 days' notice (or such other notice period as is specified in the applicable Final Terms) to the Noteholders in accordance with Condition 14; and
- (b) not less than 7 days before the giving of the notice referred to in (a) above, notice to the Trustee and to the Agent;

(which notices shall be irrevocable and shall specify the date fixed for redemption), redeem all or some only of the Notes then outstanding on any Optional Redemption Date and at the Optional Redemption Amount(s) specified in, or determined in the manner specified in, the applicable Final Terms together, if appropriate, with interest accrued to (but excluding) the relevant Optional Redemption Date. Any such redemption must be of a nominal amount not less than the Minimum Redemption Amount and not more than the Maximum Redemption Amount, in each case as may be specified in the applicable Final Terms. In the case of a partial redemption of Notes, the Notes to be redeemed (**Redeemed Notes**) will be selected individually by lot, in the case of Redeemed Notes represented by definitive Notes, and in accordance with the rules of Euroclear and/or Clearstream, Luxembourg, (to be reflected in the records of Euroclear and Clearstream, Luxembourg as either a pool factor or a reduction in nominal amount, at their discretion) and/or the Intermediary, as the case may be, in the case of Redeemed Notes represented by a Global Note, not more than 30 days prior to the date fixed for redemption (such date of selection being hereinafter called the **Selection Date**). In the case of Redeemed Notes represented by definitive Notes, a list of the serial numbers of such Redeemed Notes will be published in accordance with Condition 14 not less than 15 days prior to the date fixed for redemption. No exchange of the relevant Global Note will be permitted during the period from (and including) the Selection Date to (and including) the date fixed for redemption pursuant to this Condition 7.3 and notice to that effect shall be given by the Issuer to the Noteholders in accordance with Condition 14 at least five days prior to the Selection Date.

### **7.4 Redemption at the option of the Noteholders (Investor Put) (other than upon a Change of Control)**

If Investor Put other than upon a Change of Control is specified in the applicable Final Terms, upon the holder of any Note giving to the Issuer in accordance with Condition 14 not less than 15 nor more than 30 days' notice (or such other notice period as is specified in the applicable Final Terms (which notice shall be irrevocable)) the Issuer will, upon the expiry of such notice, redeem, subject to, and in accordance with, the terms specified in the applicable Final Terms, such Note on the Optional Redemption Date and at the Optional Redemption Amount together, if appropriate, with interest accrued to (but excluding) the Optional Redemption Date. It may be that before an Investor Put can be exercised, certain conditions and/or circumstances will need to be satisfied. Where relevant, the provisions will be set out in the applicable Final Terms.

To exercise the right to require redemption of this Note the holder of this Note must, if this Note is in definitive form and held outside Euroclear and Clearstream, Luxembourg or the Intermediary, deliver, at the specified office of any Paying Agent at any time during normal business hours of such Paying Agent falling within the notice period, a duly completed and signed notice of exercise in the form (for the time being current) obtainable from any specified office of any Paying Agent (a **Put Notice**) and in which the holder must specify a bank account (or, if payment is required to be made by cheque, an address) to which payment is to be made under this Condition accompanied by this Note or evidence satisfactory to the Paying Agent concerned that this Note will, following delivery of the Put Notice, be held to its order or under its control. If this Note is represented by a Global Note or is in definitive form and held through Euroclear or Clearstream, Luxembourg or the Intermediary, to exercise the right to require redemption of this Note the holder of this Note must, within the notice period, give notice to the Agent of such exercise in accordance with the standard procedures of Euroclear and Clearstream, Luxembourg (which may include notice being given on his instruction by Euroclear or Clearstream, Luxembourg or any common depositary or common safekeeper, as the case may be, for them to the Agent by electronic means) or the Intermediary in a form acceptable to Euroclear and Clearstream, Luxembourg or the Intermediary, as the case may be, from time to time.

Any Put Notice or other notice given in accordance with the standard procedures of Euroclear and Clearstream, Luxembourg or the Intermediary, as the case may be, given by a holder of any Note pursuant to this Condition 7.4 shall be irrevocable except where, prior to the due date of redemption, an Event of Default has occurred and the Trustee has declared the Notes to be due and payable pursuant to Condition 10 is continuing, in which event such holder, at its option, may elect by notice to the Issuer to withdraw the notice given pursuant to this Condition 7.4 and instead to declare such Note forthwith due and payable pursuant to Condition 10.

## 7.5 Early Redemption Amounts

For the purpose of Condition 7.2 above and Conditions 7.7 and 10, each Note will be redeemed at its Early Redemption Amount calculated as follows:

- (a) in the case of a Note with a Final Redemption Amount equal to the Issue Price, at the Final Redemption Amount thereof;
- (b) in the case of a Note (other than a Zero Coupon Note but including an Instalment Note and a Partly Paid Note) with a Final Redemption Amount which is or may be less or greater than the Issue Price or which is payable in a Specified Currency other than that in which the Note is denominated, at the amount specified in, or determined in the manner specified in, the applicable Final Terms or, if no such amount or manner is so specified in the applicable Final Terms, at its nominal amount; or
- (c) in the case of a Zero Coupon Note, at an amount (the **Amortised Face Amount**) calculated in accordance with the following formula:

$$\text{Early Redemption Amount} = \text{RP} \times (1 + \text{AY})^y$$

where:

**RP** means the Reference Price;

**AY** means the Accrual Yield expressed as a decimal; and

**y** is a fraction the numerator of which is equal to the number of days (calculated on the basis of a 360-day year consisting of 12 months of 30 days each) from (and including) the Issue Date of the first Tranche of the Notes to (but excluding)

the date fixed for redemption or (as the case may be) the date upon which such Note becomes due and repayable and the denominator of which is 360,

or on such other calculation basis as may be specified in the applicable Final Terms.

## 7.6 Instalments

Instalment Notes will be redeemed in the Instalment Amounts and on the Instalment Dates. In the case of early redemption, the Early Redemption Amount will be determined pursuant to Condition 7.5.

## 7.7 Redemption at the option of the Noteholders upon Change of Control

(A) A **Put Event** will be deemed to occur if:

- (i) any person or any persons acting in concert (as defined in section 1(3) of the Irish Takeover Panel Act 1997), other than a holding company (as defined in Section 736 of the Companies Act 1985 of Great Britain, as amended) whose shareholders are or are to be substantially similar to the pre-existing shareholders of the Guarantor, who acquires an interest (within the meaning of Part IV, Chapter 2 of the Companies Act 1990 of Ireland) in (a) more than 50 per cent. of the issued or allotted ordinary share capital of the Guarantor or (b) shares in the capital of the Guarantor carrying more than 50 per cent. of the voting rights normally exercisable at a general meeting of the Guarantor (each, a **Change of Control**); and
- (ii) during a Change of Control Period (as defined below), the Notes carry:
  - (a) an investment grade credit rating (*Baa3/BBB-, or equivalent, or better*) from both Rating Agencies, and one or both of such ratings are either downgraded to a non-investment grade credit rating (*Ba1/BB+, or equivalent, or worse*) or withdrawn and such one or more ratings are not, within the Change of Control Period, subsequently (in the case of a downgrade) upgraded to an investment grade credit rating by the Rating Agencies; or
  - (b) a non-investment grade credit rating (*Ba1/BB+, or equivalent, or worse*) from both Rating Agencies, and one or both of such ratings are either downgraded by one or more notches (for illustration, *Ba1 to Ba2* being one notch) or withdrawn and such one or more ratings are not within the Change of Control Period, subsequently (in the case of a downgrade) upgraded to such earlier credit ratings or better; or
  - (c) an investment grade credit rating (*Baa3/BBB-, or equivalent, or better*) from one Rating Agency and a non-investment grade credit rating (*Ba1/BB+ or equivalent, or worse*) from another Rating Agency and either the investment grade credit rating is downgraded to a non-investment grade credit rating (*Ba1/BB+, or equivalent, or worse*) or withdrawn or the non-investment grade credit rating is downgraded by one or more notches (as illustrated in (b) above) or withdrawn and, in either case, such credit rating is not within the Change of Control Period, subsequently (in the case of a downgrade) upgraded to such earlier credit rating or better; or
  - (d) no credit rating and no Rating Agency assigns within 90 days of such time an investment grade credit rating to the Notes; and
- (iii) in making any relevant decision(s) as is referred to above, the relevant Rating Agency announces publicly or confirms in writing to the Guarantor that such

decision(s) resulted, in whole or in part, from the occurrence of the Change of Control.

**Change of Control Period** means the period from the date of the public notice of an arrangement that could result in a Change of Control until the end of a 90-day period following public notice of the occurrence of a Change of Control (or such longer period as the rating of the Notes is under publicly announced consideration for rating review).

- (B) If (i) Investor Put Option upon a Change of Control is specified in the applicable Final Terms and (ii) if a Put Event occurs, each Noteholder shall have the option (a **Put Option**) (unless prior to the giving of the relevant Put Event Notice (as defined below) the Issuer has given notice of redemption under Condition 7.2 or 7.3 above) to require the Issuer to redeem or repay, or at the option of the Issuer, to purchase (or procure the purchase of) all or any part of the Notes held by such Noteholder on the Put Date (as defined below) at their Early Redemption Amount together, if appropriate, with interest accrued to but excluding the date of redemption or purchase. Such option shall operate as set out below.
- (C) Within 30 days following a Put Event or, at the option of the Guarantor, prior to any Change of Control, but after the public announcement of the Change of Control, the Guarantor shall, and at any time upon the Trustee becoming similarly so aware the Trustee may, and if so requested by the holders of at least one-quarter in nominal amount of the Notes then outstanding or if so directed by an Extraordinary Resolution of the Noteholders, shall (subject in each case to being indemnified and/or secured to its satisfaction), give notice (a **Put Event Notice**) to the Noteholders in accordance with Condition 14 specifying the nature of the Put Event and the procedure for exercising the option contained in this Condition 7.7.
- (D) To exercise the Put Option the holder of the Note must, if the Notes are in definitive form and held outside Euroclear, Clearstream, Luxembourg or the Intermediary, deliver such Note, on any Payment Day (as defined in Condition 6 falling within the period (the **Put Period**) of 45 days after a Put Event Notice is given, at the specified office of any Paying Agent, accompanied by a duly signed and completed notice of exercise in the form (for the time being current) obtainable from the specified office of any Paying Agent (a **Change of Control Put Notice**). The Note should be delivered together, if appropriate, with all Coupons appertaining thereto maturing after the date which is seven days after the expiration of the Put Period (the **Put Date**), failing which (unless the applicable Final Terms provide that the relative Coupons are to become void upon the due date for redemption of such Note) the Paying Agent will require payment of an amount equal to the face value of any missing such Coupon. Any amount so paid will be reimbursed in the manner provided in Condition 6 against presentation and surrender of the relevant missing Coupon (or any replacement therefore issued pursuant to Condition 11 at any time after such payment, but before the expiry of the period of 10 years from the Relevant Date (as defined in Condition 8) in respect of that Coupon. The Paying Agent to which such Note and Change of Control Put Notice are delivered will issue to the Noteholder concerned a non-transferable receipt in respect of the Note so delivered. If the Notes are represented by a Global Note or are in definitive form and held through Euroclear and/or Clearstream, Luxembourg or the Intermediary, as the case may be, to exercise the right to require redemption of the Notes held by it the Noteholder must, within the Put Period, give notice of such exercise in accordance with the standard procedures of Euroclear and Clearstream, Luxembourg (which may include notice being given on his instruction by Euroclear or Clearstream, Luxembourg or any common depositary for them to the Agent by electronic means) or the Intermediary, as the case may be, in a form acceptable to Euroclear and Clearstream, Luxembourg or the Intermediary, as the case may be, from time to time and, at the same time, present or procure the presentation of the relevant Global Note

to the Agent for notation accordingly. Payment in respect of any Note so delivered will be made, if the holder duly specified a bank account in the Change of Control Put Notice to which payment is to be made, on the Put Date by transfer to that bank account and, in every other case, on or after the Put Date against presentation and surrender or (as the case may be) endorsement of such receipt at the specified office of any Paying Agent. Payment in respect of any Notes represented by a Global Note or in definitive form and held through Euroclear and/or Clearstream, Luxembourg and/or the Intermediary, as the case may be, in respect of which the relevant Noteholder has exercised the option given under this Condition 7.7 will be made on the Put Date. A Change of Control Put Notice, once given, shall be irrevocable. The Issuer, failing which the Guarantor, shall redeem, repay or, as the case may be, purchase or procure the purchase of the relevant Notes on the Put Date unless previously redeemed or purchased and cancelled.

If 80 per cent. or more in nominal amount of the Notes then outstanding have been redeemed, repaid or repurchased pursuant to this Condition 7.7, the Issuer may, on not less than 30 or more than 60 days' notice to the Noteholders given within 30 days after the Put Date, redeem, repay, purchase or procure purchase of at its option, the remaining Notes as a whole at a price equal to the Early Redemption Amount thereof plus, if appropriate, interest accrued to but excluding the date of such redemption, repayment or purchase, as the case may be.

- (E) If the rating designations employed by any of Moody's or S&P are changed from those which are described in paragraph (A)(ii) above, or if a rating is procured from a Substitute Rating Agency, the Guarantor shall determine, with the agreement of the Trustee (not to be unreasonably withheld or delayed), the rating designations of Moody's or S&P or such Substitute Rating Agency (as appropriate) as are most equivalent to the prior rating designations of Moody's or S&P and paragraph A(ii) shall be read accordingly.
- (F) The Trustee is under no obligation to ascertain whether a Put Event or Change of Control or any event which could lead to the occurrence of or could constitute a Put Event or Change of Control has occurred and, until it shall have actual knowledge or notice pursuant to the Trust Deed to the contrary, the Trustee may assume that no Put Event or Change of Control or other such event has occurred.

## **7.8 Partly Paid Notes**

Partly Paid Notes will be redeemed, whether at maturity, early redemption or otherwise, in accordance with the provisions of this Condition and the applicable Final Terms.

## **7.9 Purchases**

The Issuer, the Guarantor or any subsidiary of the Issuer or the Guarantor may at any time purchase Notes (provided that, in the case of definitive Notes, all unmatured Receipts, Coupons and Talons appertaining thereto are purchased therewith) in any manner or at any price in the open market or otherwise. Such Notes may be held, reissued, resold or, at the option of the Issuer or the Guarantor, surrendered to any Paying Agent for cancellation.

## **7.10 Cancellation**

All Notes which are redeemed will forthwith be cancelled (together with all unmatured Receipts, Coupons and Talons attached thereto or surrendered therewith at the time of redemption). All Notes so cancelled and any Notes purchased and cancelled pursuant to Condition 7.9 above (together with all unmatured Receipts, Coupons and Talons cancelled therewith) shall be forwarded to the Agent and cannot be reissued or resold.



### 7.11 Late payment on Zero Coupon Notes

If the amount payable in respect of any Zero Coupon Note upon redemption of such Zero Coupon Note pursuant to Condition 7.1, 7.2, 7.3 or 7.4 above or upon its becoming due and repayable as provided in Condition 10 is improperly withheld or refused, the amount due and repayable in respect of such Zero Coupon Note shall be the amount calculated as provided in Condition 7.5(c) above as though the references therein to the date fixed for the redemption or the date upon which such Zero Coupon Note becomes due and payable were replaced by references to the date which is the earlier of:

- (a) the date on which all amounts due in respect of such Zero Coupon Note have been paid; and
- (b) five days after the date on which the full amount of the moneys payable in respect of such Zero Coupon Notes has been received by the Agent or the Trustee and notice to that effect has been given to the Noteholders in accordance with Condition 14.

## 8. TAXATION

All payments of principal and interest in respect of the Notes, Receipts and Coupons by or on behalf of the Issuer or the Guarantor will be made without withholding or deduction for or on account of any present or future taxes, charges or duties of whatever nature imposed or levied by or on behalf of any Tax Jurisdiction unless such withholding or deduction is required by law. In such event, the Issuer or, as the case may be, the Guarantor will pay such additional amounts as will result in the net amounts received by the holders of the Notes, Receipts or Coupons (after such withholding or deduction) being equal to the respective amounts of principal and interest which would otherwise have been receivable in respect of the Notes, Receipts or Coupons, as the case may be, in the absence of such withholding or deduction; except that no such additional amounts shall be payable with respect to any Note, Receipt or Coupon:

- (a) presented for payment by or on behalf of a holder who is liable for such taxes or duties in respect of such Note, Receipt or Coupon by reason of his having some connection with a Tax Jurisdiction other than the mere holding of such Note, Receipt or Coupon; or
- (b) presented for payment more than 30 days after the Relevant Date (as defined below) except to the extent that the holder thereof would have been entitled to such additional amounts on presenting the same for payment on the expiry of such period of 30 days assuming that day to have been a Payment Day (as defined in Condition 6.6); or
- (c) presented for payment in circumstances where such withholding or deduction would not be required if the holder or any person acting on his behalf had satisfied any statutory requirements or obtained and/or presented any form or certificate or had made a declaration of non-residence or similar claim for exemption upon the presentation or making of which the holder would have been able to avoid such withholding or deduction; or
- (d) where such withholding or deduction is (i) imposed on a payment to an individual and is required to be made pursuant to European Council Directive 2003/48/EC on the taxation of savings income or any law implementing or complying with, or introduced in order to conform to, such Directive or (ii) pursuant to any agreements between the European Community and other countries or territories providing for measures equivalent to those laid down in European Council Directive 2003/48/EC, or (iii) imposed on a payment and is required to be made pursuant to laws enacted by Switzerland providing for the taxation of payments according to principles similar to those laid down (a) in European Council Directive 2003/48/EC or (b) in the draft legislation proposed by the Swiss Federal Council on 24 August 2011, in particular the

principle to have a person other than the Issuer or Guarantor withhold or deduct tax, including, without limitation, any Paying Agent; or

- (e) presented for payment by or on behalf of a holder who would have been able to avoid such withholding or deduction by presenting the relevant Note, Receipt or Coupon to another Paying Agent in a Member State of the European Union.

As used herein:

- (i) **Tax Jurisdiction** means England in relation to CRH Finance (UK) plc, Ireland in relation to CRH Finance Limited and The Netherlands in relation to CRH Finance BV or, in each case, any political subdivision or any authority thereof or therein having power to tax (in the case of payments by the Issuer) or Ireland or any political subdivision or any authority thereof or therein having power to tax (in the case of payments by the Guarantor); and
- (ii) the **Relevant Date** means the date on which such payment first becomes due, except that, if the full amount of the moneys payable has not been duly received by the Trustee or the Agent on or prior to such due date, it means the date on which, the full amount of such moneys having been so received, notice to that effect is duly given to the Noteholders in accordance with Condition 14.

## 9. PRESCRIPTION

The Notes, Receipts and Coupons will become void unless claims in respect of principal and/or interest are made within a period of 10 years (in the case of principal) and five years (in the case of interest) after the Relevant Date (as defined in Condition 8) therefor.

There shall not be included in any Coupon sheet issued on exchange of a Talon any Coupon the claim for payment in respect of which would be void pursuant to this Condition or Condition 6.2 or any Talon which would be void pursuant to Condition 6.2.

## 10. EVENTS OF DEFAULT AND ENFORCEMENT

### 10.1 Events of Default

If any of the following events (**Events of Default**) occurs and is continuing, the Trustee at its discretion may and, if so requested by holders of at least one-quarter in nominal amount of the Notes then outstanding or if so directed by an Extraordinary Resolution, shall (subject, in each case, to being indemnified and/or secured and/or pre-funded to its satisfaction) give notice to the Issuer and the Guarantor that the Notes are, and they shall immediately become, due and payable at their Early Redemption Amount together with accrued interest:

- (i) **Non-Payment of Principal:** default is made for a period of more than seven days in the payment in the Specified Currency on the due date of principal in respect of any of the Notes or
- (ii) **Non-Payment of Interest:** default is made for a period of more than 14 days in the payment in the Specified Currency on the due date of interest in respect of any of the Notes or
- (iii) **Breach of Other Obligations:** the Issuer or the Guarantor does not perform or comply with any one or more of its other obligations in the Notes or the Trust Deed which default is, in the opinion of the Trustee, incapable of remedy or, if in the opinion of the Trustee capable of remedy, is not in the opinion of the Trustee remedied within 45 days after notice of such default shall have been given to the Issuer or the Guarantor by the Trustee or

(iv) **Cross-Default:**

- (A) any other present or future indebtedness of the Issuer or the Guarantor or any Principal Subsidiary for or in respect of moneys borrowed or raised becomes due and payable prior to its stated maturity by reason of any actual or potential default, event of default or the like (howsoever described), or
- (B) any such indebtedness is not paid when due or, as the case may be, within any applicable grace period, or
- (C) the Issuer or the Guarantor or any Principal Subsidiary fails to pay when due any amount payable by it under any present or future guarantee for, or indemnity in respect of indebtedness for or in respect of, any moneys borrowed or raised,

provided that the aggregate amount of the relevant indebtedness, guarantees and indemnities in respect of which one or more of the events mentioned above in this paragraph (iv) have occurred equals or exceeds the greater of €50,000,000 or 1 per cent. of Consolidated Tangible Net Worth or its equivalent in any other currency or currencies and provided further that the amount of any such indebtedness, guarantee or indemnity shall not be taken into account for the purpose of this paragraph (iv) if the Issuer, the Guarantor or the relevant Principal Subsidiary, as the case may be, is contesting in good faith through appropriate proceedings its liability to make payment thereunder or

- (v) **Enforcement Proceedings:** a distress, attachment, execution or other legal process is levied, enforced or sued out on or against any substantial part of the property, assets or revenues of the Issuer or the Guarantor or any Principal Subsidiary and is not discharged or stayed within 90 days thereof or
- (vi) **Insolvency:** any of the Issuer or the Guarantor or any Principal Subsidiary is insolvent or bankrupt or unable to pay its debts, stops, suspends or threatens to stop or suspend payment of all or a substantial part of its debts, proposes or makes a general assignment or an arrangement or composition with or for the benefit of the relevant creditors in respect of any of such debts or a moratorium is agreed, declared or comes into effect in respect of or affecting all or any part of the debts of the Issuer, the Guarantor or any Principal Subsidiary or
- (vii) **Winding-up:** an administrator or examiner is appointed, an order is made or an effective resolution passed for the winding-up or dissolution or administration or examinership of the Issuer or the Guarantor or any Principal Subsidiary, or the Issuer or the Guarantor or any Principal Subsidiary shall apply or petition for a winding-up or administration order or a court protection order is made in respect of itself or cease or through an official action of its board of directors threaten to cease to carry on all or a major part of its business in the case of the Issuer or the Guarantor or all or substantially all of its business in the case of any Principal Subsidiary, in each case except for the purpose of and followed by a reconstruction, amalgamation, reorganisation, merger or consolidation (i) on terms approved by the Trustee or by an Extraordinary Resolution of the Noteholders or (ii) in the case of a Principal Subsidiary, whereby the undertaking and assets of such Principal Subsidiary are transferred to or otherwise vested in the Issuer or the Guarantor (as the case may be) or another Subsidiary and except that none of the Issuer, the Guarantor and any Principal Subsidiary shall be treated as having threatened to cease or having ceased to carry on all or the major part of its business in the case of the Issuer or the Guarantor or all or substantially all of its business in the case of any Principal Subsidiary by reason of any announcement of any disposal or by reason of any disposal on an arms' length basis or
- (viii) **Control of the Issuer:** the Guarantor ceases to control directly or indirectly the Issuer or

- (ix) **Guarantee:** the Guarantee is not (or is claimed by the Guarantor not to be) in full force and effect,

provided that, in relation to paragraphs (iii), (v), (vi) and (vii), in each case in respect of any Principal Subsidiary, and (ix), the Trustee shall have certified that in its opinion such event is materially prejudicial to the interests of the Noteholders.

**Consolidated Tangible Net Worth** means at any time the aggregate of:

- (a) the amount paid up or credited as paid up on the issued share capital of the Guarantor; and
- (b) the amount standing to the credit of the consolidated capital and revenue reserves of the Guarantor,

all as shown in the latest audited annual financial statements of the Guarantor, but adjusted as may be necessary to reflect any variation in the paid up share capital or share premium account of the Guarantor since the date of such financial statements. A certificate signed by two directors of the Guarantor, whether or not addressed to the Trustee, setting out the amount of the Consolidated Tangible Net Worth at the date of such certificate including any such adjustments shall, in the absence of manifest error, be conclusive and binding on the Issuer, the Guarantor and the Noteholders, all as further provided in the Trust Deed.

## 10.2 Enforcement

The Trustee may at any time, at its discretion and without notice, take such proceedings against the Issuer and/or the Guarantor as it may think fit to enforce the provisions of the Trust Deed, the Notes, the Receipts and the Coupons, but it shall not be bound to take any such proceedings or any other action in relation to the Trust Deed, the Notes, the Receipts or the Coupons unless (i) it shall have been so directed by an Extraordinary Resolution or so requested in writing by the holders of at least one-quarter in nominal amount of the Notes then outstanding and (ii) it shall have been indemnified and/or secured and/or pre-funded to its satisfaction.

No Noteholder, Receiptholder or Couponholder shall be entitled to proceed directly against the Issuer or the Guarantor unless the Trustee, having become bound so to proceed, fails so to do within a reasonable period and the failure shall be continuing.

## 11. REPLACEMENT OF NOTES, RECEIPTS, COUPONS AND TALONS

Should any Note, Receipt, Coupon or Talon be lost, stolen, mutilated, defaced or destroyed, it may be replaced at the specified office of the Agent upon payment by the claimant of such costs and expenses as may be incurred in connection therewith and on such terms as to evidence and indemnity as the Issuer may reasonably require. Mutilated or defaced Notes, Receipts, Coupons or Talons must be surrendered before replacements will be issued.

## 12. PAYING AGENTS

The names of the initial Paying Agents and their initial specified offices are set out below.

The Issuers are entitled, with the prior written approval of the Trustee, to vary or terminate the appointment of any Paying Agent and/or appoint additional or other Paying Agents and/or approve any change in the specified office through which any Paying Agent acts, provided that:

- (a) there will at all times be an Agent;
- (b) so long as the Notes are listed on any stock exchange or admitted to listing by any other relevant authority, there will at all times be a Paying Agent with a specified office in

such place as may be required by the rules and regulations of the relevant stock exchange or other relevant authority;

- (c) (except for Swiss Notes) there will at all times be a Paying Agent in a Member State of the European Union that will not be obliged to withhold or deduct tax pursuant to European Council Directive 2003/48/EC or any law implementing or complying with, or introduced in order to conform to, such Directive; and
- (d) there will at all times be a Paying Agent in a jurisdiction within Europe.

In addition, the Issuer shall forthwith appoint a Paying Agent having a specified office in New York City in the circumstances described in Condition 6.4.

In respect of any Swiss Notes, the Issuer will at all times maintain a Paying Agent having a specified office in Switzerland and will at no time maintain a Paying Agent having a specified office outside Switzerland.

Any variation, termination, appointment or change shall only take effect (other than in the case of insolvency, when it shall be of immediate effect) after not less than 30 nor more than 45 days' prior notice thereof shall have been given to the Noteholders in accordance with Condition 14.

In acting under the Agency Agreement, the Paying Agents act solely as agents of the Issuers and the Guarantor and, in certain circumstances specified therein, of the Trustee and do not assume any obligation to, or relationship of agency or trust with, any Noteholders, Receipholders or Couponholders. The Agency Agreement contains provisions permitting any entity into which any Paying Agent is merged or converted or with which it is consolidated or to which it transfers all or substantially all of its assets to become the successor paying agent.

### **13. EXCHANGE OF TALONS**

On and after the Interest Payment Date on which the final Coupon comprised in any Coupon sheet matures, the Talon (if any) forming part of such Coupon sheet may be surrendered at the specified office of the Agent or any other Paying Agent in exchange for a further Coupon sheet including (if such further Coupon sheet does not include Coupons to (and including) the final date for the payment of interest due in respect of the Note to which it appertains) a further Talon, subject to the provisions of Condition 9.

### **14. NOTICES**

All notices regarding the Notes will be deemed to be validly given if published (a) in a leading English language daily newspaper of general circulation in the United Kingdom and (b) if and for so long as the Notes are admitted to trading on, and listed on the Official List of the Irish Stock Exchange and the guidelines of the Irish Stock Exchange so require, filed with the Companies Announcement Office of the Irish Stock Exchange. The Issuer shall also ensure that notices are duly published in a manner which complies with the rules of any stock exchange or other relevant authority on which the Notes are for the time being listed or by which they have been admitted to trading. Any such notice will be deemed to have been given on the date of the first publication or, where required to be published in more than one newspaper, on the date of the first publication in all required newspapers. If publication as provided above is not practicable, a notice will be given in such other manner, and will be deemed to have been given on such date, as the Trustee shall approve.

Until such time as any definitive Notes are issued, there may, so long as any Global Notes representing the Notes are held in their entirety on behalf of Euroclear and/or Clearstream, Luxembourg, be substituted for such publication in such newspaper(s) the delivery of the relevant notice to Euroclear and/or Clearstream, Luxembourg for communication by them to

the holders of the Notes and, in addition, for so long as any Notes are listed on a stock exchange or are admitted to trading by another relevant authority and the rules of that stock exchange or relevant authority so require, such notice will be published in a daily newspaper of general circulation in the place or places required by those rules. Any such notice shall be deemed to have been given to the holders of the Notes on the second day after the day on which the said notice was given to Euroclear and/or Clearstream, Luxembourg.

So long as Swiss Notes are listed on the SIX Swiss Exchange and so long as the rules of the SIX Swiss Exchange so require, all notices in respect of Swiss Notes shall be validly given through the Principal Swiss Paying Agent by means of electronic publication on the internet website of the SIX Swiss Exchange ([www.six-swiss-exchange.com](http://www.six-swiss-exchange.com)) under the section headed "Official Notices" or otherwise in accordance with the regulations of the SIX Swiss Exchange. Any such notices shall be deemed to have been validly given on the date of such publication or if published more than once, on the first date of such publication.

Notices to be given by any Noteholder shall be in writing and given by lodging the same, together (in the case of any Note in definitive form) with the relative Note or Notes, with the Agent. Whilst any of the Notes are represented by a Global Note, such notice may be given by any holder of a Note to the Agent through Euroclear and/or Clearstream, Luxembourg, as the case may be, in such manner as the Agent and Euroclear and/or Clearstream, Luxembourg, as the case may be, may approve for this purpose.

#### **15. MEETINGS OF NOTEHOLDERS, MODIFICATION, WAIVER AND SUBSTITUTION**

The Trust Deed contains provisions for convening meetings of the Noteholders to consider any matter affecting their interests, including the sanctioning by Extraordinary Resolution of a modification of the Notes, the Receipts, the Coupons or any of the provisions of the Trust Deed. Such a meeting may be convened by the Issuer, the Guarantor or the Trustee and shall be convened by the Issuer if required in writing by Noteholders holding not less than ten per cent. in nominal amount of the Notes for the time being remaining outstanding. The quorum at any such meeting for passing an Extraordinary Resolution is one or more persons holding or representing not less than 50 per cent. in nominal amount of the Notes for the time being outstanding, or at any adjourned meeting one or more persons being or representing Noteholders whatever the nominal amount of the Notes so held or represented, except that at any meeting the business of which includes the modification of certain provisions of the Notes, the Receipts or the Coupons or the Trust Deed (including modifying the date of maturity of the Notes or any date for payment of interest thereon, reducing or cancelling the amount of principal or the rate of interest payable in respect of the Notes or altering the currency of payment of the Notes, the Receipts or the Coupons), the quorum shall be one or more persons holding or representing not less than two-thirds in nominal amount of the Notes for the time being outstanding, or at any adjourned such meeting one or more persons holding or representing not less than one-third in nominal amount of the Notes for the time being outstanding. An Extraordinary Resolution passed at any meeting of the Noteholders shall be binding on all the Noteholders, whether or not they are present at the meeting, and on all Receiptholders and Couponholders.

The Trustee may agree, without the consent of the Noteholders, Receiptholders or Couponholders, to any modification of, or to the waiver or authorisation of any breach or proposed breach of, any of the provisions of the Notes or the Trust Deed, or determine, without any such consent as aforesaid, that any Event of Default or potential Event of Default shall not be treated as such, where, in any such case, it is not, in the opinion of the Trustee, materially prejudicial to the interests of the Noteholders so to do or may agree, without any such consent as aforesaid, to any modification which is of a formal, minor or technical nature or to correct a manifest error or an error which, in the opinion of the Trustee, is proven. Any such modification shall be binding on the Noteholders, the Receiptholders and the

Couponholders and any such modification shall be notified to the Noteholders in accordance with Condition 14 as soon as practicable thereafter.

The Trust Deed provides for a resolution, with or without notice, in writing signed by or on behalf of the holder or holders of not less than 90 per cent of the nominal amount of the Notes for the time being outstanding to be effective and binding as if it were an Extraordinary Resolution duly passed at a meeting of the Noteholders.

In connection with the exercise by it of any of its trusts, powers, authorities and discretions (including, without limitation, any modification, waiver, authorisation or determination), the Trustee shall have regard to the general interests of the Noteholders as a class (but shall not have regard to any interests arising from circumstances particular to individual Noteholders, Receiptholders or Couponholders whatever their number) and, in particular but without limitation, shall not have regard to the consequences of any such exercise for individual Noteholders, Receiptholders or Couponholders (whatever their number) resulting from their being for any purpose domiciled or resident in, or otherwise connected with, or subject to the jurisdiction of, any particular territory or any political sub-division thereof and the Trustee shall not be entitled to require, nor shall any Noteholder, Receiptholder or Couponholder be entitled to claim, from the Issuer, the Guarantor, the Trustee or any other person any indemnification or payment in respect of any tax consequences of any such exercise upon individual Noteholders, Receiptholders or Couponholders except to the extent already provided for in Condition 8 and/or any undertaking or covenant given in addition to, or in substitution for, Condition 8 pursuant to the Trust Deed.

The Trustee may, without the consent of the Noteholders, agree with the Issuer to the substitution in place of the Issuer (or of any previous substitute under this Condition) as the principal debtor under the Notes, the Receipts, the Coupons and the Trust Deed of another company, being a Subsidiary of the Guarantor, or agree with the Guarantor to the substitution in place of the Guarantor (or of any previous substitute under this Condition) by its successor in business or by any subsidiary of the Guarantor or its successor in business, subject to (a) in the case of the substitution of the Issuer the Notes being unconditionally and irrevocably guaranteed by the Guarantor, (b) the Trustee being satisfied that the interests of the Noteholders will not be materially prejudiced by the substitution and (c) certain other conditions set out in the Trust Deed being complied with.

#### **16. INDEMNIFICATION OF THE TRUSTEE AND TRUSTEE CONTRACTING WITH THE ISSUERS AND/OR THE GUARANTOR**

The Trust Deed contains provisions for the indemnification of the Trustee and for its relief from responsibility, including provisions relieving it from taking action unless indemnified and/or secured and/or pre-funded to its satisfaction.

The Trust Deed also contains provisions pursuant to which the Trustee is entitled, *inter alia*, (a) to enter into business transactions with the Issuers, the Guarantor and/or any of their respective Subsidiaries and to act as trustee for the holders of any other securities issued or guaranteed by, or relating to, the Issuers, the Guarantor and/or any of their respective Subsidiaries, (b) to exercise and enforce its rights, comply with its obligations and perform its duties under or in relation to any such transactions or, as the case may be, any such trusteeship without regard to the interests of, or consequences for, the Noteholders, Receiptholders or Couponholders and (c) to retain and not be liable to account for any profit made or any other amount or benefit received thereby or in connection therewith.

#### **17. FURTHER ISSUES**

The Issuer shall be at liberty from time to time without the consent of the Noteholders, the Receiptholders or the Couponholders to create and issue further notes having terms and

conditions the same as the Notes or the same in all respects save for the amount and date of the first payment of interest thereon and so that the same shall be consolidated and form a single Series with the outstanding Notes.

## **18. CONTRACTS (RIGHTS OF THIRD PARTIES) ACT 1999**

No person shall have any right to enforce any term or condition of this Note under the Contracts (Rights of Third Parties) Act 1999, but this does not affect any right or remedy of any person which exists or is available apart from that Act.

## **19. GOVERNING LAW AND SUBMISSION TO JURISDICTION**

### **19.1 Governing law**

The Trust Deed (including the Guarantee), the Agency Agreement, the Notes, the Receipts and the Coupons and any non-contractual obligations arising out of or in connection with the Guarantee, the Agency Agreement, the Notes, the Receipts and the Coupons, are governed by, and shall be construed in accordance with, English law.

### **19.2 Submission to jurisdiction**

The Issuer (if the Issuer is CRH Finance or CRH Finance BV) irrevocably agrees, for the benefit of the Trustee, the Noteholders, the Receiptholders and the Couponholders, that the courts of England are to have exclusive jurisdiction to settle any disputes which may arise out of or in connection with the Trust Deed, the Notes, the Receipts and/or the Coupons (including a dispute relating to any non-contractual obligations arising out of or in connection with the Notes, the Receipts and/or the Coupons) and accordingly submits to the exclusive jurisdiction of the English courts.

The Issuer (if the Issuer is CRH Finance or CRH Finance BV) waives any objection to the courts of England on the grounds that they are an inconvenient or inappropriate forum. The Trustee, the Noteholders, the Receiptholders and the Couponholders may take any suit, action or proceedings (together referred to as **Proceedings**) arising out of or in connection with the Trust Deed, the Notes, the Receipts and the Coupons (including any Proceedings relating to any non-contractual obligations arising out of or in connection with the Notes, the Receipts and the Coupons), against the Issuer in any other court of competent jurisdiction and concurrent Proceedings in any number of jurisdictions.

### **19.3 Appointment of Process Agent**

The Issuer (if the Issuer is CRH Finance or CRH Finance BV) appoints CRH Finance UK at its registered office at c/o Ibstock Brick Limited, Leicester Road, Ibstock, Leicestershire, LE67 6HS as its agent for service of process in connection with any Proceedings in England, and undertakes that, in the event of CRH Finance UK ceasing so to act or ceasing to be registered in England, it will appoint another person approved by the Trustee as its agent for service of process in England in respect of any Proceedings in England. Nothing herein shall affect the right to serve proceedings in any other manner permitted by law.



## USE OF PROCEEDS

The net proceeds from each issue of Notes will be applied by the relevant Issuer for its general corporate purposes, which include, *inter alia*, making intra-group loans and equity contributions to CRH Group companies. If, in respect of any particular issue of Notes which are derivative securities for the purposes of Article 15 of the Commission Regulation No 809/2004 implementing the Prospectus Directive, there is a particular identified use of proceeds, this will be stated in the applicable Final Terms.

## DESCRIPTION OF CRH FINANCE LIMITED

### Overview

CRH Finance Limited (**CRH Finance**) is an indirect wholly-owned subsidiary of CRH. CRH Finance is incorporated in Ireland with registration number 50074. CRH Finance was incorporated under the Companies Act 1963 (as amended) on 17 December 1974 as a limited liability company under the name Cement-Roadstone Finance Limited and its name was changed to CRH Finance Limited with the approval of the Registrar of Companies on 2 June 1987. The address of CRH Finance's registered office is 42 Fitzwilliam Square, Dublin 2, Ireland and the telephone number of the registered office is +353-1-634-4340.

The issued share capital of CRH Finance is legally and beneficially owned and directly controlled by Cement Roadstone Investment Company Limited (as nominee for CRH), CRH and CRH Belgard Limited (an indirect wholly-owned subsidiary of CRH). The rights of CRH as a shareholder in CRH Finance are contained in the articles of association of CRH Finance and will be managed by its directors in accordance with those articles and with Irish law.

### Business of CRH Finance

CRH Finance is a finance company established principally to borrow and lend monies to the Group companies on behalf of CRH.

### Board of Directors

The Directors and Company Secretary of CRH Finance and their functions and principal activities outside the Group, are as follows:

<u>Name</u>	<u>Title</u>	<u>Principal activities outside the CRH Group</u>
Maeve Carton <sup>(1)</sup>	Director	–
Myles Lee <sup>(1)</sup>	Director	–
Albert Manifold <sup>(1)</sup>	Director	–
Neil Colgan <sup>(2)</sup>	Secretary	–

The business address of each of the above is: (1) Belgard Castle, Clondalkin, Dublin 22, Ireland and (2) 42 Fitzwilliam Square, Dublin 2, Ireland.

There are no potential conflicts of interest between the duties to CRH Finance of any of the Directors listed above and their private interests and/or other duties.

### Share Capital

The authorised share capital of CRH Finance is €6,250,002,500 divided into 4,000,001,000 "A" Ordinary Shares with a par value of €1.25 each, 1,000 "B" Ordinary Shares with a par value of €1.25 each and 1,000,000,000 "C" Redeemable Shares of €1.25 each. Its issued and fully paid up share capital is €552,037,808 being made up of divided into 100,001,000 "A" Ordinary Shares with a par value of €1.25 each, 1,000 "B" Ordinary Shares with a par value of €1.25 each and 341,628,246 "C" Redeemable Shares of €1.25 each.

### Litigation

CRH Finance is not and has not been involved in any governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which CRH Finance is aware),

during the 12 months prior to the date hereof, which may have, or have had in the recent past a significant effect on the financial position or profitability of CRH Finance.

### **Financial Information**

Pursuant to the provisions of Section 17, Companies (Amendment) Act, 1986, CRH has guaranteed the liabilities of CRH Finance for the financial year ended 31 December 2011 and 31 December 2010 and, as a result, CRH Finance has been exempted from the filing provisions of Section 7, Companies (Amendment) Act, 1986 and Regulation 20 of the European Communities (Accounts Regulations), 1993 respectively. CRH Finance is an indirect wholly-owned subsidiary of CRH and the consolidated accounts of CRH Finance are consolidated into the consolidated annual accounts of CRH.

## DESCRIPTION OF CRH FINANCE (U.K.) PLC

### Overview

CRH Finance (U.K.) plc (**CRH Finance UK**), is an indirect wholly-owned subsidiary of CRH. CRH Finance UK has no subsidiaries. CRH Finance UK is incorporated in England and Wales with registration number 02153217. CRH Finance UK was incorporated under the Companies Act 1985 on 6 August 1987 as a public company limited by shares under the name “Equalcity Public Limited Company” and its name was changed to CRH Finance (U.K.) plc by special resolution passed on 16 September 1987. The address of CRH Finance UK’s registered office is c/o Ibstock Brick Limited, Leicester Road, Ibstock, Leicestershire, LE67 6HS, England and the telephone number of the registered office is +44 1530 261 999.

All transactions between CRH and CRH Finance UK are carried out on an arm’s length basis.

The issued share capital of CRH Finance UK is legally and beneficially owned and directly controlled by CRH (UK) Limited, a limited liability company incorporated in England and Wales with registered number 1380120. The rights of CRH (UK) Limited as shareholder in CRH Finance UK are contained in the articles of association of CRH Finance UK and will be managed by its directors in accordance with those articles and with English law.

### Business of CRH Finance UK

CRH Finance UK acts as a financing company on behalf of CRH and the Group.

### Board of Directors

The Directors and Company Secretary of CRH Finance UK and their functions are as follows:

<u>Name</u>	<u>Title</u>
Angus W. Bennion	Director
Stephen Hardy, MBE	Director & Secretary
Kevin J. Sims	Director

None of the Directors listed above have any activities outside the Group which are significant with respect to the Group.

The business address of each of the above is c/o Ibstock Brick Limited, Leicester Road, Ibstock, Leicestershire, LE67 6HS, England.

There are no potential conflicts of interest between the duties to CRH Finance UK of any of the Directors listed above and their private interests and/or other duties.

### Litigation

CRH Finance UK is not and has not been involved in any governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which CRH Finance UK is aware), during the 12 months prior to the date hereof, which may have, or have had in the recent past a significant effect on the financial position or profitability of CRH Finance UK.

### Share Capital

The authorised share capital of CRH Finance UK is £50,000 divided into 50,000 ordinary shares with a par value of £1.00 each. Its issued and fully paid up share capital is £50,000.

## **Financial Information**

CRH Finance UK's annual financial year-end date is 31 December. CRH Finance UK's latest annual audited financial statements are for the year ended 31 December 2011. The independent auditor of CRH Finance UK is Ernst & Young LLP, authorised and regulated by the Institute of Chartered Accountants in England and Wales.

## DESCRIPTION OF CRH FINANCE B.V.

### Overview

CRH Finance B.V. (**CRH Finance BV**) is an indirect wholly-owned subsidiary of CRH. CRH Finance BV has no subsidiaries. CRH Finance BV is registered with the Trade Register of the Chamber of Commerce in The Hague (*Haaglanden*) under number 27305565 and has its corporate seat at Rijswijk Zh, The Netherlands. CRH Finance BV was incorporated under the laws of The Netherlands on 11 September 2007 as a private company with limited liability, under the name “CRH Finance B.V.”. The address of CRH Finance BV’s registered office is Einsteinlaan 26, 2289 CC, Rijswijk ZH, The Netherlands and the telephone number of the registered office is +31 70 414 2400.

The issued share capital of CRH Finance BV is ultimately beneficially owned and directly controlled by CRH. The rights of CRH as a shareholder in CRH Finance BV are contained in the articles of association of CRH Finance BV and will be managed by its directors in accordance with those articles and with Dutch law.

All transactions between CRH and CRH Finance BV are carried out on an arm’s length basis.

### Business of CRH Finance BV

CRH Finance BV is a special purpose vehicle established to act as a finance company on behalf of CRH.

### Board of Directors

The Directors of CRH Finance BV and their functions are as follows:

<u>Name</u>	<u>Title</u>
Mr. E.H.O.M. Bouwman	Director
Mr. E.J. Bax	Director

None of the Directors listed above have any activities outside the Group which are significant with respect to the Group.

The business address of each of the above is Einsteinlaan 26, 2289 CC, Rijswijk ZH, The Netherlands.

There are no potential conflicts of interest between the duties to CRH Finance BV of any of the Directors listed above and their private interests and/or other duties.

### Litigation

CRH Finance BV is not and has not been involved in any governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which CRH Finance BV is aware), during the 12 months prior to the date hereof, which may have, or have had in the recent past a significant effect on the financial position or profitability of CRH Finance BV.

### Share Capital

The authorised share capital of CRH Finance BV is 90,000 divided into 90,000 ordinary shares with a par value of 1.00 each. Its issued and fully paid up share capital is 18,000.

### Financial Information

CRH Finance BV’s annual financial year-end date is 31 December.

CRH Nederland B.V., the parent company of CRH Finance BV, has given a declaration of liability (the “403 declaration”) in respect of all debt obligations of CRH Finance BV. The 403 declaration is part of Dutch company law provisions designed to enable subsidiaries of parent companies which publish consolidated annual accounts to obtain an exemption from the statutory requirements to separately publish and have audited their own annual accounts. CRH Nederland B.V. is an indirect wholly-owned subsidiary of CRH and the consolidated accounts of CRH Nederland B.V. are consolidated into the consolidated annual accounts of CRH.

## DESCRIPTION OF CRH PLC

### Overview

CRH plc (CRH) is the parent company for an international group of companies, engaged in the manufacture and supply of a wide range of building materials and in the operation of builders' merchanting and "Do-It-Yourself" (DIY) stores. CRH is one of the largest companies, based on market capitalisation, quoted on The Irish Stock Exchange Limited in Dublin. CRH is also quoted on The London Stock Exchange Limited in the United Kingdom and its American Depository Shares are listed on the New York Stock Exchange in the United States. In December 2011, changes in the Group's listing arrangements facilitated the inclusion of CRH in the FTSE 100 and FTSE All-Share indices. CRH continues to be included in the MSCI Euro indices, the EuroStoxx indices and in the ISEQ 20 and ISEQ Overall indices, among others. The market capitalisation of CRH as at the date of this Base Prospectus was €10.2 billion.

CRH resulted from the merger in 1970 of two leading Irish public companies, Cement Limited (established in 1936) and Roadstone Limited (incorporated in 1949). Cement Limited manufactured and supplied cement while Roadstone Limited was primarily involved in the manufacture and supply of aggregates, readymixed concrete, mortar, coated macadam, asphalt and contract surfacing to the Irish construction industry.

CRH is a holding company incorporated and domiciled in Ireland with registration number 12965. CRH was incorporated under the Companies Acts 1908 to 1924 (as amended) on 20 June 1949 as a private company limited by shares under the name Roadstone, Limited. Its name was changed to Cement-Roadstone Holdings Limited by special resolution in 1970. On 20 January 1984, it re-registered under the Irish Companies Acts 1963 to 1983 as a public limited company and in 1987 its name was changed by special resolution and entered on the register of companies on 18 May 1987 as CRH plc. CRH operates under the Companies Acts of Ireland, 1963 to 2009 and the Investment Funds, Companies and Miscellaneous Provisions Act, 2006, each as amended. CRH's worldwide headquarters are located in Dublin, Ireland. Its principal executive offices are located at Belgard Castle, Clondalkin, Dublin 22 (telephone: +353 1 404 1000). The Company's registered office is located at 42 Fitzwilliam Square, Dublin 2, Ireland and is the holding company for its direct and indirect share and loan interests in subsidiaries, joint ventures and associates. From Group headquarters, a small team of executives exercises strategic control over its decentralised operations.

For reporting purposes, the Group is organised into six business segments comprising Europe Materials (including activities in China and India), Americas Materials (in the United States), Europe Products (including activities in Australia), Americas Products (in the United States, Mexico, Canada, Chile and Argentina), Europe Distribution and Americas Distribution (in the United States). The activities of the various segments are briefly described below as follows:

*Materials* businesses are predominantly engaged in the production and sale of a range of primary materials including cement, aggregates, readymixed concrete, asphalt/bitumen and agricultural and/or chemical lime.

*Products* businesses are predominantly engaged in the production and sale of architectural and structural concrete products, clay products, fabricated and tempered glass products, construction accessories and the provision of a wide range of interrelated products and services to the construction sector.

*Distribution* businesses encompass builders merchanting activities and DIY stores engaged in the marketing and sale of supplies to the construction sector and to the general public.

As a result of planned geographic diversification since the mid-1970s, and most particularly in the period 2001 to 2008, the Group has expanded by acquisition and organic growth into an international manufacturer and supplier of building materials. CRH now has operations in 36



countries, mainly in Western Europe and North America as well as, to a lesser degree, in developing economies in Eastern Europe, South America, the Mediterranean basin, China and India, employing approximately 76,000 people at over 3,600 locations.

## Strategy

CRH's strategy is to sustain and grow a geographically diversified business with exposure to all segments of construction demand, enabling CRH to achieve its vision of being a responsible international leader in building materials delivering superior performance and growth.

CRH strives to out-perform in its business operations, develop its people and build regional market leadership positions across an actively managed portfolio, while a federal structure effectively combines large company resources and local company entrepreneurship. The portfolio is well balanced across geographies, sector end-uses, and both new and repair, maintenance and improvement (RMI) construction, thus providing exposure to multiple demand drivers which help smooth the effects of varying economic cycles. With a rigorous approach to capital allocation and a strong focus on cash generation, CRH reinvests in its existing assets and acquires well-run, value-creating businesses while seeking exposure to new development opportunities and creating platforms for future growth. In a fragmented industry, CRH typically acquires small to mid-sized companies which complement the existing network, and this is augmented from time to time with larger transactions where we see compelling value. This sustainable business model and overall strategic approach has enabled CRH to deliver superior long-term performance through the business cycle.

In 2011, CRH employed approximately 76,000 people at 3,600 operating locations in 36 countries worldwide; 18 developed-world economies in Western Europe, North America and Australia which together delivered approximately 85% of Group EBITDA; and 18 developing economies in Central and Eastern Europe, the Mediterranean Basin, South America and Asia which together delivered approximately 15% of Group EBITDA.

In the developed world, CRH's strategic focus is to continue to reinvest in its established platforms for operational efficiency, product quality and customer service. The development of these businesses primarily through bolt-on acquisitions which enhance vertical integration, bolster CRH's strong long-term permitted reserves positions and fill out regional and product level positions. In Western Europe and North America, CRH has built a balanced portfolio of businesses which services the breadth of building materials demand from the fundamentals of heavy materials and elements to construct the frame, through value-added exterior products that complete the building envelope, to distribution channels which service construction fit-out and renewal. In many of its regions, CRH's diverse business base is uniquely positioned to provide a broad product offering to the construction industry. While CRH's heavyside building materials operations support the Group's exposure to new-build construction, the lightside of CRH's product range enables CRH to participate in the growing RMI markets of mature economies.

In emerging market regions, CRH's strategy is to target premium assets as an initial footprint, usually in cement and often in partnership with strong local established businesses. CRH identifies entry platforms that have well located quality operations and good regional market positions and which have the potential to develop further downstream into integrated building materials businesses as construction markets become more sophisticated over time. In the mid-1990s, CRH applied this approach to its entry into the Polish market and today the Group is the leading integrated building materials company in Poland. CRH is now replicating this approach in its platforms in Ukraine, India and China. As these markets develop, more sophisticated construction methods will emerge and, as has been CRH's experience in Eastern Europe, a wide range of value-added construction products will be required, enabling CRH to roll out a broader range of products across the industry.

## Annualised volumes, Revenue and Operating profit across the Group

The following table is a breakdown of annualised production volumes:

	<u>2011</u>	<u>2010</u>
<b>Materials</b>		
Cement* .....	15.6million tonnes	13.2 million tonnes
Aggregates.....	169.8 million tonnes	159.4 million tonnes
Asphalt .....	42.3 million tonnes	41.9 million tonnes
Readymixed Concrete* .....	16.1 million cubic metres	15.0 million cubic metres
<b>Products</b>		
Structural/Precast Concrete .....	8.0 million tonnes	7.7 million tonnes
Architectural Concrete .....	13.4 million tonnes	18.3 million tonnes
Clay.....	2.9 million tonnes	2.8 million tonnes
Fencing & Security .....	13.5 million lineal metres	12.2 million lineal metres
Glass/Rooflights .....	9.2 million square metres	9.2 million square metres
<b>Distribution</b>		
Builders Merchants .....	714 branches	677 stores
DIY .....	243 stores	243 stores

\* Excludes CRH's share of cement (c. 8.9m tonnes) and readymixed concrete (c. 0.7 cubic metres) attributed to associates, Uniland in Spain (26%), Mashav in Israel (25%) and Yatai Building Materials in China (26%).

The percentage of Group revenue by geography and segments are:

	<u>2011</u>	<u>2010</u>
<b>Geographic</b>		
Americas.....	45%	47%
Europe.....	55%	53%
	<u>100%</u>	<u>100%</u>
<b>Segmental</b>		
Materials.....	41%	41%
Products .....	28%	31%
Distribution .....	31%	28%
	<u>100%</u>	<u>100%</u>

The breakdown of Group EBITDA by customer and product sectors are:

	<u>2011</u>	<u>2010</u>
<b>Customer</b>		
Residential .....	35%	35%
Non-Residential .....	30%	30%
Infrastructure .....	35%	35%
Total	<u>100%</u>	<u>100%</u>
<b>Product Sector</b>		
New Construction .....	55%	55%
Repair, Maintenance & improvement.....	45%	45%
Total	<u>100%</u>	<u>100%</u>

## **Europe Materials**

Europe Materials' strategy is to build strong vertically integrated regional positions. Operating in 20 countries, the business is founded in resource-backed cement and aggregates assets which support the manufacture and supply of aggregates, concrete and asphalt products. With a network of well-invested facilities, Europe Materials focuses on operational excellence initiatives which include production efficiencies, greater use of alternative fuels and manufacture of low carbon cements, while the scale of its operations provides economies in purchasing and logistics management.

Development focus is centred on bolt-on acquisitions for synergies, reserves and further vertical integration in addition to opportunities in contiguous regions to extend and strengthen regional positions. Europe Materials has championed CRH's entry into developing markets that offer long-term growth potential, with entry via cement and aggregates assets and the potential to roll out its operational excellence programmes and vertical integration approach over time. In total, Europe Materials employs approximately 11,600 people at close to 650 locations.

## **Americas Materials**

Americas Materials' strategy is to build strong regional positions underpinned by well-located, long-term reserves. Operating in 44 states with 12.4 billion tonnes of permitted aggregates reserves of which 80% are owned, this business is vertically integrated from primary resource quarries into aggregates, asphalt and readymixed concrete products. With 65% exposure to infrastructure, the business is further integrated into asphalt paving services through which it is a principal supplier of products to US highway repair and maintenance demand.

Its national network of operations and deep local market knowledge drive local performance and national synergies in procurement, cost management and operational excellence. In a largely unconsolidated sector where the top ten industry participants account for just 30% of US aggregates production, 25% of asphalt production and 20% of readymixed concrete production, CRH is structured and positioned to participate as the industry consolidates further. Americas Materials employs approximately 17,800 people at close to 1,200 operating locations.

## **Europe Products**

Europe Products' strategy is to build and grow scalable businesses in the large European construction markets. The strategy is delivered by increasing the penetration of CRH products, developing positions to benefit from scale and best practice. It creates competitive advantage through product, process and end-use innovation, while maintaining a balanced exposure to demand drivers.

Operating in 19 countries, this business is a regional leader in concrete products, concrete landscaping, clay products, construction accessories and entrance control systems. Leveraging the benefits of its regional platforms, it realises operational and procurement synergies across the network. Pan-European product development provides construction solutions which increase efficiencies on site, creating more design freedom for architects and enhancing the built environment. Europe Products' development strategy is to further penetrate the growing RMI markets of developed Europe and to broaden the product range in developing regions as construction markets in those regions become more sophisticated. This segment employs approximately 16,600 people at close to 400 operating locations.

## **Americas Products**

Americas Products' strategy is to build a national footprint of an optimised portfolio of businesses which offer regional leadership positions across a full range of building products (precast and architectural concrete, clay and fencing products, packaged lawn and garden products, and packaged concrete mixes) and BuildingEnvelope™ solutions (glass and aluminium glazing systems) under the Oldcastle brand name. A coordinated approach at both a national and regional level

achieves economies of scale and facilitates sharing of best practices which drive operational and commercial improvement. Through Oldcastle's North American research and development centre, a continuous pipeline of innovative value-added products and design solutions is maintained.

Operating in 40 states in the United States, CRH has the breadth of product range and national footprint to provide a national service to customers with the personal touch of a local supplier. Focussing on strategic and national accounts, the new Oldcastle Building Solutions initiative provides an additional platform for growth as it is uniquely positioned in the industry to offer solutions to customers across all phases of building construction. Employees total approximately 14,900 at close to 380 locations.

### **Europe Distribution**

Europe Distribution's strategy is to seek opportunities to increase its network density in the largely unconsolidated core European markets while also investing in other attractive segments of building materials distribution. Organisational initiatives leverage expertise between DIY and builders merchants and use best-in-class IT to deliver operational excellence, optimise the supply chain and provide superior customer service.

From a solid base in the Netherlands, CRH has extensively expanded its leading builders merchants positions in Switzerland, Germany, Austria and France in addition to growing its DIY "Gamma" format in the Benelux. Substantial opportunities remain to increase its existing network in core European markets and to establish new platforms aimed at growing its exposure to RMI market demand. A recent example is CRH's entry into the developing Sanitary, Heating and Plumbing (SHAP) distribution market through the acquisition of a Swiss provider of high-end sanitary ware, since replicated in contiguous markets in Germany and Belgium. Europe Distribution employs approximately 12,100 people at over 760 operating locations.

### **Americas Distribution**

Americas Distribution's strategy is focussed on being the supplier of choice to the professional roofing and siding contractor and to applying this successful distribution model to the Interior Products demand segment. Demand in the Exterior Products business is largely influenced by residential and commercial replacement activity with the key products having an average life span of 25 years. The Interior Products division has less exposure to replacement activity as demand is largely driven by the new commercial construction market. State-of-the-art IT, disciplined and focussed cash management and well-established procurement and commercial systems support supply chain optimisation and enable CRH to provide superior customer service.

Growth opportunities include investment in new regions, in complementary private label and energy-efficient product offerings, and in other attractive building materials distribution segments that service professional dealer networks. Employees total approximately 3,300 at over 190 operating locations.

## Directors

The Board of Directors manages the business of CRH. The Directors, other than the non-executive Directors, serve as executive officers of CRH. The Directors of CRH and their functions and principal activities outside the Group, are as follows:

<u>Name</u>	<u>Title</u>
E.J. Bärtschi	Director (Non-executive)
M. Carton	Finance Director
W.P. Egan	Director (Non-executive)
U-H. Felcht	Director (Non-executive)
N. Hartery	Chairman (Non-executive)
J.M. de Jong	Director (Non-executive)
J.W. Kennedy	Director (Non-executive)
M. Lee	Chief Executive
A. Manifold	Chief Operating Officer
H.A. McSharry	Director (Non-executive)
D.N. O'Connor	Director (Non-executive)
M.S. Towe	Chief Executive Officer Oldcastle, Inc.

The business address of each of the above is Belgard Castle, Clondalkin, Dublin 22, Ireland.

### **E.J. Bärtschi LIC.OEC.HSG**

Ernst Bärtschi became a non-executive Director in October 2011. A Swiss national, he was until 31 December 2011 Chief Executive of Sika AG, a manufacturer of speciality chemicals for construction and general industry. Prior to joining Sika, he worked for the Schindler Group and was Chief Finance Officer between 1997 and 2001. Over the course of his career he has gained extensive experience in India, China and the Far East generally. He is a member of the board of Bucher Industries AG, a mechanical and vehicle engineering company based in Switzerland.

### **M. Carton MA, FCA**

Maeve Carton was appointed Finance Director and became a CRH Board Director in May 2010. Since joining CRH in 1988, she has held a number of roles in the Group Finance area and was appointed Group Controller in 2001 and Head of Group Finance in January 2009. She has broad-ranging experience of CRH's reporting, control, budgetary and capital expenditure processes and has been extensively involved in CRH's evaluation of acquisitions. Prior to joining CRH, she worked for a number of years as a chartered accountant in an international accountancy practice.

### **W.P. Egan**

Bill Egan became a non-executive Director in January 2007. A United States citizen, he is founder and General Partner of Alta Communications and Marion Equity Partners LLC, Massachusetts-based venture capital firms. He is a director of the Irish venture capital company Delta Partners Limited. He also serves on the boards of several communications, cable and information technology companies. He is past Chairman of Cephalon Inc., and past President and Chairman of the National Venture Capital Association.

#### **U-H. Felcht**

Utz-Hellmuth Felcht became a non-executive Director in July 2007. A German national, he was, until May 2006, Chief Executive of Degussa AG, Germany's third largest chemical company. He is a partner in the private equity group One Equity Partners Europe GmbH, Chairman of the German rail company Deutsche Bahn AG, and a member of the Supervisory Board of Jungbunzlauer Holding AG. He was until May 2011 Chairman of the Supervisory Board of Süd-Chemie Aktiengesellschaft.

#### **N. Hartery BE, CEng, FIEI, MBA**

Nicky Hartery became a non-executive Director in June 2004 and was appointed Chairman in May 2012. He was Vice President of Manufacturing and Business Operations for Dell Inc.'s Europe, Middle East and Africa (EMEA) operations from 2000 to 2008. 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. He is Chief Executive of Prodigium, a consulting company which provides business advisory services. He is also a non-executive director of Musgrave Group plc, a privately owned international food retailer, and Eircom Limited, a company which provides telecommunications services in Ireland.

#### **J.M. de Jong**

Jan Maarten de Jong became a non-executive Director in January 2004. A Dutch national, he is a member 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 Advisor to the board of that company until April 2006. He is also a director of a number of European banking, insurance and industrial holding companies, including AON Groep Nederland B.V. and KBC Bank N.V.

#### **J.W. Kennedy MSc, BE, CEng, FIEE**

John Kennedy became a non-executive Director in June 2009. He is past Chairman of Wellstream Holdings plc. In a 40 year career, he has served as Executive Vice President of Halliburton Company, President of Dresser Enterprises and Chief Operations Officer of Brown and Root Services. He is a director of Integra Group and is non-executive Chairman of Maxwell Drummond International Limited, Hydrasun Holdings Limited, Welltec A/S and BiFold Group Limited. He is also a past director of the UK Atomic Energy Authority.

#### **M. Lee BE, FCA**

Myles Lee was appointed a CRH Board Director in November 2003. He 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 and to the position of Finance Director in November 2003. A civil engineer and chartered accountant, he has 30 years' experience of the building materials industry and of CRH's international expansion. He was appointed Group Chief Executive with effect from January 2009.

#### **A. Manifold FCPA, MBA, MBS**

Albert Manifold was appointed Chief Operating Officer of CRH and to the CRH Board with effect from January 2009. He joined CRH in 1998. Prior to joining CRH he was Chief Operating Officer with a private equity group. He has held a variety of senior positions, including Finance Director of the Europe Materials Division and Group Development Director of CRH. Prior to his current appointment, he was Managing Director, Europe Materials.

#### **H.A. McSharry BComm, MBS**

Heather Ann McSharry became a non-executive Director in February 2012. She is Chairman of the Board of Trustees of the Bank of Ireland Pension Fund and is a director of Ergonomics Solutions International, IDA Ireland and the Institute of Directors. She is a former Managing Director of Reckitt Benckiser and Boots Healthcare in Ireland and was previously a director of Bank of Ireland and Enterprise Ireland.

#### **D.N. O'Connor BComm, FCA**

Dan O'Connor became a non-executive Director in June 2006. He is a former President and Chief Executive Officer of GE Consumer Finance -Europe and a former Senior Vice-President of GE. He was until October 2010 Executive Chairman of Allied Irish Banks, plc.

#### **M.S. Towe**

Mark Towe was appointed a CRH Board Director with effect from July 2008. A United States citizen, he joined CRH in 1997. In 2000, he was appointed President of Oldcastle Materials, Inc. and became the Chief Executive Officer of this Division in 2006. He was appointed to his current position of Chief Executive Officer of Oldcastle, Inc. (the holding company for CRH's operations in the Americas) in July 2008. With approximately 40 years' of experience in the building materials industry, he has overall responsibility for the Group's aggregates, asphalt and readymixed concrete operations in the United States and its products and distribution businesses in the Americas.

There are no potential conflicts of interest between the duties of CRH of any of the Directors listed above and their private interests and/or other duties.

#### **Litigation**

Group companies are parties to various legal proceedings, including some in which claims for damages have been asserted against their competitors. The final outcome of all the legal proceedings to which Group companies are party cannot be accurately forecast. However, CRH is not and has not been involved in any governmental, legal or arbitration proceedings (including any such proceedings which were pending or threatened of which CRH is aware), during the 12 months prior to the date hereof, which may have, or have had in the recent past, a significant effect on the financial position or profitability of CRH and/or the Group.

## REMITTANCE OF RENMINBI INTO AND OUTSIDE THE PRC

Renminbi is not a freely convertible currency. The remittance of Renminbi into and outside the PRC is subject to control imposed under PRC law.

### Current Account Items

Under the PRC foreign exchange control regulations, current account item payments include payments for imports and exports of goods and services, payments of income and current transfers into and outside the PRC.

Prior to July 2009, all current account items were required to be settled in foreign currencies. Since July 2009, the PRC has commenced a pilot scheme pursuant to which Renminbi may be used for settlement of imports and exports of goods between approved pilot enterprises in five designated cities in the PRC including Shanghai, Guangzhou, Dongguan, Shenzhen and Zhuhai and enterprises in designated offshore jurisdictions including Hong Kong and Macau. In June 2010 and August 2011 respectively, the PRC government promulgated the Circular on Issues concerning the Expansion of the Scope of the Pilot Programme of Renminbi Settlement of Cross-Border Trades and the Circular on Expanding the Regions of Cross-border Trade Renminbi Settlement, two Circulars with regard to the expansion of designated cities and offshore jurisdictions implementing the pilot Renminbi settlement scheme for cross-border trades. Pursuant to these Circulars, (i) Renminbi settlement of imports and exports of goods and of services and other current account items became permissible, (ii) the list of designated pilot districts was expanded to cover all provinces and cities in the PRC, and (iii) the restriction on designated offshore districts has been lifted. Accordingly, any enterprises in the designated pilot districts and offshore enterprises are entitled to use Renminbi to settle imports of goods and services and other current account items between them. Renminbi remittance for exports of goods from the PRC may only be effected by approved pilot enterprises in designated pilot districts in the PRC. On 3 February 2012, PBOC and five other PRC Authorities (the **Six Authorities**) jointly issued the Notice on Matters Relevant to the Administration of Enterprises Engaged in Renminbi Settlement of Export Trade in Goods (the **2012 Circular**). Under the 2012 Circular, any enterprise qualified for the export and import business is permitted to use Renminbi as settlement currency for exports, provided that the relevant provincial government has submitted to the Six Authorities a list of key enterprises subject to supervision and the Six Authorities have verified and signed off on such list. On 12 June 2012, the PBOC issued a notice stating that the Six Authorities had jointly verified and announced a list of 9,502 exporting enterprises subject to supervision and as a result any enterprise qualified for the export and import business is permitted to use Renminbi as settlement currency for exports.

As new regulations, the circulars will be subject to interpretation and application by the relevant PRC authorities. Further, if any new PRC regulations are promulgated in the future which have the effect of permitting or restricting (as the case may be) the use of Renminbi for payment of transactions categorised as current account items, then such settlement will need to be made subject to the specific requirements or restrictions set out in such rules. Local authorities may adopt different practices in applying these circulars and impose conditions for settlement of current account items.

### Capital Account Items

Under the applicable PRC foreign exchange control regulations, capital account items include cross-border transfers of capital, direct investments, securities investments, derivative products and loans. Capital account payments are generally subject to approval of the relevant PRC authorities.

On 7 April 2011, the Shanghai Bureau of the State Administration of Foreign Exchange (**SAFE**) issued the Notice on Relevant Issues regarding Streamlining the Business Operation of Cross-border RMB Capital Account Items, which clarifies that the borrowing by an onshore entity (including a financial institution) of Renminbi loans from an offshore creditor shall in principle follow the current



regulations on borrowing foreign debts and the provision by an onshore entity (including a financial institution) of external guarantees in Renminbi shall in principle follow the current regulations on the provision of external guarantees in foreign currencies.

On 12 October 2011, MOFCOM promulgated the MOFCOM Circular, and pursuant to which, MOFCOM's prior written consent, which was previously required, is no longer required for RMB FDI, and MOFCOM and its local counterparts are authorised to approve RMB FDI in accordance with existing PRC laws and regulations regarding foreign investment, with the following exceptions which require the preliminary approval by the provincial counterpart of MOFCOM and the consent of MOFCOM in advance: (i) RMB FDI with the capital contribution in Renminbi of CNY300 million or more; (ii) RMB FDI in financing guarantee, financial leasing, micro financing or auction industries; (iii) RMB FDI in foreign invested investment companies, venture capital or equity investment enterprises; or (iv) RMB FDI in the cement, iron and steel, electrolytic aluminum, shipbuilding or other policy sensitive sectors. In addition, RMB FDI in the real estate sector is allowed following the existing rules and regulations of foreign investment in real estate, although Renminbi foreign debt remains unavailable to foreign invested real estate enterprises. The MOFCOM Circular also requires that the proceeds of RMB FDI may not be used towards investment in securities, financial derivatives or entrustment loans in the PRC, except for investments in the PRC domestic listed companies through private placements or share transfers by agreement.

On 13 October 2011, the PBOC issued the PBOC RMB FDI Measures which set out operating procedures for PRC banks to handle RMB settlement relating to RMB FDI and borrowing by foreign invested enterprises of offshore RMB loans. Prior to the PBOC RMB FDI Measures, cross-border RMB settlement for RMB FDI has required approvals on a case-by-case basis from the PBOC. The new rules replace the PBOC approval requirement with less onerous post-event registration and filing requirements. The PBOC RMB FDI Measures provide that, among others, foreign invested enterprises are required to conduct registrations with the local branch of PBOC within ten working days after obtaining the business licences for the purpose of Renminbi settlement; a foreign investor is allowed to open a Renminbi expense account to reimburse some expenses before the establishment of an foreign invested enterprise and the balance in such an account can be transferred to the Renminbi capital account of such foreign invested enterprise when it is established; commercial banks can remit a foreign investor's Renminbi proceeds from distribution (dividends or otherwise) by its PRC subsidiaries out of the PRC after reviewing certain requisite documents; if a foreign investor intends to use its Renminbi proceeds from distribution (dividends or otherwise) by its PRC subsidiaries, the foreign investor may open a Renminbi re-investment account to receive such Renminbi proceeds; and the PRC parties selling a stake in domestic enterprises to foreign investors can open Renminbi accounts and receive the purchase price in Renminbi paid by such foreign investors.

As new regulations, such notices will be subject to interpretation and application by the relevant PRC authorities. There is no assurance that approval of such remittances, borrowing or provision of external guarantee in Renminbi will continue to be granted or will not be revoked in the future. Further, since the remittance of Renminbi by way of investment or loans are now categorised as capital account items, such remittances will need to be made subject to the specific requirements or restrictions set out in the relevant SAFE rules. If any new PRC regulations are promulgated in the future which have the effect of permitting or restricting (as the case may be) the remittance of Renminbi for payment of transactions categorised as capital account items, then such remittances will need to be made subject to the specific requirements or restrictions set out in such rules.

## TAXATION

### United Kingdom Taxation

The following applies only to persons who are the beneficial owners of Notes and is a summary of the Issuers' understanding of current United Kingdom tax law and HM Revenue & Customs (HMRC) published practice relating to United Kingdom withholding tax on payments of interest in respect of the Notes and certain provision of information requirements. It is not intended to be exhaustive. It does not deal with any of the other United Kingdom tax implications of acquiring, holding or disposing of the Notes. Some aspects do not apply to certain classes of person (such as dealers and persons connected with the Issuers) to whom special rules may apply. It is assumed that none of CRH Finance Limited, CRH Finance B.V. or CRH plc is a United Kingdom resident or acts through a permanent establishment in the United Kingdom in relation to the Notes. Prospective Noteholders who may be subject to tax in a jurisdiction other than the United Kingdom or who may be unsure as to their tax position should seek their own professional advice.

### Interest on the Notes issued by CRH Finance (U.K.) plc

#### *Payment of interest on the Notes*

There is no United Kingdom withholding tax on interest payments made in respect of securities which are issued by a company and are "listed" on a recognised stock exchange, as such term is defined in section 1005 of the Income Tax Act 2007. The Irish Stock Exchange and SIX Swiss Exchange are recognised stock exchanges for these purposes. The Notes will satisfy the requirement of being "listed" on either of these exchanges if they are officially listed in Ireland or Switzerland respectively in accordance with provisions corresponding to those generally applicable in EEA States and are admitted to trading on the main market of the Irish Stock Exchange or the SIX Swiss Exchange. Provided, therefore, that the Notes issued by CRH Finance UK remain so listed, interest on such Notes will be payable by CRH Finance UK without withholding or deduction on account of United Kingdom income tax.

Interest on the Notes issued by CRH Finance UK may also be payable without withholding or deduction on account of United Kingdom income tax where the interest is paid by CRH Finance UK and, broadly, at the time the payment is made CRH Finance UK (and any other person by or through whom the interest is paid) reasonably believes that the beneficial owner of the interest is within the charge to United Kingdom corporation tax in respect of the payment, provided that HMRC has not given a direction (in circumstances where it has reasonable grounds to believe that the above exemption is not available in respect of such payment of interest at the time the payment is made) that the interest should be paid under deduction of tax.

Interest on the Notes will also be payable by CRH Finance UK without withholding or deduction on account of United Kingdom income tax in cases where the maturity of the Notes is less than 365 days and those Notes do not form part of a scheme or arrangement of borrowing intended to be capable of remaining outstanding for more than 364 days. HMRC issued a consultation document on 27 March 2012 entitled "Possible changes to income tax rules on interest", in which the United Kingdom Government has invited views on repealing this exemption from the obligation to withhold or deduct for or on account of United Kingdom income tax. It is uncertain at this stage whether, and in what form, such proposal might be implemented.

In other cases, an amount must generally be withheld from payments of interest on the Notes by CRH Finance UK on account of United Kingdom income tax at the basic rate (currently 20 per cent.). However, where an applicable double tax treaty provides for a lower rate of withholding tax (or for no tax to be withheld) in relation to a Noteholder, HMRC can issue a notice to CRH Finance UK to pay interest to the Noteholder without deduction of tax (or for interest to be paid with tax deducted at the rate provided for in the relevant double tax treaty, as applicable).

## **Interest on Notes issued by CRH Finance Limited and CRH Finance B.V.**

Payments of interest by the relevant Issuer on the Notes issued by CRH Finance Limited and CRH Finance B.V., as applicable, may be made without withholding or deduction on account of United Kingdom income tax on the basis that the interest is not expected to have a UK source. If such payments do have a UK source, the comments above in respect of the Notes issued by CRH Finance (U.K.) plc will be relevant to payments of interest by the relevant Issuer on Notes issued by CRH Finance and CRH Finance B.V., as applicable.

## **Payments in respect of the Guarantee**

If the Guarantor makes any payments in respect of interest on the Notes (or other amounts due under the Notes other than the repayment of amounts subscribed for the Notes), such payments may be subject to United Kingdom withholding tax at the basic rate, subject to the availability of other reliefs or to any direction to the contrary from HMRC in respect of such relief as may be available pursuant to the provisions of any applicable double taxation treaty.

## **Provision of Information**

Noteholders may wish to note that, in certain circumstances, HMRC has the power to obtain information (including the name and address of the beneficial owner of the interest) from any person in the United Kingdom who either pays or credits interest to or receives interest for the benefit of a Noteholder who is an individual. HMRC also has power, in certain circumstances, to obtain information from any person in the United Kingdom who pays amounts payable on the redemption of Notes which are deeply discounted securities for the purposes of the Income Tax (Trading and Other Income) Act 2005 to or receives such amounts for the benefit of another person who is an individual, although HMRC published practice indicates that HMRC will not exercise the power referred to above to require this information in respect of amounts payable on the redemption of deeply discounted securities where such amounts are paid on or before 5 April 2013. Such information may include the name and address of the beneficial owner of the amount payable on redemption. Any information obtained may, in certain circumstances, be exchanged by HMRC with the tax authorities of other jurisdictions.

## **EU Savings Directive**

Under the European Council Directive 2003/48/EC on the taxation of savings income, Member States are required to provide to the tax authorities of another Member State details of payments of interest (or similar income) paid by a person within its jurisdiction to, or collected by such a person for, an individual resident in that other Member State or to certain limited types of entity established in that other Member State. However, for a transitional period, Luxembourg and Austria are instead required (unless during that period they elect otherwise) to operate a withholding system in relation to such payments (the ending of such transitional period is dependent upon the conclusion of certain other agreements relating to information exchange by certain non-EU countries), subject to a procedure whereby, on meeting certain conditions, the beneficial owner of the interest or other income may request that no tax be withheld. A number of non-EU countries and territories have adopted similar measures to the EU Savings Directive.

The European Commission has proposed certain amendments to the Directive, which may, if implemented amend or broaden the scope of the requirements described above.

## **Irish Taxation**

The following is a summary of the principal Irish tax consequences for individuals and companies of ownership of the Notes based on the laws and practice of the Irish Revenue Commissioners currently in force in Ireland and may be subject to change. It deals with Noteholders who beneficially own their Notes and Coupons thereon as an investment. Particular rules not discussed

below may apply to certain classes of taxpayers holding Notes, such as dealers in securities, trusts etc. The summary does not constitute tax or legal advice and the comments below are of a general nature only. Prospective investors in the Notes should consult their professional advisers on the tax implications of the purchase, holding, redemption or sale of the Notes and the receipt of interest thereon under the laws of their country of residence, citizenship or domicile.

### Withholding Tax

In general, tax at the standard rate of income tax (currently 20 per cent.), is required to be withheld from payments of Irish source interest which should include interest payable on the Notes issued by CRH Finance Limited. CRH Finance (U.K.) plc and CRH Finance B.V. should not be obliged to withhold Irish tax from payments of interest on Notes issued by them so long as such payments do not constitute Irish source income. Interest on Notes issued by CRH Finance (U.K.) plc and CRH Finance B.V. may be treated as having an Irish source if:

- (a) an Issuer is resident in Ireland for tax purposes; or
- (b) an Issuer is not resident in Ireland for tax purposes but the register for the Notes is maintained in Ireland or, where the Notes are in bearer form, the Notes are physically held in Ireland; or
- (c) the assets relating to the Notes are attributed to an Irish branch or agency of an Issuer.

An Issuer will not be obliged to make a withholding or deduction for or on account of Irish income tax from a payment of interest on a Note so long as the interest paid on the relevant Note falls within one of the following categories:

- (a) **Interest paid on a quoted Eurobond:** A quoted Eurobond is a security which is issued by a company (such as the Issuers), is listed on a recognised stock exchange and carries a right to interest. Provided that the Notes issued under this Programme are interest bearing and are listed on the Irish Stock Exchange (or any other recognised stock exchange), interest paid on them can be paid free of withholding tax provided:
  - (i) the person by or through whom the payment is made is not in Ireland; or
  - (ii) the payment is made by or through a person in Ireland and either:
    - (A) the Note is held in a clearing system recognised by the Irish Revenue Commissioners; (DTC, Euroclear and Clearstream, Luxembourg are, amongst others, so recognised); or
    - (B) the person who is the beneficial owner of the quoted Eurobond and who is beneficially entitled to the interest is not resident in Ireland and has made a declaration to a relevant person (such as a paying agent located in Ireland) in the prescribed form.

Thus, so long as the Notes continue to be quoted on a recognised stock exchange and are held in a recognised clearing system, interest on the Notes can be paid by any Paying Agent acting on behalf of the Issuers without any withholding or deduction for or on account of Irish income tax. If the Notes continue to be quoted but cease to be held in a recognised clearing system, interest on the Notes may be paid without any withholding or deduction for or on account of Irish income tax provided such payment is made through a paying agent that is not in Ireland.

- (b) **Short interest:** Short interest is interest payable on a debt for a fixed period that is not intended to exceed, and, in fact, does not exceed, 365 days. The test is a commercial test applied to the commercial intent of each series of Notes issued under the Program. For example, if there is an arrangement or understanding (whether legally binding or not) for the

relevant series of Notes (or particular Note within a series) to have a life of 365 days or more, the interest paid on the relevant Note(s) will not be short interest and, unless an exemption applies, a withholding will arise.

- (c) **Interest paid on a wholesale debt instrument:** A “wholesale debt instrument” includes commercial paper (as defined in Section 246A(1) of the Taxes Consolidation Act, 1997, of Ireland (the TCA)). In that context “commercial paper” means a debt instrument, either in physical or electronic form, relating to money in any currency, which is issued by a company, recognises an obligation to pay a stated amount, carries a right to interest or is issued at a discount or at a premium, and matures within 2 years. The exemption from Irish withholding tax applies if:
- (i) the wholesale debt instrument is held in a recognised clearing system (DTC, Euroclear and Clearstream, Luxembourg are, amongst others, so recognised); and
  - (ii) the wholesale debt instrument is of an approved denomination; and in this context an approved denomination means a denomination of not less than:
    - (A) in the case of an instrument denominated in euro, €500,000;
    - (B) in the case of an instrument denominated in U.S. dollars, US\$500,000; or
    - (C) in the case of an instrument denominated in a currency other than euro or United States Dollars, the equivalent in that other currency of €500,000 using the conversion rate applicable at the time the programme under which the instrument is to be issued is first publicised).
- (d) **Interest paid in the ordinary course of business to certain non-Irish resident companies:** If, for any reason, the exemptions referred to above ceases to apply, interest payments may still be made free of withholding tax provided that the interest is paid in the ordinary course of an Issuer’s business and the Noteholder is a company which is either (i) resident in a Relevant Territory which imposes a tax that generally applies to interest receivable in that Relevant Territory by companies from sources outside that Relevant Territory or (ii) in respect of that interest exempted from the charge to Irish income tax under the terms of a double tax agreement which is either in force or which will come into force once all ratification procedures have been completed, and in each of (i) and (ii) does not receive the interest in connection with a trade or business carried on by it through a branch or agency in Ireland. A Relevant Territory is a Member State of the European Union (other than Ireland) or in a country with which Ireland has a double taxation agreement in force at the time of payment or that is signed at the time of payment and which will come into force once all ratification procedures have been completed (**Relevant Territory**).

An Issuer must be satisfied that the respective terms of the exemptions are satisfied. The test of residence in each case is determined by reference to the law of the Relevant Territory in which the Noteholder claims to be resident. For other holders of Notes, interest may be paid free of withholding tax if the Noteholder is resident in a double tax treaty country and under the provisions of the relevant treaty with Ireland such Noteholder is exempt from Irish tax on the interest and clearance in the prescribed form has been received by the Issuer before the interest is paid.

### Encashment Tax

In certain circumstances, Irish tax will be required to be withheld at the standard rate of income tax (currently 20 per cent.) from interest on any Note, where such interest is collected or realised by a bank or encashment agent in Ireland on behalf of any Noteholder. There is an exemption from encashment tax where the beneficial owner of the interest is not resident in Ireland and has made a declaration to this effect in the prescribed form to the encashment agent or bank.

## **Income Tax and the Universal Social Charge**

Notwithstanding that a Noteholder may receive interest on the Notes free of withholding tax, the Noteholder may still be liable to pay Irish tax with respect to such interest. Noteholders resident or ordinarily resident in Ireland who are individuals may be liable to pay Irish income tax, social insurance (PRSI) contributions, the universal social charge in respect of interest they receive on the Notes. Interest paid on the Notes that has an Irish source and therefore will be within the charge to Irish income tax and the universal social charge. In the case of Noteholders who are non-resident individuals, such Noteholders may also be liable to pay income tax and the universal social charge in respect of interest they receive on the Notes. Ireland operates a self-assessment system in respect of income tax and any person, including a person who is neither resident nor ordinarily resident in Ireland, with Irish source income comes within its scope.

There are a number of exemptions from Irish income tax which may apply to Noteholders. Interest payments made by an Issuer in the ordinary course of its business are exempt from income tax provided the recipient is not resident in Ireland and is a company which is either (i) resident in a Relevant Territory which imposes a tax that generally applies to interest receivable in that Relevant Territory by companies from sources outside that Relevant Territory or (ii) in respect of that interest, exempted from the charge to Irish income tax under the terms of a double tax agreement which is either in force or which is signed and will come into force once all ratification procedures have been completed. In addition, any interest which can be paid by an Issuer free of withholding tax under the quoted Eurobond or wholesale debt instrument exemptions is exempt from income tax where the recipient is a person not resident in Ireland and resident in a Relevant Territory. Further, discount on the Notes arising to a person who is not resident in Ireland and who is resident for tax purposes in a Relevant Territory will be exempt from Irish income tax provided that the Notes have been issued by the Issuer in the ordinary course of a trade or business carried on by the Issuer. For these purposes, residence is determined under the terms of the relevant double taxation agreement or in any other case, the law of the country in which the recipient claims to be resident. Interest that is exempt from income tax under any of these exemptions is also exempt from the universal social charge.

Notwithstanding these exemptions from income tax, a corporate recipient that carries on a trade in Ireland through a branch or agency in respect of which the Notes are held or attributed, may have a liability to Irish corporation tax on the interest.

Relief from Irish income tax and the universal social charge may also be available under the specific provisions of a double tax treaty between Ireland and the country of residence of the recipient.

Interest on the Notes which does not fall within the above exemptions may be within the charge to income tax and, in the case of Noteholders who are individuals, the charge to the universal social charge. However, it is understood that the Irish Revenue Commissioners have, in the past, operated a practice not to take any action to pursue any liability to income tax in respect of persons who are not regarded as being resident in Ireland except where such persons have a taxable presence of some sort in Ireland or seek to claim any relief or repayment in respect of Irish tax. There can be no assurance that the Irish Revenue Commissioners will apply this practice in the case of any Noteholder.

## **Capital Gains Tax**

A holder of Notes will not be subject to Irish tax on capital gains on a disposal of Notes unless such holder is either resident or ordinarily resident in Ireland or carries on a trade or business in Ireland through a branch or agency in respect of which the Notes were used or held.

## **Capital Acquisitions Tax**

A gift or inheritance comprising of Notes will be within the charge to capital acquisitions tax (which subject to available exemptions and reliefs, is currently levied at 25 per cent.) if either (i) the

disponer or the donee/successor in relation to the gift or inheritance is resident or ordinarily resident in Ireland (or, in certain circumstances, if the disponent is domiciled in Ireland irrespective of his residence or that of the donee/successor) on the relevant date or (ii) if the Notes are regarded as property situate in Ireland (i.e. if the Notes are physically located in Ireland or if the register of the Notes is maintained in Ireland).

### **EU Savings Directive**

Ireland has implemented the EC Council Directive 2003/48/EC on the taxation of savings; income into national law. Accordingly, any Irish paying agent making an interest payment on behalf of the Issuer to an individual or certain residual entities resident in another Member State of the European or certain associated and dependent territories of a Member State will have to provide details of the payment and certain details relating to the Noteholder (including the Noteholder's name and address) to the Irish Revenue Commissioners who in turn is obliged to provide such information to the competent authorities of the state or territory of residence of the individual or residual entity concerned.

The Issuer or its agent shall be entitled to require Noteholders to provide any information regarding their tax status, identity or residency in order to satisfy the disclosure requirements in Directive 2003/48/EC and Noteholders will be deemed by their subscription for Notes to have authorised the automatic disclosure of such information by the Issuer or its agent or any other person to the relevant tax authorities.

### **Stamp Duty**

Irish stamp duty will not be levied on the issue or redemption of the Notes. A transfer of Notes in bearer form by physical delivery only and not otherwise will not attract Irish stamp duty. A transfer of Notes by instrument in writing or effected through an approved or recognised relevant system as provided for in the Companies Act, 1990 (Uncertificated Securities) Regulations, 1996 will be subject to Irish stamp duty at a rate of 1 per cent. except where:

- (a) the Notes meet all of the following conditions:
  - (i) the Notes are not convertible into shares of a company registered in Ireland;
  - (ii) the Notes are not issued at a discount of more than 10 per cent.;
  - (iii) the Notes do not carry rights akin to share rights; and
  - (iv) the Notes do not carry a right to a payment linked to an index or indices,

OR

- (b) the Notes meet all of the following conditions:
  - (i) the Notes are issued outside Ireland;
  - (ii) are denominated in a currency other than euro;
  - (iii) are not offered for subscription in Ireland nor offered for subscription in Ireland with a view to an offer for sale in Ireland.

OR

- (c) the Notes meet all of the following conditions:
  - (i) the Notes are issued in a company which is not registered in Ireland and
  - (ii) the instrument of conveyance or transfer of the Notes does not relate to any immovable property in Ireland or any stocks or marketable securities of a company registered in Ireland.

## Dutch Taxation

### Introduction

The following summary does not purport to be a comprehensive description of all Netherlands tax considerations that could be relevant for holders of the Notes. This summary is intended as general information only. Each prospective holder should consult a professional tax adviser with respect to the tax consequences of an investment in the Notes. This summary is based on Netherlands tax legislation and published case law in force as of the date of this document. It does not take into account any developments or amendments thereof after that date, whether or not such developments or amendments have retroactive effect.

For the purpose of this summary, “the Netherlands” shall mean the part of the Kingdom of the Netherlands in Europe.

### Assumptions

For the purpose of this summary it is assumed that:

- (i) each transaction with respect to Notes is at arm’s length; and
- (ii) that none of CRH Finance, CRH Finance UK or the Guarantor are considered residents of The Netherlands for Netherlands tax purposes.

### Scope

Regardless of whether or not a holder of Notes is, or is treated as being, a resident of the Netherlands, with the exception of the section on withholding tax below, this summary does not address the Netherlands tax consequences for such a holder:

- (i) having a substantial interest (*aanmerkelijk belang*) in an Issuer (such a substantial interest is generally present if an equity stake of at least 5%, or a right to acquire such a stake, is held, in each case by reference to the Issuer’s total issued share capital, or the issued capital of a certain class of shares);
- (ii) who is a private individual and may be taxed in box 1 for the purposes of Netherlands income tax (*inkomstenbelasting*) as an entrepreneur (*ondernemer*) having an enterprise (*onderneming*) to which the Notes are attributable, or who may otherwise be taxed in box 1 with respect to benefits derived from the Notes;
- (iii) which is a corporate entity and a taxpayer for the purposes of Netherlands corporate income tax (*vennootschapsbelasting*), having a participation (*deelneming*) in an Issuer (such a participation is generally present in the case of an interest of at least 5% of the Issuer’s nominal paid-in capital);
- (iv) which is a corporate entity and an exempt investment institution (*vrijgestelde beleggingsinstelling*) or investment institution (*beleggingsinstelling*) for the purposes of Netherlands corporate income tax, a pension fund, or otherwise not a taxpayer or exempt for tax purposes;
- (v) that is resident of Aruba, Curaçao or Sint Maarten; or
- (vi) which is not considered the beneficial owner (*uiteindelijk gerechtigde*) of the Notes and/or the benefits derived from the Notes.

This summary does not describe the Netherlands tax consequences for a person to whom the Notes are attributed on the basis of the separated private assets provisions (*afgezonderd particulier vermogen*) in the Netherlands Tax Act 2001 (*Wet inkomstenbelasting 2001*) and/or the Netherlands Gift and Inheritance Tax Act 1956 (*Successiewet 1956*).



## Withholding tax

All payments made by CRH Finance, CRH Finance UK or the Guarantor under the Notes may be made free of withholding or deduction for any taxes of whatsoever nature imposed, levied, withheld or assessed by the Netherlands or any political subdivision or taxing authority thereof or therein.

All payments made by CRH Finance BV under the Notes may be made free of withholding or deduction for any taxes of whatsoever nature imposed, levied, withheld or assessed by the Netherlands or any political subdivision or taxing authority thereof or therein, provided that the Notes do not in fact function as equity of CRH Finance BV within the meaning of art. 10, paragraph 1, letter d, the Netherlands Corporate Income Tax Act (*Wet op de vennootschapsbelasting 1969*).

## Income tax

Resident holders: A holder who is a private individual and a resident, or treated as being a resident of the Netherlands for the purposes of Netherlands income tax, must record Notes as assets that are held in box 3. Taxable income with regard to the Notes is then determined on the basis of a deemed return on income from savings and investments (*sparen en beleggen*), rather than on the basis of income actually received or gains actually realised. This deemed return is fixed at a rate of 4% of the holder's yield basis (*rendementsgrondslag*) at the beginning of the calendar year, insofar as the yield basis exceeds a certain threshold (*heffingvrij vermogen*). Such yield basis is determined as the fair market value of certain qualifying assets held by the holder of the Notes, less the fair market value of certain qualifying liabilities at the beginning of the calendar year. The fair market value of the Notes will be included as an asset in the holder's yield basis. The deemed return on income from savings and investments is taxed at a rate of 30%.

Non-resident holders: A holder who is a private individual and neither a resident, nor treated as being a resident of the Netherlands for the purposes of Netherlands income tax, will not be subject to such tax in respect of benefits derived from the Notes unless such holder is entitled to a share in the profits of an enterprise or a co-entitlement to the net worth of an enterprise which is effectively managed in the Netherlands, to which enterprise the Notes are attributable.

## Corporate income tax

Resident holders: A holder which is a corporate entity and for the purposes of Netherlands corporate income tax a resident (or treated as being a resident) of the Netherlands, is taxed in respect of benefits derived from the Notes at rates of up to 25%.

Non-resident holders: A holder which is a corporate entity and for the purposes of Netherlands corporate income tax neither a resident, nor treated as being a resident, of the Netherlands, will not be subject to corporate income tax, unless such holder has an enterprise that is, in whole or in part, carried on through a permanent establishment or a permanent representative in the Netherlands, a Netherlands Enterprise (*Nederlandse onderneming*), to which Netherlands Enterprise the Notes are attributable, or such holder is (other than by way of securities) entitled to a share in the profits of an enterprise or a co-entitlement to the net worth of an enterprise, which is effectively managed in the Netherlands and to which enterprise the Notes are attributable. Such holder is taxed in respect of benefits derived from the Notes at rates of up to 25%.

## Gift and inheritance tax

Resident holders: Netherlands gift tax or inheritance tax (*schenk- of erfbelasting*) will arise in respect of an acquisition (or deemed acquisition) of Notes by way of a gift by, or on the death of, a holder of Notes who is a resident, or treated as being a resident, of the Netherlands for the purposes of Netherlands gift and inheritance tax.

Non-resident holders: No Netherlands gift tax or inheritance tax will arise in respect of an acquisition (or deemed acquisition) of Notes by way of a gift by, or on the death of, a holder of Notes who is

neither a resident, nor treated as being a resident, of the Netherlands for the purposes of Netherlands gift and inheritance tax.

#### **Other taxes**

No Netherlands turnover tax (*omzetbelasting*) will arise in respect of any payment in consideration for the issue of Notes, with respect to any cash settlement of Notes or with respect to the delivery of Notes. Furthermore, no Netherlands registration tax, capital tax, transfer tax or stamp duty (nor any other similar tax or duty) will be payable in connection with the issue or acquisition of the Notes.

## SUBSCRIPTION AND SALE

The Dealers have, in an amended and restated programme agreement (the **Programme Agreement**) dated 29 June 2012, agreed with the Issuers and the Guarantor a basis upon which they or any of them may from time to time agree to purchase Notes. Any such agreement will extend to those matters stated under “*Form of the Notes*” and “*Terms and Conditions of the Notes*”. In the Programme Agreement, each Issuer (failing which, the Guarantor) has agreed to reimburse the Dealers for certain of their expenses in connection with the establishment and any future update of the Programme and the issue of Notes under the Programme and to indemnify the Dealers against certain liabilities incurred by them in connection therewith.

### United States

The Notes have not been and will not be registered under the Securities Act and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons except in certain transactions exempt from the registration requirements of the Securities Act. Terms used in this paragraph have the meanings given to them by Regulation S under the Securities Act.

The Notes are subject to U.S. tax law requirements and may not be offered, sold or delivered within the United States or its possessions or to a United States person, except in certain transactions permitted by U.S. Treasury regulations. Terms used in this paragraph have the meanings given to them by the U.S. Internal Revenue Code of 1986 and Treasury regulations promulgated thereunder.

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it will not offer, sell or deliver Notes (a) as part of their distribution at any time or (b) otherwise until 40 days after the completion of the distribution, as determined and certified by the relevant Dealer or, in the case of an issue of Notes on a syndicated basis, the relevant lead manager, of all Notes of the Tranche of which such Notes are a part, within the United States or to, or for the account or benefit of, U.S. persons. Each Dealer has further agreed, and each further Dealer appointed under the Programme will be required to agree, that it will send to each dealer to which it sells any Notes during the distribution compliance period a confirmation or other notice setting forth the restrictions on offers and sales of the Notes within the United States or to, or for the account or benefit of, U.S. persons. Terms used in this paragraph have the meanings given to them by Regulation S under the Securities Act.

Until 40 days after the commencement of the offering of any Series of Notes, an offer or sale of such Notes within the United States by any dealer (whether or not participating in the offering) may violate the registration requirements of the Securities Act if such offer or sale is made otherwise than in accordance with an available exemption from registration under the Securities Act.

Each issuance of Index Linked Notes or Dual Currency Notes shall be subject to such additional U.S. selling restrictions as the relevant Issuer and the relevant Dealer may agree as a term of the issuance and purchase of such Notes, which additional selling restrictions shall be set out in the applicable Final Terms.

### Public Offer Selling Restriction under the Prospectus Directive

In relation to each Member State of the European Economic Area which has implemented the Prospectus Directive (each, a **Relevant Member State**), each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that with effect from and including the date on which the Prospectus Directive is implemented in that Relevant Member State (the **Relevant Implementation Date**) it has not made and will not make an offer of Notes which are the subject of the offering contemplated by this Base Prospectus as completed by the final terms in relation thereto to the public in that Relevant Member State, except that it may, with effect from and including the Relevant Implementation Date, make an offer of such Notes to the public in that Relevant Member State:

- (a) at any time to any legal entity which is a qualified investor as defined in the Prospectus Directive;
- (b) at any time to fewer than 100 or, if the relevant Member State has implemented the relevant provision of the 2010 PD Amending Directive, 150 natural or legal persons (other than qualified investors as defined in the Prospectus Directive) subject to obtaining the prior consent of the relevant Dealer or Dealers nominated by the Issuer for any such offer; or
- (c) at any time in any other circumstances falling within Article 3(2) of the Prospectus Directive, provided that no such offer of Notes referred to in (a) to (c) above shall require the Issuer or any Dealer to publish a prospectus pursuant to Article 3 of the Prospectus Directive or supplement a prospectus pursuant to Article 16 of the Prospectus Directive.

For the purposes of this provision, the expression an **offer of Notes to the public** in relation to any Notes in any Relevant Member State means the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe the Notes, as the same may be varied in that Member State by any measure implementing the Prospectus Directive in that Member State and the expression **Prospectus Directive** means Directive 2003/71/EC (and amendments thereto, including the 2010 PD Amending Directive, to the extent implemented in the Relevant Member State), and includes any relevant implementing measure in the Relevant Member State and the expression **2010 PD Amending Directive** means Directive 2010/73/EU.

### **United Kingdom**

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that:

- (a) in relation to any Notes which have a maturity of less than one year, (i) it is a person whose ordinary activities involve it in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of its business and (ii) it has not offered or sold and will not offer or sell any Notes other than to persons whose ordinary activities involve them in acquiring, holding, managing or disposing of investments (as principal or as agent) for the purposes of their businesses or who it is reasonable to expect will acquire, hold, manage or dispose of investments (as principal or agent) for the purposes of their businesses where the issue of the Notes would otherwise constitute a contravention of Section 19 of the FSMA by the relevant Issuer;
- (b) it has only communicated or caused to be communicated and will only communicate or cause to be communicated an invitation or inducement to engage in investment activity (within the meaning of Section 21 of the FSMA) received by it in connection with the issue or sale of any Notes in circumstances in which Section 21(1) of the FSMA does not apply to the relevant Issuer or the Guarantor; and
- (c) it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to any Notes in, from or otherwise involving the United Kingdom.

### **Japan**

The Notes have not been and will not be registered under the Financial Instruments and Exchange Act of Japan (Act No. 25 of 1948, as amended; the **FIEA**) and each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it has not, directly or indirectly, offered or sold and will not, directly or indirectly, offer or sell any Notes in Japan or to, or for the benefit of, any resident of Japan (as defined under Item 5, Paragraph 1, Article 6 of the Foreign Exchange and Foreign Trade Act (Act No. 228 of 1949, as

amended)), or to others for re-offering or resale, directly or indirectly, in Japan or to, or for the benefit, of, a resident of Japan, except pursuant to an exemption from the registration requirements of, and otherwise in compliance with, the FIEA and any other applicable laws, regulations and ministerial guidelines of Japan.

## Ireland

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that:

- (a) it will not underwrite the issue of, or place the Notes, otherwise than in conformity with the provisions of the European Communities (Markets in Financial Instruments) Regulations 2007 (Nos. 1 to 3), including, without limitation, Regulations 7 and 152 thereof and any codes of conduct used in connection therewith and the provisions of the Investor Compensation Act 1998;
- (b) it will not underwrite the issue of, or place, the Notes, otherwise than in conformity with the provisions of the Central Bank Acts 1942 - 2010 and any codes of conduct rules made under Section 117(1) of the Central Bank Act 1989;
- (c) it will not underwrite the issue of, place or otherwise act in Ireland in respect of the Notes, otherwise than in conformity with the provisions of the Market Abuse (Directive 2003/6/EC) Regulations 2005 and any rules issued by the Central Bank pursuant thereto; and
- (d) in respect of any Notes that have a maturity of less than one year, it shall ensure that the Notes are issued in accordance with an exemption granted by the Central Bank under Section 8(2) of the Central Bank Act 1971, as amended.

## The Netherlands

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that unless the relevant Final Terms specify that this provision does not apply because the standard exemption wording required by Article 5:20(5) of the Dutch Financial Supervision Act (*Wet op het financieel toezicht*) is not applicable, it will not make an offer of Notes to the public in the Netherlands in reliance on Article 3(2) of the Prospectus Directive (as defined above under “Public Offer Selling Restriction under the Prospectus Directive” above) unless (i) such offer is made exclusively to persons or entities which are qualified investors as defined in the Dutch Financial Supervision Act or (ii) standard exemption wording is disclosed as required by Article 5:20(5) of the Dutch Financial Supervision Act, provided that no such offer of Notes shall require the relevant Issuer or any Dealer to publish a prospectus pursuant to Article 3 of the Prospectus Directive or supplement a prospectus pursuant to Article 16 of the Prospectus Directive.

Pursuant to The Netherlands Savings Certificates Act (*Wet inzake spaarbewijzen* or the **Savings Certificates Act**) of 21 May 1985, any transfer or acceptance of Notes which falls within the definition of savings certificates (*spaarbewijzen*) in the Savings Certificates Act is prohibited unless the transfer and acceptance is done through the mediation of either CRH Finance BV or a member of Euronext Amsterdam N.V. with due observance of the provisions of the Savings Certificates Act and its implementing regulations (which include registration requirements). The aforesaid prohibition does not apply (i) to a transfer and acceptance by natural persons not acting in the course of their business of profession and (ii) to the issue of Notes qualifying as savings certificates to the first holders thereof. If the Savings Certificates Act applies, certain identification requirements in relation to the issue of, transfer of, or payment on Notes qualifying as savings certificates have to be complied with. The Savings Certificates Act is not applicable to the issue and trading of Notes qualifying as savings certificates, if such Notes are physically issued outside The Netherlands and are not distributed within The Netherlands in the course of primary trading or immediately thereafter.

## Hong Kong

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that:

- (a) it has not offered or sold, and will not offer or sell, in Hong Kong, by means of any document, any Notes (except for Notes which are “structured products” as defined in the Securities and Futures Ordinance (Cap. 571) of Hong Kong) (the SFO) other than (i) to “professional investors” as defined in the SFO and any rules made under the SFO, or (ii) in other circumstances which do not result in the document being a “prospectus” as defined in the Companies Ordinance (Cap. 32) of Hong Kong (the **Companies Ordinance**) or which do not constitute an offer to the public within the meaning of the Companies Ordinance; and
- (b) it has not issued or had in its possession for the purposes of issue, and will not issue or have in its possession for the purposes of issue, whether in Hong Kong or elsewhere, any advertisement, invitation or document relating to the Notes, which is directed at, or the contents of which are likely to be accessed or read by, the public in Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to Notes which are or are intended to be disposed of only to persons outside Hong Kong or “professional investors” as defined in the SFO and any rules made under the SFO.

## The PRC

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that the Notes will not be offered or sold and may not be offered or sold, directly or indirectly, in the PRC, except as permitted by the securities laws of the PRC.

## General

Each Dealer has agreed and each further Dealer appointed under the Programme will be required to agree that it will (to the best of its knowledge and belief) comply with all applicable securities laws and regulations in force in any jurisdiction in which it purchases, offers, sells or delivers Notes or possesses or distributes this Base Prospectus and will obtain any consent, approval or permission required by it for the purchase, offer, sale or delivery by it of Notes under the laws and regulations in force in any jurisdiction to which it is subject or in which it makes such purchases, offers, sales or deliveries and none of the Issuers, the Guarantor, the Trustee nor any of the other Dealers shall have any responsibility therefor.

None of the Issuers, the Guarantor, the Trustee and the Dealers represents that Notes may at any time lawfully be sold in compliance with any applicable registration or other requirements in any jurisdiction, or pursuant to any exemption available thereunder, or assumes any responsibility for facilitating such sale.

With regard to each Tranche, the relevant Dealer will be required to comply with such other restrictions as the relevant Issuer and the relevant Dealer shall agree and as shall be set out in the applicable Final Terms.

## GENERAL INFORMATION

### Authorisation

The update of the Programme has been duly authorised by a resolution of the Board of Directors of the Guarantor passed on 10 May 2012 and by a resolution of the finance committee of the Board of Directors of the Guarantor passed on 26 June 2012, including the giving of the Guarantee; by a resolution of the Board of Directors of CRH Finance passed on 26 June 2012; by a resolution of the Board of Directors of CRH Finance UK passed on 27 June 2012 and by a written resolution of the Managing Board of CRH Finance BV passed on 26 June 2012 and by a written resolution of the sole shareholder of CRH Finance BV passed on 26 June 2012.

### Listing of Notes

The Base Prospectus has been approved by the Central Bank as competent authority under the Prospectus Directive. Application will be made to the Irish Stock Exchange for the Notes issued under the Programme within 12 months of the Base Prospectus to be admitted to the Official List and trading on the Market. The Irish Stock Exchange's regulated market is a regulated market for the purposes of the Markets in Financial Instruments Directive.

Arthur Cox Listing Services Limited is acting solely in its capacity as listing agent for the relevant Issuer in relation to the Notes and is not itself seeking admission to the Official List of the Irish Stock Exchange or to trading on the regulated market of the Irish Stock Exchange for the purposes of the Prospectus Directive.

An application may be made to the SIX Swiss Exchange for Swiss Notes issued under the Programme to be listed on the SIX Swiss Exchange.

### Documents Available

For the period of 12 months following the date of this Base Prospectus, physical copies of the following documents will, when published, be available for inspection from the registered office of each of the Issuers, from the specified offices of the Paying Agents for the time being in London and Ireland and from the specified offices of the Principal Swiss Paying Agent:

- (a) the Memorandum and Articles of Association of each of the Issuers and the Guarantor;
- (b) the audited non-consolidated financial annual statements of CRH Finance UK in respect of the financial years ended 31 December 2010 and 2011, respectively, and the audited consolidated annual financial statements of the Guarantor in respect of the financial years ended 31 December 2010 and 2011, respectively, in each case together with the audit reports prepared in connection therewith. The Guarantor currently prepares audited consolidated accounts on an annual basis and CRH Finance UK prepares audited non-consolidated accounts on an annual basis;
- (c) the Programme Agreement, the Trust Deed, the Agency Agreement and the forms of the Global Notes, the Notes in definitive form, the Receipts, the Coupons and the Talons;
- (d) a copy of this Base Prospectus;
- (e) any future offering circulars, base prospectuses, information memoranda, supplements and Final Terms (save that Final Terms relating to Notes which are neither admitted to trading on a regulated market in the European Economic Area nor offered in the European Economic Area in circumstances where a prospectus is required to be published under the Prospectus Directive will only be available for inspection by holders of such Notes and such holder must produce evidence satisfactory to the Issuer and the Paying Agent as to its holding of Notes and identity) to this Base Prospectus and any other documents incorporated herein or therein by reference; and

- (f) in the case of each issue of Notes admitted to trading on the Irish Stock Exchange's regulated market subscribed pursuant to a subscription agreement, the subscription agreement (or equivalent document).

In addition, a copy of this Base Prospectus is available on the Central Bank's website at [www.centralbank.ie](http://www.centralbank.ie).

### **Clearing Systems**

The Notes have been accepted for clearance through Euroclear, Clearstream, Luxembourg and SIS (which are the entities in charge of keeping the records). The appropriate Common Code, ISIN and Swiss Security Number (as appropriate) for each Tranche of Notes allocated by Euroclear, Clearstream, Luxembourg and SIS (as appropriate) will be specified in the applicable Final Terms. If the Notes are to clear through an additional or alternative clearing system the appropriate information will be specified in the applicable Final Terms.

The address of Euroclear is Euroclear Bank SA/NV, 1 Boulevard du Roi Albert II, B-1210 Brussels and the address of Clearstream, Luxembourg is Clearstream Banking, 42 Avenue JF Kennedy, L-1855 Luxembourg. The address of SIS is SIX SIS Ltd, Baslerstrasse 100, CH-4600 Olten, Switzerland.

### **Conditions for determining price**

The price and amount of Notes to be issued under the Programme will be determined by the relevant Issuer and the relevant Dealer at the time of issue in accordance with prevailing market conditions.

### **Significant or Material Adverse Change**

There has been no significant change in the financial or trading position of CRH plc since 31 December 2011. There has been no significant change in the financial or trading position of the Issuers since 31 December 2011 and there has been no material adverse change in the financial position or prospects of the Group since 31 December 2011.

### **Auditors**

The auditors of CRH Finance UK are Ernst & Young LLP, authorised and regulated by the Institute of Chartered Accountants in England and Wales, who have audited CRH Finance UK's financial statements prepared in accordance with United Kingdom Generally Accepted Accounting Practice, without qualification, for each of the financial years ended on 31 December 2010 and 2011.

The auditors of the Guarantor are Ernst & Young Chartered Accountants, authorised and regulated by the Institute of Chartered Accountants in Ireland, who have audited the Guarantor's Consolidated Financial Statements, prepared in accordance with IFRS, without qualification, for each of the financial years ended on 31 December 2010 and 2011, respectively.

### **Post-issuance information**

The Issuers do not intend to provide any post-issuance information in relation to any issues of Notes.

### **Dealers transacting with the Issuers and the Guarantor**

Certain of the Dealers and their affiliates have engaged, and may in the future engage, in investment banking and/or commercial banking transactions with, and may perform services to, the Issuers, the Guarantor and their affiliates in the ordinary course of business.



## ISSUERS

**CRH Finance Limited**  
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Ireland

**CRH Finance (U.K.) plc**  
c/o Ibstock Brick Limited  
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Ibstock  
Leicestershire  
LE67 6HS  
England

**CRH Finance B.V.**  
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2289 CC,  
Rijswijk (Zuid-Holland)  
The Netherlands

## GUARANTOR

**CRH plc**  
42 Fitzwilliam Square  
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Ireland

## TRUSTEE

**Deutsche Trustee Company Limited**  
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1 Great Winchester Street  
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EC2N 2DB

## ISSUING AND PRINCIPAL PAYING AGENT

(for all Notes except Swiss Notes)

**Deutsche Bank AG, London Branch**  
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London  
EC2N 2DB

## PAYING AGENT

(for all Notes except Swiss Notes)

**Deutsche International Corporate Services (Ireland) Limited**  
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IFSC  
Dublin 1  
Ireland

## PRINCIPAL SWISS PAYING AGENT

(for Swiss Notes)

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Switzerland

## LEGAL ADVISERS

*To the Issuers and Guarantor as to English law*

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*To the Issuers and Guarantor as to Irish law*

**Arthur Cox**  
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Earlsfort Terrace  
Dublin 2

*To the Issuers and Guarantor as to Dutch Law*

**Linklaters LLP**  
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*To the Dealers and the Trustee as to English law*

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## AUDITORS

*To the Guarantor*

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Chartered Accountants  
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*To CRH Finance (U.K.) plc*

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## DEALERS

**Bank of China Limited, London Branch**

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United Kingdom

**BNP Paribas**

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United Kingdom

**Citigroup Global Markets Limited**

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United Kingdom

**Commerzbank Aktiengesellschaft**

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**ING Bank N.V.**

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**J.P. Morgan Securities Ltd.**

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**Lloyds TSB Bank plc**

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United Kingdom

**Merrill Lynch International**

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**Société Générale**  
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**The Royal Bank of Scotland plc**  
135 Bishopsgate  
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United Kingdom

**UBS Limited**  
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**IRISH LISTING AGENT**

**Arthur Cox Listing Services Limited**  
Earlsfort Centre  
Earlsfort Terrace  
Dublin 2  
Ireland

