

Report of the statutory auditor

with financial statements as of 31 December 2015 of

CRH Finance Switzerland AG, Baar

To the General Meeting of
CRH Finance Switzerland AG, Baar

Basle, 19 February 2016

Report of the statutory auditor on the financial statements

As statutory auditor, we have audited the accompanying financial statements of CRH Finance Switzerland AG, which comprise the balance sheet, income statement, statement of changes in equity, statement of cash flow and notes, for the year ended 31 December 2015.

Board of Directors' responsibility

The Board of Directors is responsible for the preparation of the financial statements in accordance with Swiss GAAP FER, the requirements of Swiss law and the company's articles of incorporation. This responsibility includes designing, implementing and maintaining an internal control system relevant to the preparation of financial statements that are free from material misstatement, whether due to fraud or error. The Board of Directors is further responsible for selecting and applying appropriate accounting policies and making accounting estimates that are reasonable in the circumstances.

Auditor's responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Swiss law and Swiss Auditing Standards. Those standards require that we plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers the internal control system relevant to the entity's preparation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control system. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of accounting estimates made, as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements for the year ended 31 December 2015 give a true and fair view of the financial position, the results of operations and the cash flows in accordance with Swiss GAAP FER and comply with Swiss law and the company's articles of incorporation.

Report on other legal requirements

We confirm that we meet the legal requirements on licensing according to the Auditor Oversight Act (AOA) and independence (article 728 CO and 11 AOA) and that there are no circumstances incompatible with our independence.

In accordance with article 728a paragraph 1 item 3 CO and Swiss Auditing Standard 890, we confirm that an internal control system exists, which has been designed for the preparation of financial statements according to the instructions of the Board of Directors.

We further confirm that the proposed appropriation of available earnings complies with Swiss law and the company's articles of incorporation. We recommend that the financial statements submitted to you be approved.

Ernst & Young Ltd



Reto Hofer
Licensed audit expert
(Auditor in charge)



Philippe Wenger
Licensed audit expert

Enclosure

- ▶ Financial statements (balance sheet, income statement, statement of changes in equity, statement of cash flow and notes)
- ▶ Proposed appropriation of available earnings

Balance Sheet - Assets

	31.12.2015	31.12.2014
	CHF	CHF
Current assets		
Cash and equivalents	13'651	43'103
Other receivables	8	8
Accrued income and prepaid expenses	1) 617'336	708'793
<u>Total current assets</u>	<u>630'995</u>	<u>751'904</u>
Non-current assets		
Financial assets	2) 387'186'969	386'078'006
<u>Total non-current assets</u>	<u>387'186'969</u>	<u>386'078'006</u>
<u>Total assets</u>	<u>387'817'964</u>	<u>386'829'910</u>

Balance Sheet - Liabilities and Equity

		31.12.2015 CHF	31.12.2014 CHF
Liabilities			
Accrued expenses and payables	3)	1'447'125	1'357'125
<u>Total current liabilities</u>		1'447'125	1'357'125
Bonds	4)	330'000'000	330'000'000
<u>Total long-term liabilities</u>		330'000'000	330'000'000
<u>Total liabilities</u>		331'447'125	331'357'125
Equity			
Share capital		100'000	100'000
Capital contribution reserves		55'000'000	55'000'000
General legal reserves		50'000	0
Retained earnings			
- Profit / Loss carried forward		322'785	-25'231
- Net profit of the financial year		898'054	398'016
Total retained earnings		1'220'839	372'785
<u>Total equity</u>		56'370'839	55'472'785
<u>Total liabilities and equity</u>		387'817'964	386'829'910

Income Statement

		2015	2014
		CHF	CHF
<u>Expense</u>			
Operating expenses	5)	-1'891'430	-1'572'522
Total operating expenses		-1'891'430	-1'572'522
<u>Financial result</u>			
Financial income	6)	7'563'463	3'193'939
Financial expenses	7)	-4'628'957	-1'160'401
Total financial result		2'934'506	2'033'538
Operating profit before tax		1'043'076	461'016
Income tax	8)	-145'022	-63'000
Net profit		898'054	398'016
Earnings per share		2015	2014
Weighted average number of shares outstanding		100	100
Net profit in CHF		898'054	398'016
Diluted and undiluted earnings per share in CHF		8'981	3'980

There are no outstanding stock options or stock subscription rights that could lead to a dilution of earnings per share.

Statement of changes in equity

	Share capital	Reserves	Retained earnings	Total equity
Balance as of 31.12.2013	100'000	0	-25'231	74'769
Capital contribution		55'000'000		55'000'000
Net profit of the financial year 2014			398'016	398'016
Balance as of 31.12.2014	100'000	55'000'000	372'785	55'472'785
Allocation to general legal reserves		50'000	-50'000	0
Net profit of the financial year 2015			898'054	898'054
Balance as of 31.12.2015	100'000	55'050'000	1'220'839	56'370'839

The share capital consists of 100 registered shares with a nominal value of CHF 100 each.

All 100 shares are held by Jura-Holding AG, Aarau (Switzerland), which is a wholly-owned and fully consolidated subsidiary of CRH plc., Dublin (Ireland).

The non-distributable reserves amount to CHF 50'000.

Statement of cash flows

	2015	2014
	CHF	CHF
Net profit	898'054	398'016
+/- Accrued income and prepaid expenses and other receivables	91'457	22'859
+/- Accrued expenses and payables	90'000	1'332'125
Cash flow from operating activities	1'079'511	1'753'000
Investment in interest-bearing loans	-1'108'963	-386'078'006
Cash flow from investing activities	-1'108'963	-386'078'006
Capital contribution	0	55'000'000
Issuance of bond	0	329'268'342
Cash flow from financing activities	0	384'268'342
Decrease in cash and cash equivalents	-29'452	-56'664
 <u>Reconciliation of opening to closing cash and cash equivalents</u>		
Cash and cash equivalents as of 1.1.	43'103	99'767
Cash and cash equivalents as of 31.12.	13'651	43'103
Decrease in cash and cash equivalents	-29'452	-56'664

Notes to the financial statements

Accounting policies

The financial statements of CRH Finance Switzerland AG have been prepared in accordance with the Swiss accounting and reporting recommendation of Swiss GAAP FER according to the principle of "true and fair view". The full set of Swiss GAAP FER recommendations have been applied.

The financial statements also comply with the regulations of Swiss Code of Obligations.

Accounting principles

Current assets

Cash and cash equivalents comprise cash on hand, demand deposits and time deposits with a residual term to maturity from the balance sheet date of 90 days at the most. Cash and cash equivalents are reported at their nominal value.

Financial assets

The financial assets are recognized at acquisition costs less impairment, if any.

Liabilities

The liabilities consist of short-term and long-term debts. The accrued expenses and deferred income and payables are reported at its nominal amount. The bonds are recorded at par value.

Related party transaction

Related party transactions refer to the parent company and to other fully-consolidated subsidiaries of the parent company. Related party transactions and related party balances are properly disclosed in the relevant line item of the financial statements or the notes. All transactions with related parties are conducted at arm's length.

Other notes

Company information

CRH Finance Switzerland AG has its registered office in Baar (Switzerland) and serves solely as a finance company within CRH group. CRH plc. in Dublin (Ireland) is the ultimate parent company.

Employees

The company has no employees.

Segment information

As CRH Finance Switzerland AG is a group finance company in Switzerland the business activities comprise only one segment.

Events after the balance sheet date

No material events have occurred after the balance sheet date which could adversely affect the validity of the annual financial statements 2015 or which would have to be disclosed. The Board of Directors approved and authorised the financial statements in respect of the year ended 31 December 2015 on 19 February 2016.

Notes to the financial statements

(all amounts in CHF)

1) Accrued income and prepaid expenses

	2015	2014
Total capitalized costs of bond issuance	617'336	708'793

The costs related to the issuance of the bond have been capitalized.
These costs are amortised over the term to maturity.

2) Financial assets

	2015	2014
Interest-bearing loans to related parties	387'186'969	386'078'006

Loans are granted in Swiss francs to the parent company plus two affiliated companies.
The interest rates are based on the principles of the Swiss Tax Authorities.

Maturity date of CHF 55 Mio is August 2019 and of CHF 330 Mio is September 2022.
There are no security arrangements.

3) Accrued expenses and payables

	2015	2014
Interest	1'134'375	1'134'375
Income tax	190'000	104'000
Other services	122'750	118'750
Total accrued expenses and payables	1'447'125	1'357'125

4) Bonds

	2015	2014
Total bonds	330'000'000	330'000'000

Information of the issued bonds:

Security number	25359273 / ISIN: CH0253592734
Nominal amount	CHF 330 Mio.
Issue price	100.989%
Interest rate	1.375% (30/360)
Term	from 30.09.2014 until 30.09.2022 (8 years)
Maturity date	on 30.09.2022 at nominal value

The bonds are secured by the listed group company CRH plc. The annual guarantee fee is paid on 31 December.

The proceed of the bond issue amounted to CHF 333'263'700. After deduction of the bond issue costs of CHF 3'995'358 the net cash flow amounted to CHF 329'268'342 (see statement of cash flows).

The difference of CHF 731'658 between this net cash flow and the nominal value has been capitalized and will be depreciated straight line over the term of the bond.

5) Operating expenses	2015	2014
Guarantee fee CRH plc.	-1'650'000	-1'434'675
Management fees related parties	-54'000	-54'000
Capital tax	-40'598	-41'039
Other administration expenses	-146'832	-42'808
Total operating expenses	-1'891'430	-1'572'522

The auditor's remuneration for statutory audit services amounts to CHF 27'829 (prior year CHF 30'011).

6) Financial income	2015	2014
Interest income related parties	7'563'463	3'193'924
Other interest income	0	15
Total financial income	7'563'463	3'193'939

7) Financial expenses	2015	2014
Interest expenses on bonds	-4'537'500	-1'134'375
Interest expenses related parties	0	-3'162
Other interest expenses (see 1)	-91'457	-22'864
Total financial expenses	-4'628'957	-1'160'401

8) Income tax	2015	2014
Total income tax	-145'022	-63'000

The average income tax rate is 13.90% (prior year 13.67%).

Disclosure of contingent liabilities

Cash pooling

CRH Finance Switzerland AG is participant of the notional cash pooling of Jura-Holding AG. According to the cash pooling agreement all future credit balances in the pool account are pledged in favour of the bank. Furthermore, CRH Finance Switzerland AG is jointly and severally liable for possible debit interests and commissions incurred of the pool leader's overall position of the pool participants accounts, but only to the amount that would have been incurred as debit interests and commissions without the pooling on CRH Finance Switzerland AG's participant accounts.

Proposal for the appropriation of retained earnings

	31.12.2015 CHF	31.12.2014 CHF
Balance carried forward from prior year	322'785	-25'231
Net Profit of the financial year	898'054	398'016
Retained earnings available for appropriation	1'220'839	372'785
Allocation to legal reserves	0	-50'000
Balance to be carried forward	1'220'839	322'785