



2015 Annual Report



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Our business

CRH creates value by maintaining a balanced portfolio. Our product mix spans the breadth of building materials demand and sectoral end-use, thereby minimising exposure to any one single demand driver. In addition, the Group offsets cyclical economic risk by maintaining a geographically diversified portfolio across its key regions of North America and Europe, as well as in the emerging regions of Asia and South America.

Heavyside Materials



- **Aggregates** – crushed stone
- **Cement** – primary binding agent
- **Asphalt** – road and highway surfaces
- **Readymixed Concrete** – pourable pre-mixed, aggregates, cement and water based compound
- **Precast Concrete** – structural floors, beams, vaults
- **Architectural Concrete** – blocks, bricks, pavers

Lightside Products



- **Glass & Glazing Systems** – engineered products for external and internal use
- **Construction Accessories** – engineered fixing, connecting and anchoring solutions
- **Shutters & Awnings** – solar shading, terrace roof and window protection solutions
- **Fencing & Security** – outdoor security and protection systems
- **Cubis** – composite access chambers

Building Materials Distribution



- **Builders Merchants** – channel for distribution of building materials to the professional contractor
- **SHAP** – specialist distribution of sanitary, heating and plumbing products
- **DIY** – providing decorative and home improvement products to the consumer

CRH at a glance

CRH plc is a leading global diversified building materials group, employing 89,000 people at over 3,900 operating locations in 31 countries worldwide.

CRH is a top two building materials company globally and the largest in North America. The Group has leadership positions in Europe as well as established strategic positions in the emerging economic regions of Asia and South America.

CRH is committed to improving the built environment through the delivery of superior materials and products for the construction and maintenance of infrastructure, residential and commercial projects.

A Fortune 500 company, CRH is listed in London and Dublin and is a constituent member of the FTSE100 and the ISEQ 20 indices. CRH's American Depositary Shares are listed on the New York Stock Exchange. CRH's market capitalisation at 31 December 2015 was approximately €22 billion.

Our vision:

To be the leading building materials business in the world

2015 Performance highlights

↑ €23.6 billion
Sales

↑ €1.0 billion
Profit Before Tax

↑ €2.2 billion
EBITDA

↑ 89.1 cent
Earnings Per Share

↑ €1.3 billion
Operating Profit

→ 62.5 cent
Dividend Per Share

Visit our Investor Relations Centre

<http://www.crh.com/investors>

View Annual Report Online

<http://www.crh.com/reports/2015-annual-report.pdf>



Our global presence

31

countries

#1

in building materials
in North America

20

billion tonnes
of reserves

3,900

operating
locations

CRH

450

million tonnes of
manufactured product

89,000

people

#2

in building materials
worldwide

860

distribution
branches

Chairman's Introduction

Nicky Hartery



Chairman

Dear Shareholder,

2015 was a very significant year for CRH, with a strong performance in our heritage businesses, continued progress in our portfolio review, total disposal proceeds in the year of circa €1 billion and the completion of two strategically important acquisitions. The Board is recommending a final dividend of 44c per share, which, if approved at the 2016 Annual General Meeting, will maintain the full year dividend at 62.5c per share.

On behalf of the Board, I would like to acknowledge the support from shareholders for the acquisition of assets from Lafarge S.A. and Holcim Limited (the 'LH Assets') in a €6.5 billion deal. In early February 2015, we completed a placing of 74 million shares which raised €1.6 billion as part of the financing of this transaction. Also in March, shareholders approved the acquisition at an Extraordinary General Meeting, with a very positive level of support (99.999%) indicating shareholders' views on the value and strategic importance of this acquisition for CRH. The transaction was slightly different in that we acquired a portfolio of assets across the globe from two companies, with no central head office or organisational structure. In order to mitigate the resulting challenges, the executive team developed a thorough integration plan, which I am pleased to report is well under way. Given the importance of the integration, a specific committee of the Board was set up to oversee the process and report on progress.

Also in 2015, we acquired C.R. Laurence (CRL) for a total consideration of \$1.3 billion. CRL is North America's leading manufacturer and distributor of custom hardware and installation products for the professional glazing industry. CRL provides CRH with an exceptional strategic fit for our BuildingEnvelope® business in the Americas and, over time, a scalable international growth platform.

In addition to the two large acquisitions referred to above, we completed 20 smaller "bolt-on" acquisitions and investments, bringing our total acquisition spend to approximately €8 billion.

Looking forward to 2016, the Board will be visiting a number of the newly acquired businesses. We will continue to maintain our strong focus on financial discipline and prudent financial management, and the Board is committed to restoring our debt metrics to normalised levels.

With employee numbers now at approximately 89,000, keeping our people safe is a strategic priority for the Group. The Board and executives throughout the Group maintain a relentless focus on improving our safety programmes. During a recent visit to our operations in Utah, the Board had a demonstration of one new innovative safety technology which increases the safety of our employees and contractors by alerting them to work zone intrusions by third party vehicles that can result in serious accidents and fatalities.

This time last year I wrote about the introduction of a new Chairman's award for safety excellence in the Group. Inaugural ceremonies for these awards were held during the summer of 2015. The energy and commitment shown in this vital area, by the men and women in our business, is inspiring and I look forward to the next series of award events in 2016.

I would like to record my appreciation for the significant time commitment my non-executive colleagues give to CRH, particularly during the course of last year. Bill Egan and Utz-Hellmuth Felcht will retire from the Board at the conclusion of the Annual General Meeting to be held on 28 April 2016, following completion of three 3-year terms as non-executive Directors. On behalf of my colleagues, I extend our gratitude to them for their substantial contribution to CRH during their time on the Board. The Corporate Governance Report on pages 56 to 69, contains details in relation to the Board's ongoing renewal process.

Finally, I would like to take the opportunity to thank Albert Manifold and all staff throughout the Group for their significant achievements over the past year.

Nicky Hartery

Chairman

2 March 2016

Strategy Review

Strategy Review

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Chief Executive's Review

Albert Manifold



Chief Executive

Our ambition to be the leading building materials business in the world can be traced back to the very earliest roots of CRH and a commitment to excellence in how we deliver for our customers. Since 1970, that commitment to excellence, along with entrepreneurial flair, hard work and a relentless focus on value creation, has come to define our Group. Each new generation has continued to build on that heritage by pursuing opportunities that advance shareholder returns and take us closer to realising our ambition.

There have been many significant steps along the way, including our step-out into Europe, our entry into the North American market and more recently our entry into Asia. In 2015, CRH took another significant step forward with the €6.5 billion acquisition of certain assets from Lafarge S.A. and Holcim Limited (LH Assets). This deal saw us double our cement capacity to become the second largest building materials company in the world and the number two provider of aggregates in the world.

This was a compelling acquisition for CRH due to its significant value creation potential and the strategic fit with our legacy businesses. The acquired assets include businesses with market leading positions and they bring to CRH four new regional platforms for growth in cement, aggregates and readymixed concrete.

In addition to the LH Assets, we also concluded the \$1.3 billion acquisition of CRL, North America's leading manufacturer and distributor of custom hardware and installation products for the professional glazing industry. This business provided an exceptional operational fit with our existing glass business in North America and is an excellent example of targeting focused and balanced growth across our portfolio. These strategic acquisitions widen our global footprint and will have a significant impact on our future growth trajectory.

Reflecting on our operational performance, I am pleased to report that 2015 was a very satisfactory year for CRH. Construction activity in the United States continued to strengthen in line with the domestic

economy, and the signing into law of a new five-year highway bill provides certainty in relation to large scale infrastructure projects including roads, bridges and mass-transit systems. In Europe, where trading conditions were more mixed, our businesses maintained a steady performance.

Overall sales increased 25% to €23.6 billion while EBITDA was up 35% to €2.2 billion and profit before tax at €1.0 billion was 36% ahead. Strong profit growth was attributable to both acquisition activity and the performance of our heritage businesses. Importantly, sales from continuing operations increased with margins ahead in all divisions.

Our relentless focus on operational performance in all of our businesses helped deliver Return on Net Assets (RONA) of 7.6% (2014: 7.4%). When adjusted to take account of non-recurring costs relating to the acquisition of the newly acquired LH Assets, Group RONA in 2015 was 8.8%, well ahead of the previous year.

Earnings Per Share were also ahead despite the Group issuing an additional 74 million shares following February's equity placing and we have again maintained our dividend, thereby extending CRH's track record for dividend delivery to 32 years.

Looking at our primary operating regions; in Europe, against a mixed economic backdrop, with challenging conditions persisting in several key markets, we were pleased to see further top line improvement, across continuing operations, along with good profit delivery, continued strong cost management and crucially, margins ahead in all divisions.

Our Heavyside business saw some encouraging signs of market recovery with overall cement volumes up on 2014. While this was a step in the right direction, pricing remained a challenge. Our Lightside business delivered healthy sales and profit growth following a pick-up in project activity and export demand. In Distribution, there was a strong finish to the year, in part due to mild weather, which saw sales and profits both ahead.

In the Americas, the continuing positive economic conditions underpinned strong top line growth and with disciplined pricing and cost control, we delivered significant margin expansion. The Group also benefited from a favourable currency translation effect during the year.

In our Americas Materials Division, margins were ahead in all product lines as overall economic recovery continued to drive construction demand across all regions. Our Products business across both residential and non-residential sectors also benefited from the positive trading environment, with sales from continuing operations ahead in all categories, while the newly acquired CRL business performed in line with expectations. In Distribution, we have been able to deliver good profit growth and margin improvement in competitive markets.

In line with our expectations, the LH Assets delivered an EBITDA contribution in 2015 of €0.37 billion before taking into account one-off transaction costs and accounting policy adjustments of €0.2 billion.

Against the backdrop of the two major acquisitions completed during 2015, it is important to remember how CRH creates value. We do so by maintaining strong financial discipline which includes an ongoing focus on good cash management and strong cash generation. This in turn supports our ability to fund new value creating acquisitions and to deliver improved returns for shareholders. We remain committed to protecting our investment grade credit ratings and we are on track to deliver on our target to restore debt metrics to normalised levels in 2016.

For both acquisitions, we have been resolutely focused on integration. In the case of the LH Assets, the operational integration is now largely complete and these businesses will be fully incorporated into CRH's 2016 reporting structures. To ensure transparency in this report, we have presented the partial year 2015 contribution from LH Assets separately from our existing operations.

Integration of the Group's second major acquisition during 2015, CRL, into our Americas Products Division, is also very well advanced, with management now firmly focused on delivering the performance and synergy targets identified.

Portfolio management, and in particular the reallocation of capital from lower growth areas into core businesses for growth, is a cornerstone of our value creation model. We are pleased with our progress in 2015, which brought cumulative proceeds from our multi-year divestment programme to almost €1.4 billion, while the targeted bolt-on investments completed during the year, strengthened our existing businesses. Total acquisition spend for 2015 was approximately €8 billion, comprising our two major transactions and 20 smaller bolt-ons.

During 2015 we again maintained a constant focus and uncompromising approach to safety at every level in our business.

Outlook for 2016

The backdrop in Europe is expected to be broadly stable in 2016, although there are regional variations. We expect markets in Switzerland, Belgium, Germany and France to be flat. Continued growth is expected in the UK, Ireland and the Netherlands, and we are seeing positive trends in Poland and Finland.

We expect the US economy to continue to grow in 2016 at a pace similar to recent trends. Funding for infrastructure is expected to increase moderately with improving State finances and the passing in 2015 of a new federal programme (FAST) which secures highway funding until 2020. We expect continued growth in US housing construction and that non-residential construction will also show gains. In Canada, we expect current good demand to continue in the Ontario market, while the Quebec market will remain subdued. Overall, we expect the market in Canada to be steady in 2016. In Asia, we expect continued good growth in the Philippines driven by residential and infrastructure demand.

As a result of good performance from our heritage businesses and contributions from acquisitions, 2015 was a year of significant profit growth for CRH. Strong cash generation resulted in our year-end debt metrics being ahead of target, and we are well on track to restoring these metrics to normalised levels during 2016. Recently there has been some uncertainty about the pace of global growth. Our focus remains on consolidating and building upon the gains made in 2015, and against this backdrop we believe 2016 will be a year of continued growth for the Group.

Albert Manifold

Chief Executive

2 March 2016

Becoming the global leader in building materials

CRH's vision is to be the leading building materials business in the world and in doing so to create value and deliver superior returns for all our stakeholders.

Since the Group's foundation in 1970, CRH has successfully refined and honed its strategy, in continuously evolving market environments. We have implemented this strategy by strengthening existing positions and developing new platforms for growth. While the Group continues to grow in scale, we remain resolutely focused on serving the unique needs of our customers in local and regional markets around the world. We provide a world class service with the personal touch of a local supplier. This focus on delivery for customers through strong local businesses is a key factor in enabling CRH to realise its vision of becoming the global leader in building materials.

Delivery of the Group's strategy is centred on:

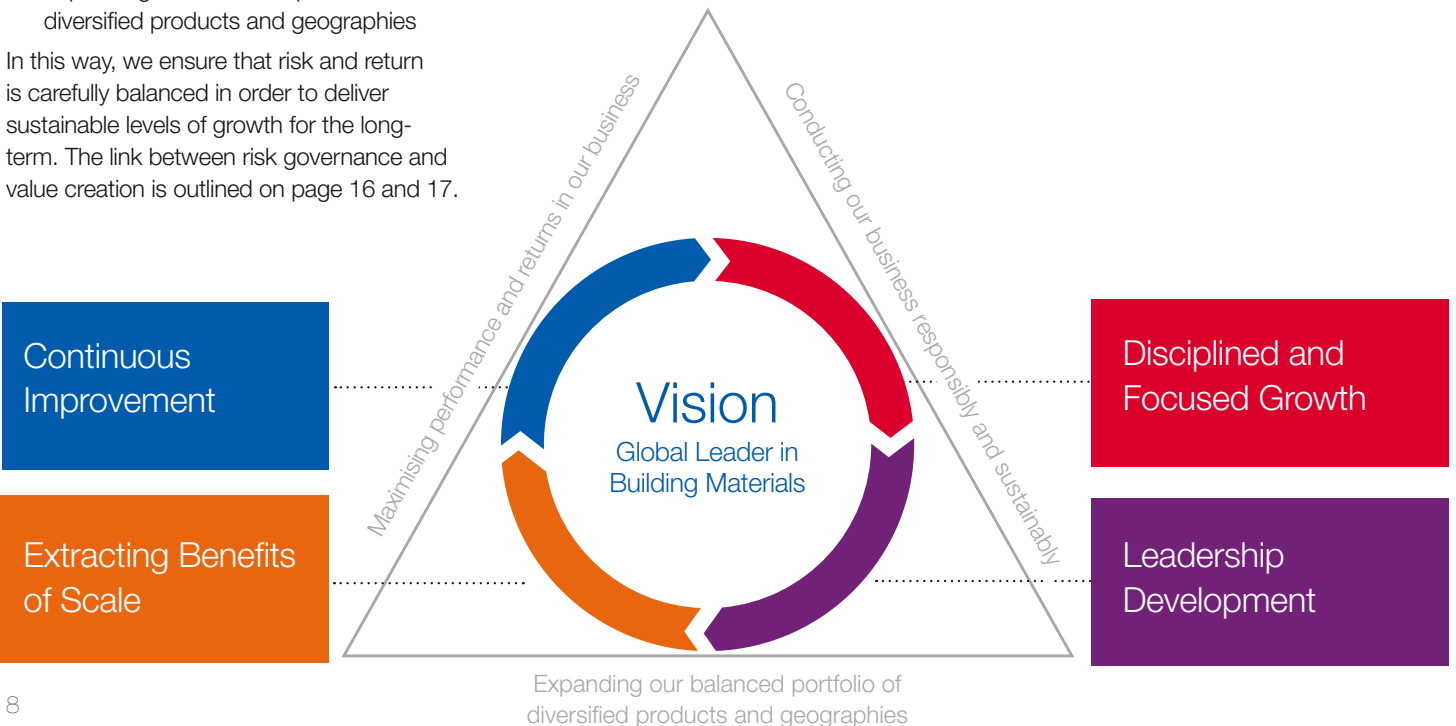
- Maximising performance and returns in our business
- Conducting our business responsibly and sustainably
- Expanding our balanced portfolio of diversified products and geographies

In this way, we ensure that risk and return is carefully balanced in order to deliver sustainable levels of growth for the long-term. The link between risk governance and value creation is outlined on page 16 and 17.

We are guided by a number of strategic imperatives:

- **Continuous Business Improvement**
Make our businesses better through operational, commercial and financial excellence
- **Disciplined and Focused Growth**
Maintain financial discipline, use our strong balance sheet, cash generation capability and focused allocation of capital to achieve optimum growth
- **Leadership Development**
Attract, develop and empower the next generation of performance orientated, innovative and entrepreneurial leaders
- **Extracting the Benefits of our Scale**
Leverage Group scale to fund expansion by acquisition and to build leadership positions in local markets

Today, CRH's businesses are key parts of the building materials supply chain in their local markets. We manufacture and supply a range of materials and products spanning the breadth of the building materials spectrum. The practical application of our strategy is in identifying such businesses, acquiring them, integrating them into our Group and making them better performing businesses that deliver sustainable and superior returns for our shareholders.



Strategy in action

Continuous Business Improvement

Our relentless focus on operational and commercial performance in all of our businesses in 2015 helped deliver improved returns.

In financial terms this resulted in Return on Net Assets (RONA) of 7.6% in 2015. This reflects improved margins, on a continuing operations basis, in each of our six legacy divisions. When adjusted to take account of non-recurring costs relating to the acquisition of our newly acquired LH Assets, Group RONA in 2015 was 8.8%, ahead of 2014 (7.4%).

Disciplined and Focused Growth

Portfolio management, and in particular the recycling of capital from lower growth areas into core businesses for growth, is a cornerstone of our value creation model. In 2015, we continued to manage our portfolio carefully, recording total disposal proceeds of approximately €1 billion.

While net debt levels of €6.6 billion at year-end 2015 reflect the significant €8 billion acquisition spend during the year, we continued to maintain financial discipline through careful working capital management and capital expenditure controls. The Group is committed to restoring its debt metrics to normalised levels in 2016.

Leadership Development

2015 was an active year for talent injection and promotion throughout the Group. This ensures that CRH is attracting the very best talent in the market and promoting talented individuals from within.

The Group also maintained its focus on leadership development with high performers selected to participate in a range of leadership development programmes.

Mobility opportunities continue to expand as the Group seeks to offer rewarding career and personal development experiences at different operating locations worldwide.

Extracting the Benefits of Scale

In 2015, the newly acquired LH Assets more than doubled the Group's cement production volumes and made CRH the second largest building materials player globally and the world No. 2 in aggregates. The transaction enabled the Group to establish new leadership positions in certain heavyside materials markets globally. For example, CRH is now the market leader in the UK, has regional leadership positions in Canada, Germany and the Philippines, and has established top three positions in Romania, Slovakia, Hungary and Serbia.

Creating value and growth

CRH delivers on its strategy through the execution of a dynamic business model which is focused on value creation and growth. This has allowed CRH to deliver an industry-leading Total Shareholder Return of 16.1% since 1970. €100 invested in CRH shares in 1970, with dividends reinvested, would now be worth €83,000.

CRH's business model revolves around continuously making our core businesses better and then identifying and acquiring strong businesses that complement and add value.

By maintaining a balanced portfolio, we ensure that these businesses are diversified across a number of products, geographies and end-uses, while also spanning multiple different demand cycles, thereby mitigating the impact of low demand at the bottom of any one cycle.

We work hard to improve these businesses so that they realise their full potential and help us create further value.

We constantly monitor how capital is deployed across the Group and strive to identify where capital can be recycled into areas offering optimum returns and/or superior growth.

We do all of this while maintaining strong financial discipline that enables efficient funding of value adding investments which generate consistent and superior returns for shareholders.

CRH operates this business model across its growing global footprint in 31 countries and at over 3,900 operating locations. Every day, our 89,000 employees in our three primary business areas – Heavyside Materials, Lightside Products and Building Materials Distribution – serve customers in the residential, non-residential and infrastructure market segments.

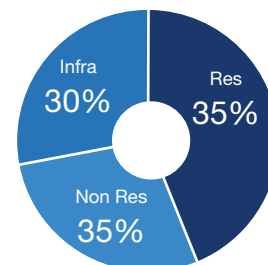


Business Model in action

Balanced Portfolio

CRH creates value by maintaining a balanced portfolio. Our product mix spans the breadth of building materials demand and sectoral end-use, thereby reducing exposure to any one single demand driver. The Group also offsets cyclical economic risk by maintaining a geographically diversified portfolio across its key regions of North America and Europe, as well as the emerging regions of Asia and South America.

In 2015 the Group's sector exposure was split 35% residential, 35% non-residential and 30% infrastructure. End-use was balanced equally between New Build and RMI.

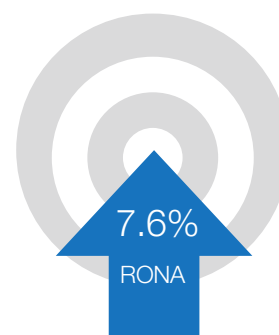


Making Businesses Better

CRH's emphasis on making better businesses is a key component of its focus on value creation and growth. We have a proven track record in acquiring new businesses and bringing the Group's collective knowledge and experience to bear in working with the local management teams of those businesses to deliver improvements in performance.

The Group supports the delivery of such improvements through targeted investment in measures that improve capacity, quality and efficiency.

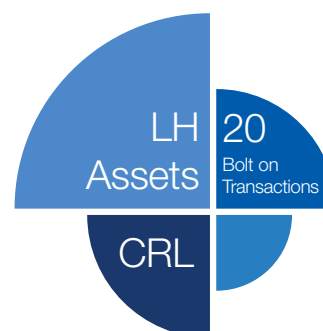
Over time these improvements help us build better businesses that deliver stronger returns on capital invested.



Proven Acquisition Model

CRH creates value and growth by identifying and acquiring strong businesses that complement our existing portfolio of operations. Typically we specialise in acquiring small and mid-sized companies, releasing value through synergies and network optimisation. From time to time the Group also evaluates and concludes larger transactions where the strategic rationale is compelling.

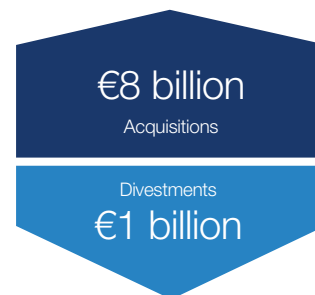
We excel at integrating businesses and ensuring that they are appropriately positioned and resourced to succeed as part of the CRH Group.



Dynamic Capital Management

CRH constantly strives to ensure that capital is recycled from low growth areas into core parts of our business that offer the potential for stronger growth and returns.

With a portfolio which is diversified across many products, geographies and end-uses, we allocate capital to the areas best positioned to take advantage of developing growth cycles and new areas that offer improved value creation and growth potential.



Financial Strength

The Group maintains a constant focus on financial discipline and strong cash generation which in turn supports our ability to fund new value creating acquisitions and returns for shareholders.

Our strong financial position reduces the cost of capital. In 2015, we raised over €2.5 billion at historically low interest rates for the Group; with an eight-year bond for €600 million at 1.875%, a ten-year bond for \$1.25 billion at 3.875%, a 14-year bond of £400 million at 4.125% and a 30-year bond for \$500 million at 5.125%.



Measuring Performance

CRH believes that measurement fosters positive behaviour and performance improvement.

As part of the Group's strategic focus on continuous business improvement, CRH uses a number of financial and non-financial Key Performance Indicators (KPIs) to measure progress across our organisation.

Non-financial KPIs

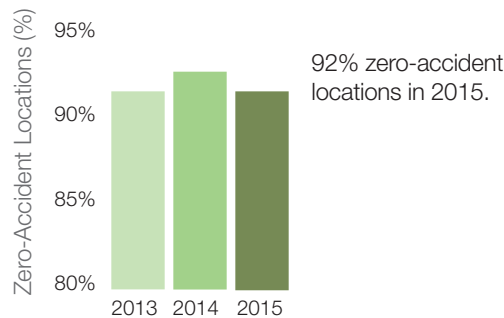
2015 Performance

2016 Focus

% Zero-Accident Locations

A measure of safety performance in our operations.

Health & Safety is a priority for CRH and we constantly strive to improve our performance. A strong safety culture is a key element of our business strategy.



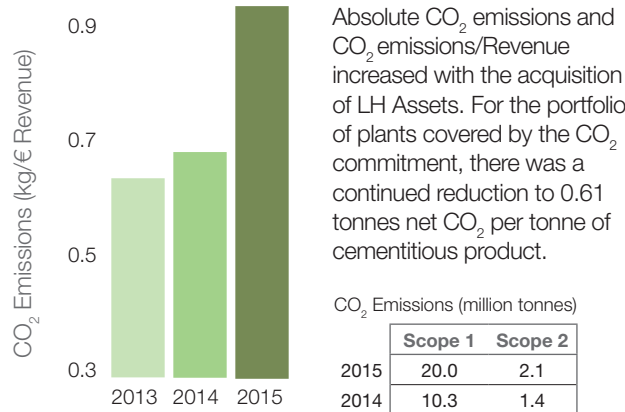
Further enhancement of a strong safety culture with the ultimate aim of achieving zero-accident status at every location.

Links to other disclosures: CRH Sustainability Report published mid-year 2016

Greenhouse Gas Emissions

A measure of addressing the challenges of climate change.

Energy efficiency and carbon reduction are twin imperatives of CRH's environmental management strategy.



Ongoing programmes focus on reducing CO₂ emissions, with a targeted reduction commitment in cement.

Lower carbon products and Group-wide energy and resource efficiency programmes.

Note 1: CO₂ emissions subject to final verification under the EU Emissions Trading Scheme (EU ETS).

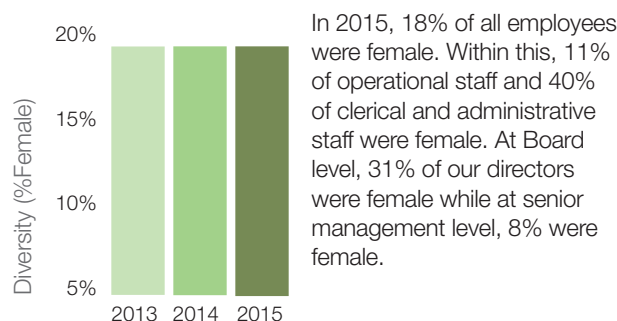
Note 2: Group CO₂ emissions data includes both Scope 1 and Scope 2 emissions, as defined by the WRI Greenhouse Gas Protocol.

Links to other disclosures: CRH Sustainability Report published mid-year 2016

Gender Diversity

A measure of an inclusive workplace.

Recruitment, selection and promotion decisions are merit-based and in line with the principles of equal opportunity and non-discrimination.



The building materials industry traditionally attracts a higher than average proportion of male employees.

Continue to encourage all CRH employees to develop their careers.

Links to other disclosures: Corporate Governance Report pages 56 to 69; CRH Sustainability Report published mid-year 2016

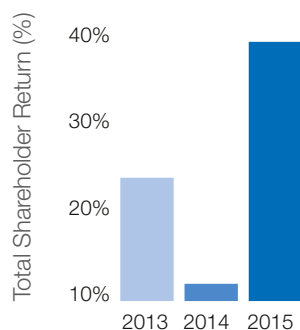
Financial KPIs

2015 Performance

2016 Focus

Total Shareholder Return (TSR)

A measure of shareholder returns delivery through the cycle.



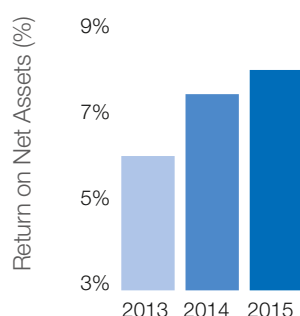
CRH delivered TSR of 37.8% in 2015 and in euro terms has delivered a compound annual TSR of 16.1%, since the formation of the Group in 1970.

Delivering superior return on invested capital and maintaining strong cash flows to support the continued development of the Group and dividend payment.

Links to other disclosures: Directors' Remuneration Report pages 70 to 107

Return on Net Assets (RONA)

A measure of pre-tax returns through excellence in operational performance.



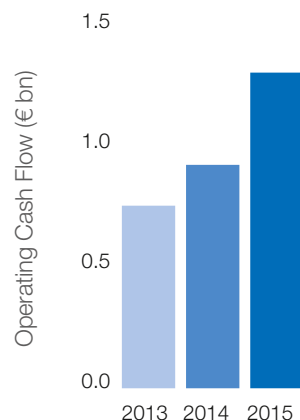
RONA at 7.6% in 2015 is a reflection of improved profit margins in our six legacy divisions, offset by non-recurring costs relating to the LH Assets. Excluding these costs Group RONA would be 8.8%.

Improved RONA through effective margin management, continued enhancement of operating efficiencies and tight working capital management.

Links to other disclosures: Business Performance Review pages 20 to 49; Directors' Remuneration Report pages 70 to 107

Operating Cash Flow (OCF)

A measure of cash flows generated to fund organic and acquisitive growth and dividend returns to shareholders.



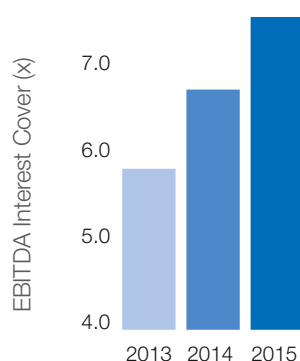
Prudent management of working capital and other cash flows increased OCF to over €1.3 billion in 2015.

To continue to generate strong operating cash flows in 2016.

Links to other disclosures: Summarised cash flow page 22

EBITDA Interest Cover

A measure of financial liquidity and capital resources which underpins investment grade credit ratings and the ability to access finance.



Cover at 7.5x was higher in 2015 in spite of increased interest arising on acquisition debt.

Maintain financial discipline to ensure that EBITDA cover remains strong and should usually be no lower than 6x.

CRH committed to restoring debt metrics to normalised levels in 2016.

CRH's credit ratings:

Standard & Poor's: BBB+
Moody's: Baa2

Links to other disclosures: Finance Director's Introduction pages 20 to 22; Note 23 Interest-bearing Loans and Borrowings page 183

Building a sustainable business

Corporate Social Responsibility and Sustainability concepts are embedded in the heart of our business and are fundamental to achieving our vision of becoming the leading building materials business in the world.

Our Approach

CRH is committed to delivering a built environment that is sustainable and of value to the communities we serve. Our extensive global presence and industry leadership puts the Group in a strong position to influence transformative innovation that improves the sustainability of the built environment. Applying a strategic approach to deriving tangible long-term business value from sustainability, we collaborate with stakeholders to ensure our medium-term objectives and long-term ambitions are achieved. The Group does this while also being sensitive and responsive to our stakeholders as well as to the environment in which we operate.

Sustainability Performance

CRH has formal structures in place to identify, evaluate and manage potential risks and opportunities in sustainability areas. Group performance and effectiveness is reviewed regularly by the Board of Directors.

We are committed to reporting on the breadth of our sustainability performance in a comprehensive and transparent manner and to publishing performance indicators and ambitions in key identified sustainability areas.

The Group's annual Sustainability Report is published mid-year following external independent verification and is available at www.crh.com.

CRH continues to be ranked among sector leaders by leading Sustainable and Responsible Investment (SRI) rating agencies and continues as a constituent member of several sustainability indices including the FTSE4Good Index, the STOXX® Global ESG Leaders Indices and the Vigeo World 120 Index. In addition, many Group locations have won high-ranking accolades for excellence in sustainability achievements.



For photo caption see page 235.



For photo caption see page 235.

Health & Safety

92%

locations
accident free

Health & Safety is a strategic priority for CRH. With a global workforce of 89,000 people, the Group adopts an unwavering approach to safety at every level of the organisation, from frontline employees through to operational management and senior executives. Our global network of safety officers oversees the implementation of policy and best practice across all our operations. In 2015, particular attention was paid to integrating acquired businesses into Group safety systems.

CRH continues to invest in initiatives targeted at promoting and maintaining a strong culture of safety. Over the past five years €138 million has been invested in this area.

In 2015, 92% of active locations were accident free. The accident frequency rate has continued to decline and has reduced by an average of 16% per annum over the last decade.

CRH's Fatality Elimination Plan, which remains a cornerstone of our safety strategy, proved very effective in eliminating employee fatalities in both 2014 and 2015. However, there were two fatalities involving contractors at Group operations during 2015. We deeply regret the loss of these lives and extend our sincere sympathies to the families of these individuals. We continue to focus on all aspects of contractor safety within the Group's control.

Environment & Climate Change

23 million

tonnes of alternative
raw materials

CRH believes that excellence in environmental management, together with a proactive approach to addressing the challenges and opportunities of climate change, is fundamental to making our businesses better. The Group works with stakeholders including customers and the wider building materials industry to implement programmes that promote energy and resource efficiency, achieve targeted emissions reductions, enhance biodiversity and realise environmentally driven product and process innovation.

In 2015 CRH products incorporated a significant 23 million tonnes of externally sourced alternative raw materials. Recycled asphalt pavement and shingles together now provide a fifth of asphalt

requirements in our US operations, while lower carbon warm-mix asphalt now accounts for approximately 40% of the Group's US asphalt sales. We also provide low carbon cement for sustainable construction applications.

In 2013 CRH committed to reduce specific net CO₂ emissions by 25% by 2020, relative to 1990, from the portfolio of cement plants owned at that time. To-date 79% of the commitment has been achieved. The Group has also endorsed the World Business Council for Sustainable Development's Low Carbon Technology Partnership Initiative (LCTPI), a statement of ambition, which seeks a reduction in Global Cement CO₂ emissions in the range of 20 to 25% by 2030.

People & Community

800+

stakeholder
engagement
events held

CRH believes that continued sustainable business success is built on maintaining excellent relationships with all stakeholders. Our philosophy is to develop and nurture all employees, recognising that people are critical to sustaining competitive advantage and to achieving focused growth over the long-term.

In 2015 we continued to place an emphasis on training and skills learning, while strengthening our focus on developing and recruiting talented leaders to guide our evolving and growing Group. CRH is committed to fostering respect in the workplace and to developing an inclusive workforce based on merit and ability. In 2015, 18% of CRH's employees were female. The building materials industry traditionally attracts more male than female employees and CRH has a number of programmes in place aimed at increasing gender diversity. CRH has exceeded its target of 25% for Board gender diversity by the end of 2015 and currently has four female directors.

We also recognise a wider responsibility beyond our core business activities in the communities in which Group companies operate. In 2015 Group companies hosted over 800 stakeholder events in keeping with our policy to engage in an open, honest and proactive way. CRH assists local community initiatives, in addition to supporting programmes in education, environmental protection and job creation.

The Group endorses human and labour rights and supports the principles set out in the articles of the United Nations' Universal Declaration of Human Rights and the International Labour Organisation's Core Labour Principles. CRH operates a comprehensive Code of Business Conduct and has additionally implemented an Ethical Procurement Code and Supplier Code of Conduct, with the aim of extending the Group's positive influence along the value chain.

Creating value through Risk Governance

The aim of Enterprise Risk Management is to deliver increased shareholder value for CRH. Effective governance, which is considered fundamental in CRH, is critical to success, supporting management in executing strategy, managing costs, responding to risks, attracting investment, achieving regulatory compliance and in promoting effective decision making.

Managing risk is of vital importance and CRH has a formal Enterprise Risk Management (“ERM”) Framework as the basis for assessing and managing risks associated with business and strategic corporate decisions. From a CRH perspective, ERM is a forward-looking, strategy-centric, risk-based approach to managing the risks inherent in decision making. It recognises the linkage between business objectives and strategies, and their associated risks and opportunities, and hence integrates strategic decision making and risk taking in order to preserve and/or enhance value and reputation.

While the Board of CRH is ultimately responsible for risk management, it has delegated some of its responsibilities to the *Audit Committee*. The *Audit Committee* in turn monitors the activities of various functions including Group Regulatory, Compliance and Ethics, Group IT Governance, Group Finance and Group Risk. Group Internal Audit is charged with independently assessing and reporting on the risk management initiatives implemented by these functions. There is regular reporting to the Board and the *Audit Committee* on key strategic, operational, compliance, financial and other risks and uncertainties.

With our balanced portfolio, the decentralised and geographically dispersed structure of the Group provides some natural mitigation for some of the significant risks and uncertainties faced, such as industry cyclicality, political and economic uncertainty and damage to corporate reputation.

ERM Framework

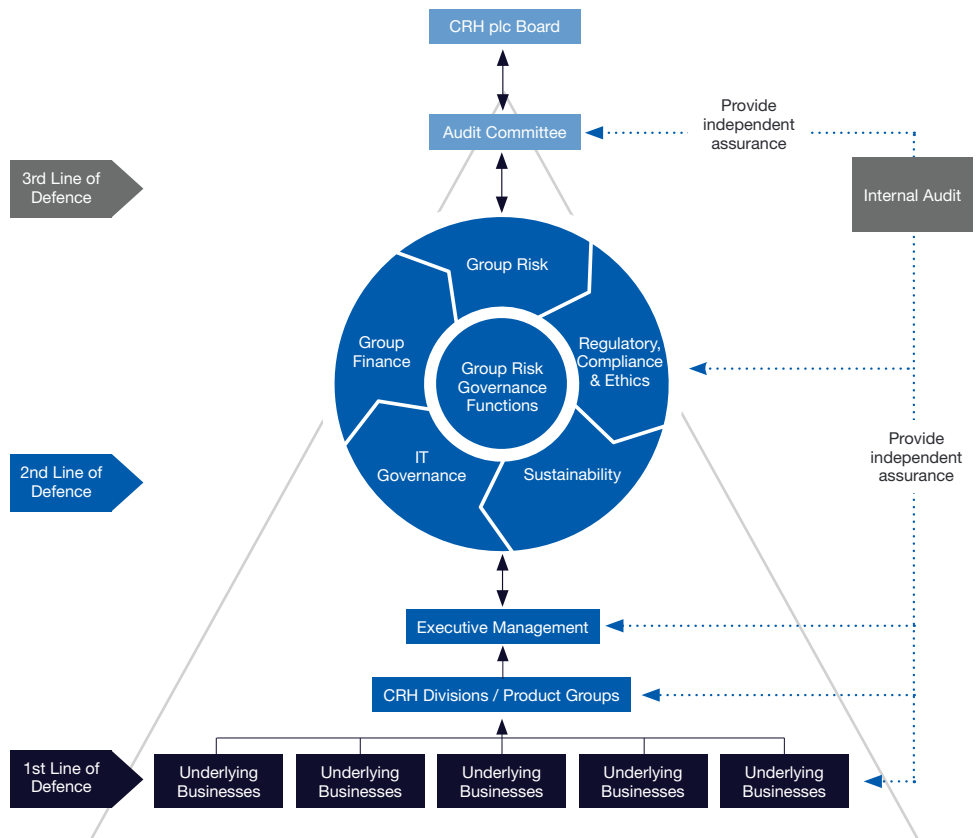
The ERM Framework (“the Framework”) encompasses risks across the various strands of CRH’s strategy – driving performance, executing organic and acquisitive growth, protecting information assets, monitoring compliance with all laws and regulations (including an unwavering commitment to health & safety), sustainability, leadership development and talent management and finance.

In formalising CRH’s approach to risk management through ERM, a key

requirement has been to ensure that the Framework continues to deliver value for management by providing visibility on strategic priorities and the linkages to the associated risks and opportunities. The key risks identified are reported periodically through the Framework to the *Audit Committee* and the Board with the risks being subject to common, standardised and repeatable processes of assessment, evaluation, management and monitoring.

In line with international best practice, CRH follows a “three lines of defence” model for risk management and internal control.

Our Risk Management Framework – Three Lines of Defence



Roles and Responsibilities

The Board is ultimately responsible for risk management within CRH. The Board has delegated responsibility for the monitoring of the effectiveness of the Group's risk management and internal control systems to the *Audit Committee*. Such systems are designed to manage, rather than eliminate, the risk of failure to achieve business objectives.

The Board and *Audit Committee* receive, on a regular basis, reports from management on the key risks to the business and the steps being taken to manage/mitigate such risks. They also consider whether the significant risks faced by the Group are being identified, evaluated and appropriately managed. The *Audit Committee* reviews the list of principal risks and uncertainties disclosed on pages 113 to 119.

Risk Management Lines of Defence

First Line of Defence

Operating company/business leaders are responsible for ensuring that a risk control environment is established as part of their day-to-day operations. Proactive risk engagement and management is critical to quick identification and response.

Second Line of Defence

CRH has various Group oversight functions such as Group Sustainability, Group Regulatory, Compliance and Ethics, Group IT Governance, Group Finance and Group Risk. These functions are responsible for setting policies and ensuring that they are implemented throughout the Group.

Third Line of Defence

Group Internal Audit provides independent assurance. It reports on the effectiveness of the risk management and internal control frameworks to the *Audit Committee* on a regular basis.

Our Risk Assessment Process

CRH's risk management process operates to ensure a comprehensive evaluation is performed and is the subject of continuous improvement. The risk management cycle operates as follows:



Identify and Assess

Management identify risks as part of their day-to-day activities and are required to conduct a robust assessment of these risks. Robust assessment ensures the following factors are taken into consideration:

- The nature and extent of risks facing the Group, including emerging risks
- Risk appetite and risk tolerance
- The likelihood of the risk materialising
- The impact and velocity should the risk materialise
- The mitigation strategies implemented in order to manage the risks
- The monitoring processes in place to determine and respond to the effectiveness of mitigation strategies.

Management are required to assess all risks which could have an impact on the current or future operation of their business and document these risks in a standardised template. Risks are assessed in terms of their financial and operational impact should they occur and their likelihood of occurrence, using a defined risk scoring methodology.

Risk velocity, the speed at which a risk impacts the business, is an important constituent of this evaluation.

Manage and Monitor

In line with our ongoing focus on continuous process improvement, risks are assessed by management on an inherent/gross basis (prior to mitigation strategies) and a residual/net basis (post mitigation strategies). Where the gross risk score determines the risk to be material, appropriate mitigation strategies are implemented to bring the residual risk to a level which is within Risk Appetite and Tolerance levels approved by the CRH Board.

The Risk Appetite and Tolerance Framework is a critical component of CRH's risk governance system through defining the key risk parameters within which strategic decision making takes place. The Board approves the Risk Appetite and Tolerance Framework on an annual basis in line with best corporate governance practice.

Report

The Group-level Risk Register, which is compiled by the Group Risk function, identifies those risks which may impede the realisation of core strategic objectives. The risks listed on pages 113 to 119 constitute this register, which forms the basis of Board and *Audit Committee* communications and discussions.

Viability Statement

Our Viability Statement, prepared in accordance with the UK Corporate Governance Code 2014, is set out on page 110 of the Directors' Report.

Business Performance





Business Performance

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Finance Director's Introduction

Maeve Carton



Finance Director

As noted in the Chief Executive's review on page 6, 2015 was a year of growth for CRH, with continued positive momentum in the Americas and more mixed market conditions in Europe. The Group also benefited from more normal weather patterns in the Americas at the start of the year compared with 2014 and the favourable conditions through to the end of the year in all markets. The post-acquisition contribution from the LH Assets was ahead of expectations. The Group continued to focus on cash generation with operating cash flow for the year amounting to €1.3 billion (2014: €902 million) and year-end net debt finished at €6.6 billion. This was achieved with significant acquisition spend of almost €8 billion being partly offset by the strong cash inflows from operations, proceeds of circa €1 billion from disposals and €1.8 billion from shares issues, including circa 74 million shares placed in February 2015.

Key Components of 2015 Performance

Reported sales of €23.6 billion for the period were 25% ahead of 2014. On a continuing operations basis, excluding the impact of divestments and the LH Assets and with the benefit of positive currency impacts, sales were 17% higher than 2014. An increase of 30% in the Americas reflected the strength of the US Dollar versus the euro and the continued positive momentum in construction markets, while sales from continuing operations in Europe were 3% ahead of last year. Profits and margins from continuing operations increased in all six segments with good operating leverage also delivered.

EBITDA from continuing operations in the Americas was 51% ahead of 2014, with our continuing European operations delivering EBITDA growth of 4%. The LH Assets delivered profits ahead of expectations in the post-acquisition period, with reported EBITDA of €171 million stated after charging transaction/one-off costs of €197 million. Including this contribution, and the impact of divestments, EBITDA for the year amounted to €2,219 million, a 35% increase on 2014.

During 2015, most major currencies strengthened in value compared with the euro, the US Dollar strengthened 20% from an average of 1.33 versus the euro in 2014 to an average of 1.11 in 2015, while the Swiss Franc strengthened from an average of 1.21 in 2014 to 1.07 in 2015. These movements, partly offset by the weakening of certain other currencies, particularly the Ukrainian Hryvnia, resulted in a favourable foreign currency translation impact on our results; this is the principal factor behind the exchange effects shown in the table on the right. The average and year-end 2015 exchange rates of the major currencies impacting on the Group are set out on page 147.

We continued to advance the significant cost-reduction initiatives which have been progressively implemented since 2007 and which by year-end 2015 had generated cumulative annualised savings of over €2.5 billion. Total restructuring costs associated with these initiatives (which generated gross savings of €110 million in 2015) amounted to €29 million in 2015 (2014: €51 million).

Key Components of 2015 Performance

€ million	Sales revenue	EBITDA	Operating profit	Profit on disposals	Finance costs (net)	Assoc. and JV PAT*	Pre-tax profit
2014	18,912	1,641	917	77	(288)	55	761
Exchange effects	2,198	218	137	6	(27)	4	120
2014 at 2015 rates	21,110	1,859	1,054	83	(315)	59	881
Incremental impact in 2015 of:							
- 2014/2015 acquisitions	2,738	215	28	-	(50)	1	(21)
- 2014/2015 divestments	(855)	(100)	(69)	20	6	(10)	(53)
- Restructuring/Impairment	-	22	27	-	-	-	27
- Swiss fine/Pension/CO ₂	-	(35)	(35)	-	-	-	(35)
- Early bond redemption	-	-	-	-	(38)	-	(38)
- Organic	642	258	272	(2)	8	(6)	272
2015	23,635	2,219	1,277	101	(389)	44	1,033
% Total change	25%	35%	39%				36%
% Organic change	3%	14%	26%				31%

* CRH's share of after-tax profits of joint ventures and associated undertakings

Cash Management and Financial Performance

Throughout 2015 the Group remained focused on cash management, targeting in particular working capital and capital expenditure, and overall operating cash flow increased to €1.3 billion (2014: €902 million). Year-end working capital of €2.1 billion represented just 8.9% of sales, an improvement compared with year-end 2014 (10.6%); this performance delivered net inflows for the year of €642 million (2014: €69 million). CRH believes that its current working capital is sufficient for the Group's present requirements.

Controlled spending on property, plant and equipment, focusing on markets and businesses with increased demand backdrop and efficiency requirements, particularly the Americas, resulted in

increased cash outflows of €882 million (2014: €435 million), with spend in 2015 representing 105% of depreciation (2014: 69%). Capital expenditure in acquired LH businesses amounted to €155 million in the post-acquisition period (95% of depreciation) while the currency translation impact due to the weakening euro was €85 million.

During the year the Group spent a total of €7.5 billion on 20 bolt-on transactions together with acquisition of the LH Assets and CRL which was partly offset by divestment and disposal proceeds of circa €1 billion.

Dividend payments of €511 million (before scrip) and proceeds of €1.8 billion from share issues (including the placing of circa 74 million shares in February 2015, scrip

dividends and net of own shares purchased) reflected the Group's focus on balanced financing and returns to shareholders.

At year-end the stronger US Dollar (1.0887 versus the euro compared with 1.2141 at year-end 2014) was the main factor in the negative translation and mark-to-market impact of €138 million on net debt. Reflecting all these movements, net debt of €6.6 billion at 31 December 2015 was €4.1 billion higher than year-end 2014.

The Group is in a good financial position. It is well funded and interest cover (EBITDA/net debt-related interest costs) of 7.5x is significantly higher than the minimum requirements in the Group covenant agreements. Further details are set out in note 23 to the financial statements.

Finance Director's Introduction | continued

Summarised Cash Flow

	2015	2014
	€m	€m
Inflows		
Profit before tax	1,033	761
Depreciation, amortisation and impairment	942	724
Working capital inflow (i)	642	69
	2,617	1,554
Outflows		
Tax payments	(235)	(127)
Capital expenditure	(882)	(435)
Premium payable on debt redemption	(38)	-
Other (ii)	(133)	(90)
	(1,288)	(652)
Operating cash inflow	1,329	902
Pension payments	(53)	(66)
Acquisitions and investments (iii)	(7,549)	(188)
Proceeds from disposals	1,017	345
Share issues (iv)	1,779	129
Dividends (before scrip dividend)	(511)	(460)
Translation and mark-to-market adjustments	(138)	(181)
(Increase)/decrease in net debt	(4,126)	481

- (i) Working capital inflow includes deferred divestment proceeds and the difference between net finance costs included in profit before tax and interest paid/received.
- (ii) Primarily non-cash items included in profit before tax, including profits on disposals/divestments of €101 million (2014: €77 million), share-based payments expense of €27 million (2014: €16 million) and CRH's share of equity accounted investments' profit of €44 million (2014: €55 million profit). Other cash flows included comprise dividends received from equity accounted investments of €53 million (2014: €30 million), cash and cash equivalents in disposed companies of €90 million (2014: Nil) and debt in disposed companies of €20 million (2014: Nil).
- (iii) Acquisitions and investments spend comprises consideration for acquisition of subsidiaries (including debt acquired), deferred and contingent consideration paid, other investments and advances and, in 2014, acquisition of non-controlling interests.
- (iv) Proceeds from share issues include scrip dividends of €132 million (2014: €107 million).

The Group took advantage of the low interest rate environment in 2015 to raise the equivalent of over €2.5 billion in the debt capital markets during the year. In May, dollar bonds totalling US\$1.75 billion were issued, comprising a US\$1.25 billion 10-year bond at a coupon rate of 3.875% and a US\$0.5 billion 30-year bond at a coupon rate of 5.125%. Part of the proceeds from these US Dollar issues were used to make an early redemption of US\$0.97 billion of the total US\$1.6 billion bonds due in 2016, resulting in overall interest savings for the Group in 2015 and 2016.

In December a €600 million 8-year bond was issued with a coupon of 1.875% along with a 14-year GB£400 million bond with a coupon of 4.125%. These 2015 bond issues reflect CRH's commitment to prudent management of our debt and the timing of the related maturities and also to maintaining an investment grade credit rating.

The Group ended 2015 with total liquidity at end 2015 of €5.6 billion comprising €2.5 billion of cash and cash equivalents on hand and €3.1 billion of undrawn committed facilities, €2.8 billion of which do not mature until 2020. These cash balances were enough to meet all maturing debt obligations for the next two and a half years and the weighted average maturity of the remaining term debt was nine years.

CRH's euro share price increased by 34% in 2015 to €26.70 at year end; combined with the maintained dividend of 62.5c, shareholder euro returns were 38% in 2015. Net debt as a percentage of market capitalisation increased to 30% (2014: 17%) and represented a multiple of 3.0 times EBITDA. These metrics reflect the impact on net debt of the significant acquisition activity during 2015; the Group remains committed to restoring its debt metrics to normalised levels during 2016.

Business Performance Reviews

The section that follows outlines the scale of CRH's business in 2015, and provides a more detailed review of performance in each of CRH's six legacy reporting segments, for transparency we have presented the partial year contribution from LH Assets separately from our existing operations in a seventh segment.



REISELAND DEUTSCHLAND

BRANDENBURG

DELLE M

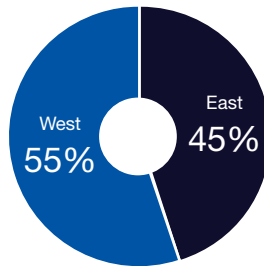
Operational Snapshot

Sector exposure and end-use based on 2015 annualised EBITDA (as defined)*

Europe Heavyside

	€ million	% of Group
Sales	3,607	15%
EBITDA	334	15%
Net Assets*	2,542	12%

Geography



Sector Exposure

Residential	40%
Non-residential	30%
Infrastructure	30%

End-use

New	75%
RMI	25%

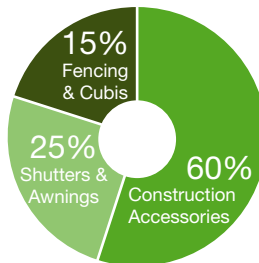
Annualised Production Volumes

Cement - 10.5m tonnes (18.1m tonnes**); Aggregates - 40.6m tonnes (40.7m tonnes**); Asphalt - 2.4m tonnes; Readymixed Concrete - 7.2m m³ (7.5m m³); Lime - 1.1m tonnes; Concrete Products - 6.1m tonnes; Architectural Concrete - 6.0m tonnes

Europe Lightside

	€ million	% of Group
Sales	961	4%
EBITDA	100	4%
Net Assets*	506	2%

Products



Sector Exposure

Residential	35%
Non-residential	50%
Infrastructure	15%

End-use

New	70%
RMI	30%

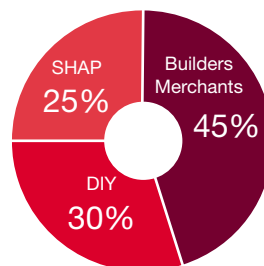
Annualised Production Volumes

Fencing & Security - 3.9m lineal metres

Europe Distribution

	€ million	% of Group
Sales	4,158	18%
EBITDA	171	8%
Net Assets*	1,591	8%

Activities



Sector Exposure

Residential	80%
Non-residential	20%
Infrastructure	0%

End-use

New	30%
RMI	70%

Outlets

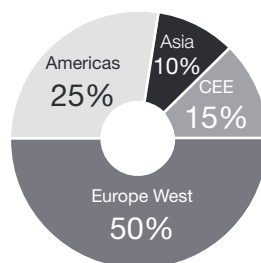
Builders Merchants - 347 (506**); DIY - 183 (228**); SHAP - 134

* Net Assets at 31 December 2015 comprise segment assets less segment liabilities as disclosed in note 1 to the Consolidated Financial Statements

LH Assets

	€ million	% of Group
Sales	2,418	10%
EBITDA	171	8%
Net Assets*	6,785	32%

Geography



Sector Exposure

Residential	35%
Non-residential	30%
Infrastructure	35%

End-use

New	70%
RMI	30%

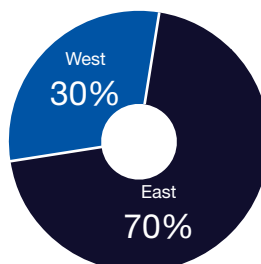
Annualised Production Volumes

Cement - 23.0m tonnes; Aggregates - 86.4m tonnes (95.1m tonnes²); Asphalt - 9.0m tonnes; Readymixed Concrete - 11.0m m³

Americas Materials

	€ million	% of Group
Sales	6,400	27%
EBITDA	912	41%
Net Assets*	5,738	28%

Geography



Sector Exposure

Residential	15%
Non-residential	30%
Infrastructure	55%

End-use

New	35%
RMI	65%

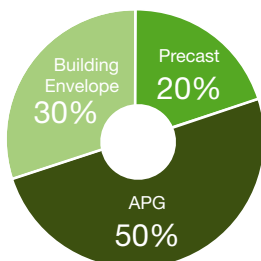
Annualised Production Volumes

Aggregates - 143.3m tonnes (144.1m tonnes²); Asphalt - 43.1m tonnes (44.5m tonnes²); Readymixed Concrete - 6.0m m³ (6.2m m³)

Americas Products

	€ million	% of Group
Sales	3,862	16%
EBITDA	391	18%
Net Assets*	3,194	15%

Products



Sector Exposure

Residential	40%
Non-residential	55%
Infrastructure	5%

End-use

New	55%
RMI	45%

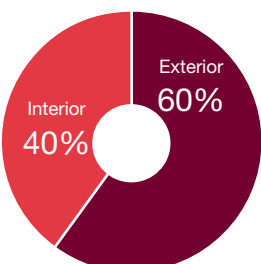
Annualised Production Volumes

Concrete masonry, patio products pavers – 9.2m tonnes; Pre-packaged concrete mixes – 3.3m tonnes; Pre-packaged lawn & garden products – 5.2m tonnes; Precast concrete products – 1.2m tonnes; Pipe and prestressed concrete – 0.4m tonnes; Building envelope products – 7.6m square metres, 67,000 SKUs

Americas Distribution

	€ million	% of Group
Sales	2,229	10%
EBITDA	140	6%
Net Assets*	731	3%

Activities



Sector Exposure

Residential	50%
Non-residential	50%
Infrastructure	0%

End-use

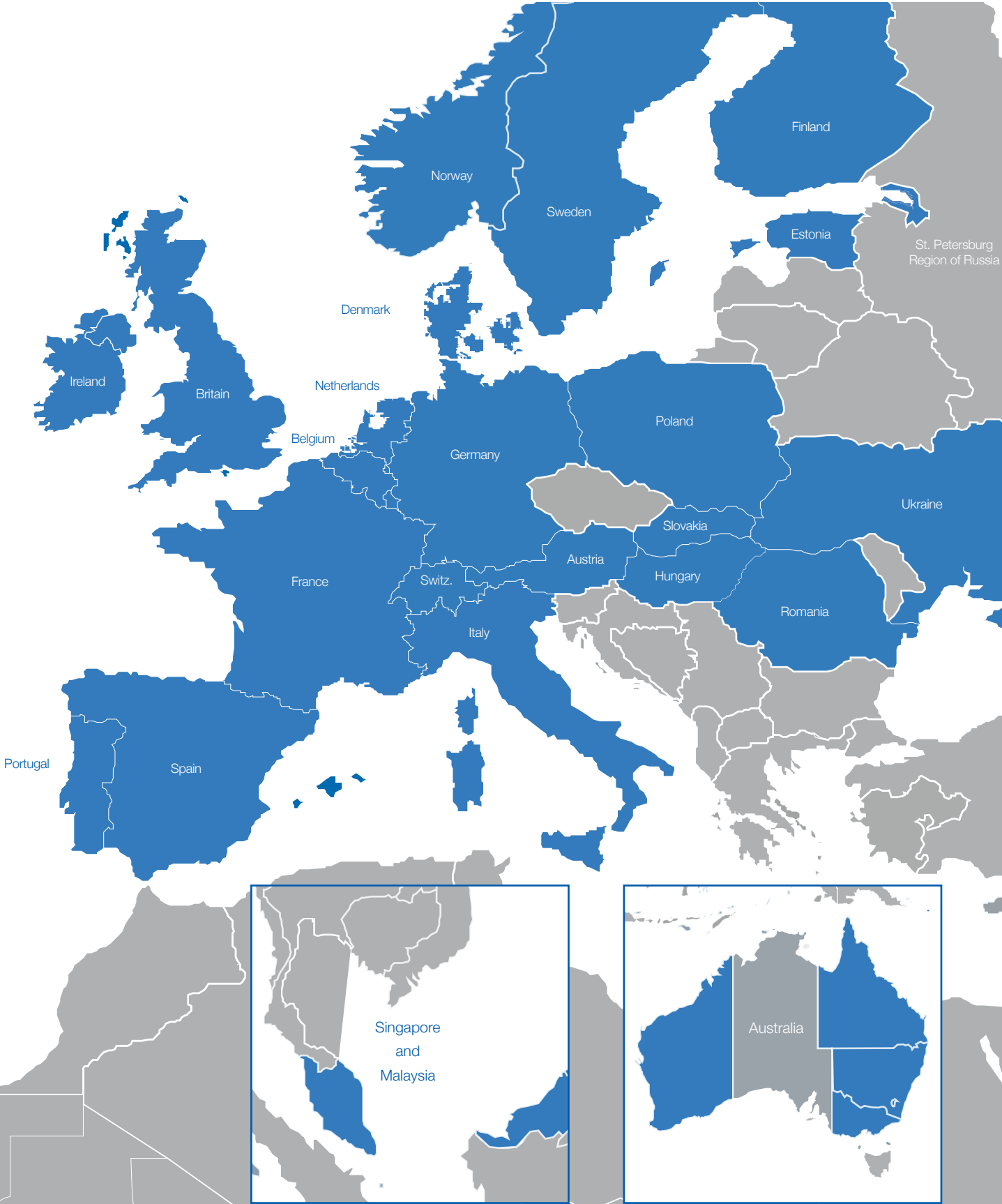
New	45%
RMI	55%

Outlets

Exterior products – 144; Interior products – 53

** Including equity accounted investments; the volumes quoted above for Europe Heavyside also include the Group's share of production volumes in the businesses in China and India in which CRH has equity-accounted investments

CRH in Europe*



CRH is a regional leader in the manufacture and supply of building materials to construction markets in Europe and strives to maintain No. 1 and No. 2 market positions in its various product segments across a range of European countries.

The European operations are comprised of three divisions: Heavyside, Lightside and Distribution. The Heavyside operations produce cement, aggregates, asphalt, readymixed concrete, precast concrete and concrete landscaping. Our Lightside operations manufacture construction accessories, shutters and awnings, fencing and composite access chambers.

In Distribution, we are a leading player in builders merchandising, DIY and sanitary, heating and plumbing.

Operating across Western and Eastern Europe, more than 32,000 people are employed by our businesses at approximately 1,500 locations.



The limestone quarry at Trzuskawica's plant at Sitkówka. The plant is located near the city of Kielce, an area rich in limestone. This is one of the biggest quarries in Poland, with yearly extraction of up to 6m tonnes of high quality limestone in peak years.



Metal Inert Gas (MIG) welding of a stainless steel brick cladding support system at Ancon's 6,500m² manufacturing facility in Sheffield, UK. Ancon, part of Europe Lightside, is a two-time winner of the Queen's Award for Enterprise.



Raboni, a general builders merchant, supplies a wide range of building materials to professional contractors in the Normandy and Paris regions of France.

* A map showing the countries, including in Europe, where the newly acquired LH Assets are located is shown on page 44

Europe Heavyside

Business Description

Europe Heavyside's strategic goal is to be the leading vertically integrated heavyside business in Europe, building leading regional positions in businesses that have the potential to grow further in the large European construction markets. With a balanced approach to demand exposure, product penetration and maximising the benefits of scale and best practice, our business is well differentiated in the marketplace. Enhanced alignment and collaboration leads to value creation throughout our extensive network of well-invested facilities across the division.

Europe Heavyside comprises cement, aggregates, asphalt and concrete operations organised into two regional divisions: Western Europe, which includes primarily Switzerland, Germany, Benelux, France, Denmark, Ireland and Spain; and Eastern Europe which includes Poland, Ukraine and Finland. The business model of vertical integration is founded in resource-backed cement and aggregates assets, which support the manufacture and supply of cement, aggregates, readymixed and precast concrete, concrete landscaping and asphalt products. As a result, extending reserves is an ongoing process and a key focus for the Heavyside business. We place great emphasis on performance improvement initiatives across the business and seek to create value through optimisation of the asset base, maximising Group synergies and leveraging commercial and operational excellence. The scale of our operations provides economies in purchasing and logistics management and our commitment to sustainability is evidenced by greater use of alternative fuels and the manufacture of low carbon cements.

The Europe Heavyside development strategy is currently focused on integration of our recent acquisitions, maximising the synergies to be gained. We remain focused on bolt-on acquisitions for synergies, reserves and further vertical integration, in addition to opportunities in contiguous regions to extend and strengthen regional positions. Our portfolio is managed through a focus on value creation, with a strong pipeline of opportunities across regions, including developing markets in Eastern Europe that offer long-term growth potential. As part of CRH's ongoing strategy to optimise our portfolio, Europe Heavyside completed a total of 14 divestments in 2015, including the disposal of its 25% equity interest in Mashav, the holding company for the sole producer of cement in Israel, in December 2015.

In total Europe Heavyside employs approximately 16,100 people at close to 700 locations in 19 countries.

Market leadership positions

Cement

Top 10	Europe
No.1	Finland, Ireland, Ukraine
No.2	Switzerland
No.3	Poland

Aggregates

No.1	Finland, Ireland
------	------------------

Readymixed concrete

No.1	Finland, Ireland, Poland
No.2	Switzerland

Agricultural & chemical lime

No.1	Ireland
No.2	Poland

Concrete products

No.1	Structural concrete & flooring: Benelux
No.1	Structural concrete: Denmark
No.1	Utility precast: France
No.1	Precast structural elements: Hungary

Architectural concrete

No.1	Blocks: Ireland
No.2	Rooftiles: Ireland
No.1	Landscaping products: Finland, Poland, Benelux, France and Slovakia
No.1	Paving/landscape walling: Germany
No.2	Paving products: Denmark

Operations Review

Results					Analysis of change						
€ million	% Change	2015	2014	Total Change	Organic	Acquisitions	Divestments	Restructuring/ Impairment	Pension/ CO ₂	Exchange	
EBITDA*	-12%	334	380	-46	+1	-	-62	+9	-3	+9	
Operating profit*	-11%	135	151	-16	+7	-	-45	+18	-3	+7	
EBITDA/sales		9.3%	9.7%								
Operating profit/sales		3.7%	3.8%								

* EBITDA and operating profit exclude profit on disposals

Restructuring costs amounted to €6 million (2014: €15 million)
 Impairment charges of €26 million were incurred (2014: €35 million)
 Pension restructuring gains amounted to €4 million (2014: nil)
 Gains from CO₂ trading amounted to €2 million (2014: €9 million)

2015 was characterised by mixed trends across our major European markets with challenging market conditions in our businesses in Switzerland, France, Germany and Finland offsetting increased activity in Ireland, Poland, Denmark and the Netherlands. As a result, like-for-like sales for the year were slightly behind 2014, with like-for-like EBITDA broadly in line with 2014 due to ongoing cost savings initiatives and improved capacity utilisation. While reported margins for 2015 were slightly behind 2014, margins for Heavyside's continuing operations (excluding the impact of divestments and one-off items), were ahead of last year. In addition to the divestment of the UK's clay and products operations, Heavyside completed 13 divestments in 2015. The commentary below excludes the impact of these divestments.

Western Europe (55% of EBITDA)

The strong Swiss Franc created challenging market conditions in Switzerland. Combined with the slight slowdown in residential construction and decline in infrastructure spend, this resulted in pricing pressure in all markets. Sales volumes in both our cement and downstream businesses declined, and operating profit was below 2014.

In Belgium, our cement and readymixed concrete businesses continue to face competitive trading conditions while curtailed public spending and lower exports to France affected our landscaping business in particular. Our structural concrete business has seen some improvement in sales, however operating profit was flat. Construction activity in the Netherlands improved, mainly due to strong growth in the residential market. This was reflected in sales and operating profit growth in our structural concrete business.

While sales of other products were adversely impacted by the competitive trading environment, ongoing cost reduction programmes resulted in improved operating profit.

In Ireland, construction growth was supported by improvements across all sectors, primarily non-residential, albeit from a low base. While cement volumes grew by 17%, pricing was under pressure in competitive markets. With the benefit of higher volumes and the positive impact of cost savings initiatives in previous years, operating profit was ahead of 2014.

With the benefit of a continued strong non-residential market and growth in new residential construction in Denmark, both volumes and prices in our structural concrete business improved. Sales and operating profit were ahead of 2014.

Europe Heavyside | continued

Volumes in our concrete products businesses in Germany and France were under pressure as lower government spending contributed to subdued construction markets. While sales declined, the effect on operating profit has been moderate due to vigorous implementation of cost reduction programmes. Overall, the macro-economic situation in Spain has stabilised but there are some regional variations. In the regions in which we operate, both cement and readymixed concrete volumes have been under pressure with difficult trading conditions, resulting in sales below 2014. However, operating results have shown improvement due to ongoing cost reductions.

Eastern Europe (45% of EBITDA)

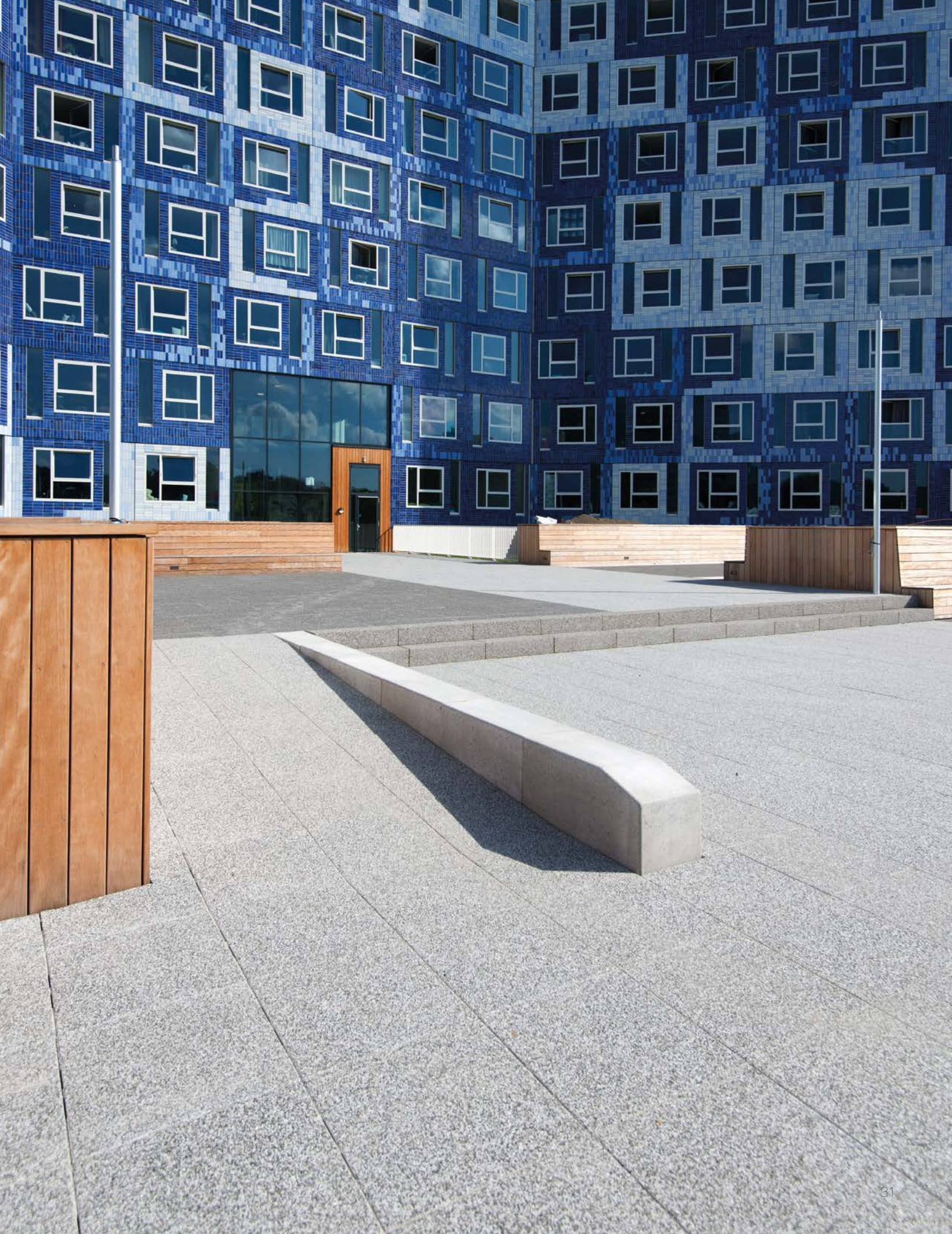
In Poland, cement volumes improved, with growing momentum in the second half of the year; however prices remained under pressure with overcapacity in the market. Both sales and operating profit were ahead of the prior year with the benefit of cost savings, disposal of non-performing assets and increased readymixed concrete activity.

Construction activity in Finland was somewhat down in 2015, and our cement operations reported a 6% decline in volumes, with pricing also under pressure. Readymixed concrete volumes were also lower than 2014 while aggregates and the concrete products businesses have benefited from a number of large projects. With the benefit of cost and efficiency initiatives, overall operating profit was ahead of 2014.

Our Ukraine operations are based in the West of the country, which continues to be less impacted than Eastern Ukraine by the ongoing political conflict. Cement volumes were up 2% year-on-year, with volume growth of 8% in the second half of the year compensating for a slower start to 2015. Local inflation negatively impacted input costs and operating profit was lower than last year impacted by the weakening of the local currency.

Reserves

Physical Location	Proven & probable million tonnes	Period to depletion years
Cement		
Ireland	215	109
Poland	185	46
Switzerland	31	21
Ukraine	158	51
Spain	85	366
Aggregates		
Finland	192	17
Ireland	1,073	94
Poland	182	40
Spain	96	44
Other	172	23
Lime		
Ireland/Poland	161	160



Europe Lightside

Business Description

Europe Lightside's strategy is to build and grow scalable businesses in construction markets across a range of products and end-use segments. We operate a portfolio of business platforms which focus on increasing the penetration of our range of high-quality, value-added products, and create competitive advantage through strong customer relationships and service.

We realise commercial, operational and procurement synergies across the larger network to benefit from scale and best practice, and leverage a range of flagship brands at a regional, European and global level. There is a continuous focus on product innovation and development and we work with specialist end-users, such as architects and engineers, to develop design solutions that are approved and certified for individual target markets.

The Division is organised into three business areas: Construction Accessories, Shutters & Awnings, and Fencing & Cubis Access

Chambers. Our development strategy is to deepen our positions in existing business platforms in developed Europe, to broaden our differentiated product portfolio through selected new growth platforms, and to expand our presence in developing regions as construction markets in those regions become more sophisticated. This strategy complements CRH's aim to provide innovative solutions that meet the longer-term opportunities presented by economic development, changing demographics and sustainability.

We draw upon an established record of enabling mature and high-growth businesses alike to expand their offerings, and develop their markets. Lightside has historically achieved consistently attractive returns; this reflects active, balanced management of our product range and our geographic and business cycle exposures.

Employees total approximately 4,800 people at over 100 operating locations in 16 countries.

Market leadership positions

Construction Accessories

No.1 Europe

Shutters & Awnings

No.1 Netherlands

No.3 Germany

Fencing & Cubis (Composite Access Chambers)

No.1 Europe (Fencing, Cubis)

No.1 Australia (Cubis)



Erhardt Markisen is part of the Shutters & Awnings platform in Europe Lightside. It is a leading German manufacturer of sun protection and terrace roof systems, which encourage year-round outdoor living.

Operations Review

Results					Analysis of change			
€ million	% Change	2015	2014	Total Change	Organic	Acquisitions	Restructuring	Exchange
Sales revenue	+5%	961	913	+48	+3	+12	-	+33
EBITDA*	+6%	100	94	+6	+2	-	-	+4
Operating profit*	+6%	75	71	+4	-	-	-	+4
EBITDA/sales		10.4%	10.3%					
Operating profit/sales		7.8%	7.8%					

* EBITDA and operating profit exclude profit on disposals

Restructuring costs amounted to €5 million (2014: €5 million)

Europe Lightside saw further growth in 2015 with total sales 5% ahead, reflecting a good performance in key markets and the benefit of favourable weather conditions in the second half of the year. The UK market experienced growth, particularly in residential construction. Market circumstances in France and the Netherlands remained challenging, while overall activity in Germany, Belgium and Switzerland was relatively stable. Export markets outside of Europe were robust. With the benefit of new product innovation and process improvements, operating profit increased.

Construction Accessories (60% of EBITDA)

Construction Accessories supplies a broad range of connecting, fixing and anchor systems to the construction industry. Like-for-like sales grew by 2% in 2015, with an increase in operating profit. Engineered Accessories benefited from new product innovation and favourable market conditions in the UK. Our businesses in Germany and the UK continued to deliver growth in operating profit. Our Swiss business recorded stable sales and profits in spite of the negative exchange rate impact on market demand.

Building Site Accessories results were mixed, with a satisfactory performance in the UK, Belgium, the Netherlands and Spain offset by more difficult trading in Germany and France. The German Building Site Accessories business was divested at the end of 2015. The Southeast Asia business was affected by more difficult trading conditions and exchange rate effects but recorded an improvement in operating profit.

Shutters & Awnings (25% of EBITDA)

Shutters & Awnings is focused on the attractive RMI and residential end-use segments. Overall, like-for-like sales increased by 4% and the business achieved higher operating profit. Our German Awnings businesses benefited from the introduction of new products and favourable weather conditions, and recorded significant growth in both sales and profits. The German Shutters business recorded stable sales and substantially higher profits as a result of previous restructuring measures. The UK business also showed improved sales and margins. Our business in the Netherlands recorded a stable and satisfactory performance in a relatively flat RMI market.

Fencing & Cubis Access Chambers (15% of EBITDA)

Our Permanent Fencing business continued to experience difficult trading conditions, especially in the non-residential markets in the Netherlands and Germany and some export markets. Profits were also affected by restructuring measures in Germany. Against a backdrop of mixed markets, Mobile Fencing recorded strong growth in sales and profits through various commercial and operational excellence measures. The innovation focused Cubis Access Chambers business had another good year despite some challenges in France, increasing sales and operating profits due to strong UK demand and a positive contribution from the newly acquired business in Australia.

Europe Distribution

Business Description

Europe Distribution's strategy is 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 an established base in the Netherlands, CRH has expanded its leading Builders Merchants positions in Switzerland, Northern Germany, Austria and France servicing the growing repair, maintenance and improvement construction sector. Our Professional Builders Merchants sell a range of bricks, cement, roofing and other building products mainly to small and medium-sized builders.

In addition Europe Distribution is growing its DIY "GAMMA" format in the Benelux. The DIY Europe platform operates under four different brands: GAMMA (the Netherlands and Belgium), Karwei (the Netherlands), Hagebau (Germany) and Maxmat (Portugal) selling to DIY enthusiasts and home improvers.

Substantial opportunities remain to expand our existing network in core European markets and to establish new platforms aimed at increasing our exposure to growing RMI market demand. An example is CRH's entry in recent years into the developing Sanitary, Heating and Plumbing ("SHAP") distribution market, which has since replicated and expanded to service the specialist needs of plumbers, heating specialists and installers, and of gas and water technicians.

Europe Distribution employs approximately 11,400 people at over 650 locations across 7 countries.

Market leadership positions

Builders Merchants

No.1	Austria
No.1	Netherlands
No.1	Switzerland
No.1	Northern Germany
No.2	Ile-de-France and Normandy

DIY

No.1	Netherlands*
No.3	Belgium*
No.5	Germany**
No.2	Portugal (50%)

* Member of Gamma/Karwei franchise
 ** Member of Hagebau franchise

SHAP

No.2	Switzerland
No.2	Belgium
No.3	Northern Germany



In the Netherlands, 27 different General Builders Merchants companies in Europe Distribution united under one new name.

BMN Bouwmaterialen was formally launched in October 2015 and has nearly 80 branches nationwide.

Operations Review

Results					Analysis of change					
€ million	% Change	2015	2014	Total Change	Organic	Acquisitions	Restructuring/ Impairment	Swiss Fine	Exchange	
Sales revenue	+4%	4,158	3,999	+159	-21	+27	-	-	+153	
EBITDA)*	-10%	171	190	-19	+4	+1	-	-32	+8	
Operating profit*	-16%	94	112	-18	+10	-	-1	-32	+5	
EBITDA/sales	4.1%		4.8%							
Operating profit/sales	2.3%		2.8%							

* EBITDA and operating profit exclude profit on disposals

Restructuring costs amounted to €4 million (2014: €4 million)
Impairment charges of €1 million were incurred (2014: nil)

The market backdrop for Distribution remained mixed in 2015, with improving sentiment in the Netherlands partly offset by weaker markets in France and Switzerland, leaving full year organic sales flat on 2014. Swiss sales in particular were negatively impacted by a softening residential market and exchange rate movements. Encouraging sales in our Dutch businesses have been driven by a recovery in new residential markets together with commercial excellence initiatives to drive market share growth, particularly in our general merchants business. Excluding the impact of the provision for the Swiss Competition Commission fine of €32 million overall profitability was ahead of the prior year with performance improvement and cost savings measures offsetting challenging markets.

Professional Builders Merchants (45% of EBITDA)

Like-for-like results for our wholly-owned professional builders merchants business, which operates 347 branches in six countries, were slightly behind 2014 with pricing pressure in competitive markets a feature in 2015. Sales ended slightly behind 2014 partly due to strong prior year comparatives which benefited from very mild weather in Q1 2014. Our Swiss business experienced a difficult market environment in

2015 due to a softening of residential activity and the negative market impact of the Swiss National Bank decision in early 2015 to unpeg the Swiss Franc to the euro. Margin improvement initiatives together with cost savings measures helped protect profits to leave results only slightly behind 2014. Sales growth in our Dutch businesses were driven by a recovering new residential market in addition to commercial excellence initiatives to capture market share growth. Strong leverage on these higher sales coming from margin improvement measures (e.g. procurement initiatives, private label growth) and cost savings delivered operating profit progress. Without the recurrence of the very mild weather which benefited the first half of 2014, sales and operating profit in Germany were slightly behind 2014.

DIY (30% of EBITDA)

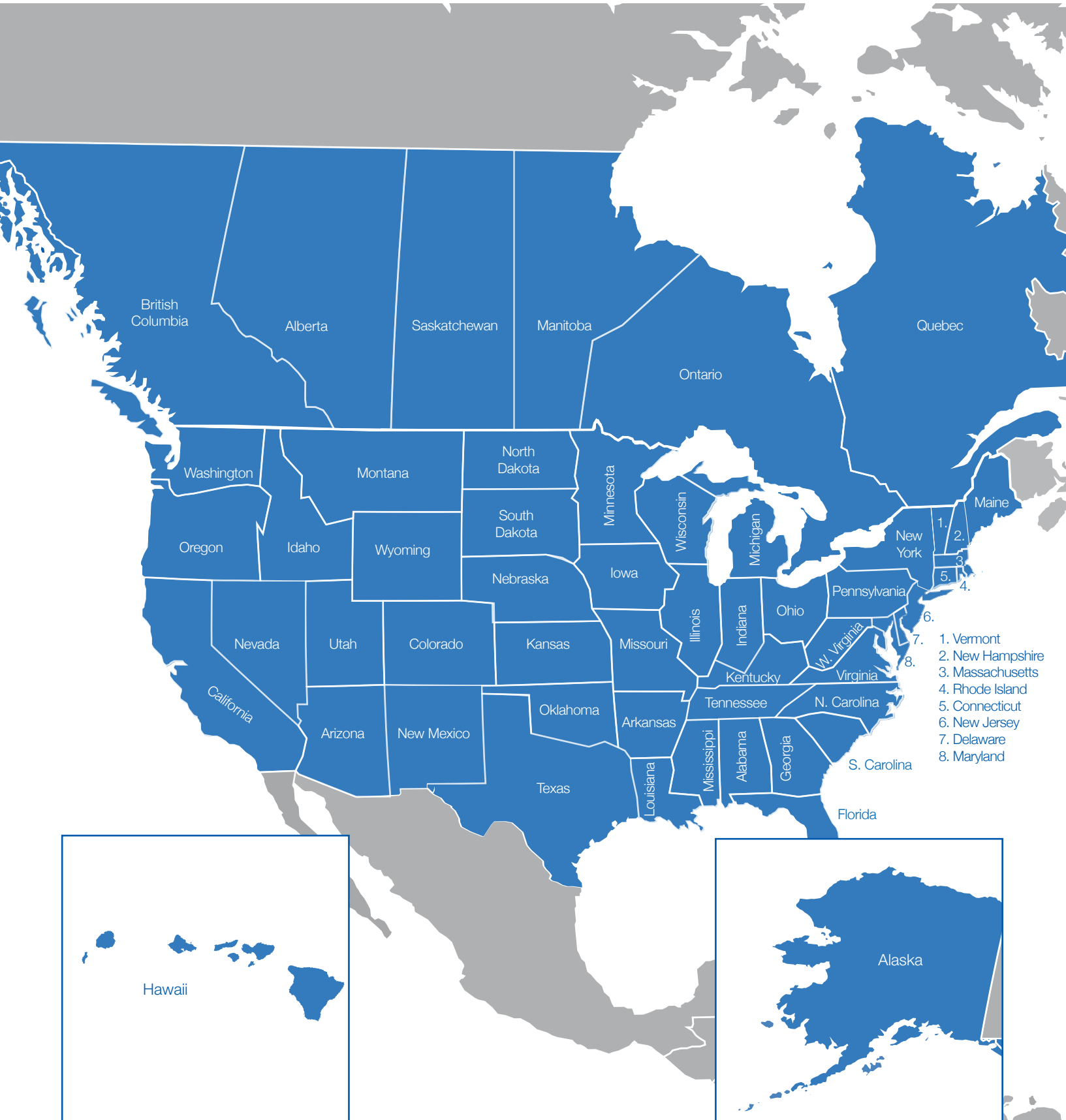
Our wholly-owned DIY business operates 183 stores in the Netherlands, Germany and Belgium. Overall sales were slightly ahead due to improving sales in our Dutch business with profit progress coming from higher volumes and margins. In the DIY business, which is more exposed to RMI compared to our builders merchants business, sales showed moderate progress with improving consumer confidence a key factor behind the growth in the Dutch market. Strong

leverage on these sales from procurement excellence initiatives helped to deliver good operating profit growth in 2015. Germany saw broadly flat sales with very little growth seen in the market. Overall operating profit for DIY was ahead of 2014.

Sanitary, Heating and Plumbing (“SHAP”) (25% of EBITDA)

Sales for our SHAP business, which operates 134 branches, were ahead of 2014. Despite very challenging markets in Switzerland, sales ended only slightly behind 2014 with profitability ahead due to margin improvement initiatives, purchasing benefits from a stronger Swiss Franc, and cost savings measures. Sales in Belgium showed good progress as we consolidated market share leaving operating profit ahead of prior year. In Germany, the benefit of moderate sales growth was offset by lower margins and profit was broadly in line with 2014. Overall operating profit for our SHAP activities was ahead of 2014 due to higher sales and commercial excellence initiatives.

CRH in the Americas



CRH is the largest building materials company in North America. We operate in all 50 US states and in six Canadian provinces.

Our Americas operations comprise Materials, Products and Distribution divisions. In Materials, we are the largest producer of asphalt and third largest producer of aggregates and readymixed concrete in the United States. Our Products operations, with their national footprint and broad product range, are the leading supplier of concrete products and architectural glazing systems in North America.

In Distribution, we are a leading supplier of product to the specialist Exterior roofing/siding contractor and also the Interior ceilings/walls demand segments.

Close to 40,000 people are employed by CRH in the Americas, with operations at over 1,700 locations.



The Shelly Company's Smith Concrete supplied 35,000 cubic yards of concrete for the US\$45 million Bridge of Honor. The bridge is a cast-in-place segmental concrete edge girder system with transverse floor beams. The bridge, which has a span of 675-feet, connects the cities of Pomeroy, Ohio, and Mason, West Virginia, across the Ohio River.



A rigorous quality assurance process at the Anjou Plant in Quebec, Canada, ensures that our customers receive world-class quality products and service. For more than 60 years, Oldcastle Architectural has been Canada's leader in concrete products, offering leading-edge design options for residential and commercial applications.



Tri-Built Materials Group, the private-label division of Allied Building Products, has been well received and now includes more than 30 residential and commercial accessory products.

Americas Materials

Business Description

Americas Materials' strategy is to build strong regional leadership positions underpinned by well-located, long-term reserves. We are the largest producer of asphalt and the third largest producer of both aggregates and readymixed concrete in the United States. We operate nationally in 44 states with over 13 billion tonnes of aggregates reserves of which circa 80% are owned. The business is vertically integrated from primary resource quarries into aggregates, asphalt and readymixed concrete products. With 55% exposure to infrastructure, the business is further integrated into asphalt paving services through which it is the leading supplier of product to highway repair and maintenance demand in the United States.

Our 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 35% of aggregates production, 25% of asphalt production and 25% of readymixed concrete production, CRH's strategy is to position the business to participate as the industry consolidates further.

Americas Materials employs approximately 18,500 people at close to 1,200 operating locations.

Market leadership positions

Aggregates

No.3 United States

Asphalt

No.1 United States

Readymixed concrete

No.3 United States

Reserves

Physical Location	Proven & probable million tonnes	Period to depletion years
Aggregates		
East USA	9,286	120
West USA	3,888	69

A CAT 988K wheel loader, loads a gravel train at the Stoneco of Michigan - Ottawa Lake Quarry. The quarry shipped approx. two million tonnes in 2015 while continuing their run of 4,812 days worked without a lost time incident. Ottawa Lake has won multiple NSSGA and MAA awards for safety, community relations and environmental controls and is an MDOT-certified supplier of crushed limestone, sand, and gravel.



Operations Review

Results					Analysis of change				
€ million	% Change	2015	2014	Total Change	Organic	Acquisitions	Divestments	Restructuring	Exchange
Sales revenue	+26%	6,400	5,070	+1,330	+342	+80	-95	-	+1,003
EBITDA*	+50%	912	609	+303	+170	+14	-7	+1	+125
Operating profit*	+72%	611	355	+256	+176	+11	-3	+1	+71
EBITDA/sales	14.3%		12.0%						
Operating profit/sales	9.5%		7.0%						

* EBITDA and operating profit exclude profit on disposals

Restructuring costs amounted to €8 million (2014: €9 million)

2015 was a year of good growth across all regions for Americas Materials, with the benefit of reduced energy costs, along with improved weather patterns in most markets. Trading conditions improved with increased demand in key market areas, led by improved residential and non-residential segments and stable infrastructure. US Dollar revenues grew 5% and US Dollar EBITDA increased 25% compared to 2014. Positive trends in pricing continued for aggregates and readymixed concrete, with asphalt pricing declines more than offset by lower input costs in 2015.

10 acquisitions and two investments were completed in 2015 at a total cost of €86 million, adding over 253 million tonnes of aggregates reserves, 6 operating quarries, 18 asphalt plants and 1 aggregates terminal, with annual production of 2.3 million tonnes of aggregates and 1.3 million tonnes of asphalt. Business and asset disposals during the year generated proceeds of €109 million.

Energy and related costs: The price of bitumen, a key component of asphalt mix, decreased by 18% in 2015 following a 3% increase in 2014. Prices for diesel and gasoline, important inputs to our aggregates, readymixed concrete and paving operations, decreased by 28% and 29% respectively. The price of energy used at our asphalt plants, consisting of fuel oil, recycled oil, electricity and natural gas, decreased by 25%. Recycled asphalt and shingles accounted for approximately 22% of total asphalt requirements in 2015, lessening demand on virgin bitumen.

Aggregates: Both like-for-like and overall volumes rose 4% from 2014. Average prices increased by 5% on a like-for-like basis and 4% overall compared with 2014. These price and volume increases, together with efficient cost control, resulted in improved margin for our aggregates business.

Asphalt: Volumes increased 6% on a like-for-like basis and 7% overall compared to 2014. Despite price declines of 4%, volume increases together with efficient cost control contributed to an overall asphalt margin expansion.

Readymixed Concrete: Like-for-like volumes increased 2% while total volumes including the impact of acquisitions and divestments were down 1% compared with 2014. Average prices increased 5% on both a like-for-like and an overall basis, contributing to margin expansion for this business.

Paving and Construction Services: With flat federal funding and pockets of increased state infrastructure spending, like-for-like sales increased 6%. Bidding continued to be under pressure in a competitive environment. However, efficient cost controls enabled overall margin to improve slightly in 2015.

East (70% of EBITDA)

The East region comprises operations in 24 states, the most important of which are Ohio, New York, Florida, Michigan, New Jersey, Pennsylvania and Connecticut. With the benefit of lower bitumen costs, operating profit in the Northeast division increased strongly compared with 2014.

The Central division benefited from increased transportation spending in Ohio, along with favourable bitumen costs. Operating profit was also ahead in the Mid-Atlantic division despite closure of coal mines and a slowdown in natural gas exploration in the region. The strong residential and non-residential markets in the Southeast division contributed to higher asphalt and readymixed concrete volumes and better prices resulting in significant margin growth. Overall volumes for the East region were 7% ahead of prior year for aggregates, 11% ahead for asphalt and 1% behind for readymixed concrete.

West (30% of EBITDA)

The West region has operations in 20 states, the most important of which are Utah, Texas, Washington, Kansas, Arkansas and Colorado. With strong operating and overhead cost management across the product lines, all divisions reported significant margin increases. With resilient market growth in Texas in both the public and private sectors, the Southwest division delivered higher margins, while the Northwest division benefited from increased commercial demand. Volumes in the Great Plains division were impacted by state spending cuts which were offset by strengthening residential and commercial sectors. Overall West volumes were flat for aggregates and decreased 2% from 2014 for both asphalt and readymixed concrete respectively.

Americas Products

Business Description

Americas Products' strategy is to build a portfolio of businesses which have leading market positions across a balanced range of products and end-use segments. Our activities are organised into three product groups under the Oldcastle brand: Architectural Products (concrete masonry and hardscapes, packaged lawn and garden products, packaged cement mixes); Precast (utility, drainage and structural precast, construction accessories); and BuildingEnvelope® (architectural glass, aluminium glazing systems, customised hardware products to glass and glazing industry). The Group's commitment to building better businesses is reflected in its co-ordinated approach at national and regional levels to achieve economies of scale and to facilitate the sharing of best practices which drive operational and commercial improvement. Innovation is a hallmark of the business and through Oldcastle's North American research and development centres, a pipeline of value-added products and design solutions is maintained.

The CRL acquisition completed in September 2015 includes 28 operating locations in the US, five in Canada, four in Europe and two in Australia.

In the context of the detailed review of the portfolio undertaken by the Group in 2014, CRH completed multiple divestments in 2015, including our Merchants Metals fencing business and a lightweight aggregates division, both in the United States. In addition, CRH's operations in South America were divested.

A national business operating in 38 US states and six Canadian provinces, CRH has the breadth of product range and national footprint that combines providing a national service to customers with the personal touch

of a local supplier. Focusing on strategic accounts and influencers in the construction supply chain, the Oldcastle Building Solutions group provides an additional avenue for growth as it is well-positioned in the industry to create value for stakeholders across all phases of construction.

The number of employees in this division totals approximately 17,900 at over 350 locations.

Market leadership positions

Concrete masonry, patio products and pavers

No.1	Paving & patio: North America
No.1	Masonry: North America

Packaged cement mixes

No.2	United States
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Packaged lawn & garden products

No.2	United States
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Precast concrete products

No.1	Precast concrete utility products: North America
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Building envelope solutions

No.1	North America
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Custom glazing hardware and installation products

No.1	North America
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Concrete accessories

No.2	United States
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Operations Review

Our Products business in the Americas is located in the United States and Canada. Trading results improved due to an ongoing pick-up in US macroeconomic fundamentals, including stronger labour markets and consumer confidence, which have strengthened private new residential construction and RMI. The non-residential construction sector also performed strongly in 2015, with the Southern and Western markets particularly strong. Input cost inflation was more than offset by the effects of improved operational efficiencies, procurement initiatives, favourable product mix and targeted price increases. Combined with the added benefits of cost reduction initiatives, Americas Products achieved a 24% increase in US\$ EBITDA and margins improved.

In 2015, we acquired CRL, a highly complementary platform for our BuildingEnvelope® group ("OBE") together with three bolt-on acquisitions at a total cost of €1.2 billion. CRL is the leading North American manufacturer and supplier of custom door hardware and glazing installation products. OBE and CRL expect to generate synergies through integrated supply chains, increased sales to a larger customer base and more efficient fixed costs. The Architectural Products Group's ("APG") acquisition of Anchor Block and Anchor Wall Systems expanded the product capabilities of its core masonry and hardscape business and enhanced APG's market position in the upper Midwest region. In addition to the disposal of the Glen-Gery clay business, nine further divestments together with asset disposals in 2015 generated net proceeds of €155 million.

Results				
€ million	% Change	2015	2014	Total Change
Sales revenue	+20%	3,862	3,225	+637
EBITDA*	+49%	391	263	+128
Operating profit*	+72%	249	145	+104
EBITDA/sales	10.1%		8.2%	
Operating profit/sales	6.4%		4.5%	

* EBITDA and operating profit exclude profit on disposals

Analysis of change				
Organic	Acquisitions	Divestments	Restructuring/ Impairment	Exchange
+246	+196	-374	-	+569
+67	+29	-31	+13	+50
+68	+15	-21	+10	+32

Restructuring costs amounted to €5 million (2014: €18 million)
Impairment charges of €17 million were incurred (2014: €14 million)

Architectural Products (50% of EBITDA)

APG is a leading supplier of concrete masonry and hardscape products and has strong national positions in dry mixes and packaged lawn and garden products. In addition to contractor-based new construction, the DIY and professional RMI segments are significant end-users. The business benefited from improving economic fundamentals, which have given rise to increased RMI spend, stronger residential construction, in particular increasing growth in single-family home construction, and recovering non-residential demand. Sales volumes were robust across the US but more muted in Canada, where macroeconomic growth has been less favourable. The strengthening market, together with product innovation and commercial initiatives, drove gains across nearly all product channels resulting in an increase in like-for-like sales compared with 2014. Input costs increased moderately

in 2015 but were offset by the impacts of cost reduction measures and selected price improvements. Overall, APG recorded strong improvements in operating profit and margin for the year.

BuildingEnvelope® (30% of EBITDA)

The BuildingEnvelope® group is North America's largest supplier of architectural glass, aluminium glazing systems and custom hardware products to the glass and glazing industry. In 2015, non-residential building activity experienced improved market demand. Sales growth was also driven by ongoing initiatives to gain market share and differentiate the business through innovative products and technology. Organic sales increased and with improved pricing and a more favourable product mix, OBE achieved robust growth in margins and operating profit.

Precast (20% of EBITDA)

The Precast group manufactures a broad range of value-added concrete and polymer-based products primarily for utility infrastructure applications. In addition, the business is a leading manufacturer of accessories to the concrete construction industry. In 2015, with improved demand for both private construction and public infrastructure, the business registered solid sales gains as growth initiatives continued to deliver. Operating profit increases were achieved in most markets across all concrete product lines. Our enclosures solutions business realised significantly increased sales and profits, and our construction accessories business also continued to grow and improve. Overall, like-for-like sales rose and operating profit was significantly ahead and backlogs remained strong.

Americas Distribution

Business Description

Americas Distribution strategy is focused on being the supplier of choice to specialty contractors of Exterior Products, (roofing and siding), and Interior Products, (ceilings and walls), as well as primarily residential Solar Roofing panels.

Demand in the Exterior Products business is largely influenced by residential and commercial replacement activity with the key products having an average lifespan of 25 to 30 years.

Demand for Interior Products is primarily driven by the new residential, multi-family and commercial construction markets.

Through CRH's commitment to continuously making businesses better, we employ state-of-the-art customer facing IT technologies, disciplined and focused cash and asset management, and well established procurement and commercial systems to support supply chain optimisation and enable us to provide superior customer service.

Americas Distribution operates in 31 states, with growth opportunities which include investment in new and existing markets, in complementary private label and energy-saving product offerings, and in other attractive building materials distribution segments that service professional dealer networks.

The division employs approximately 3,900 people at close to 200 locations.

Market leadership positions

Exterior Products

No.3	United States
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Interior Products

No.3	United States
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Allied Building Products delivering the PVC Roofing System for the new 500,000 square foot Fresh Direct distribution centre and corporate headquarters at the Harlem River Yards in the South Bronx, New York.

Operations Review

Results					Analysis of change		
€ million	% Change	2015	2014	Total Change	Organic	Restructuring	Exchange
Sales revenue	+26%	2,229	1,776	+453	+102	-	+351
EBITDA*	+33%	140	105	+35	+14	-1	+22
Operating profit*	+34%	111	83	+28	+11	-1	+18
EBITDA/sales		6.3%	5.9%				
Operating profit/sales		5.0%	4.7%				

* EBITDA and operating profit exclude profit on disposals

Restructuring costs amounted to €1 million (2014: nil)

Americas Distribution, trading as Allied Building Products ("Allied"), experienced solid performance across its activities in 2015, reporting another year of good profit delivery on increased sales. Our Exterior Products and Interior Products divisions, as well as our growing Solar business, continued to advance and benefit from organic sales and profit growth compared to 2014. Performance in our Exterior Products business was led by strong demand in our West Coast markets (California and Oregon), focused growth in Texas and steady volumes in the Northeast (New York/New Jersey/New England). The Mountain (Colorado) market experienced modest setbacks coming off seasonal storm activity in 2014.

The Interior Products business continued to experience volume growth throughout the year. The strongest gains were experienced in our Western markets, Hawaii and California, driven by multi-family construction. Modest declines were experienced in our Mountain (Colorado) and Mid-Atlantic (Carolinas) markets.

In 2015, Allied management remained focused on gross margins in a highly competitive environment, maintaining price discipline while controlling variable costs through continuous improvement and efficiency; the team also achieved significant improvements in our working capital through better procurement and demand

planning technologies in conjunction with our maturing regional service area (district) approach. Additionally, the continued simplification of our business processes, the ongoing evolution of our organisational structure and regional service area strategy has helped to drive operating leverage and allow for greater economies of scale as our business and the overall market grows.

While no acquisitions were completed within the Americas Distribution group in 2015, we have continued to build on our organic greenfield and service centre strategy by opening three bolt-on locations within some of our key existing markets. Our service centre model enables us to improve customer service, consolidate fixed costs and more efficiently leverage branch assets. Progress continued to be made in 2015 to increase brand awareness of Tri-Built, our proprietary private label brand, as both sales and product offerings grew. The growth of Tri-Built, combined with the ongoing expansion and improvement of our service centre network continue to differentiate Allied in the marketplace.

Exterior Products (60% of EBITDA)

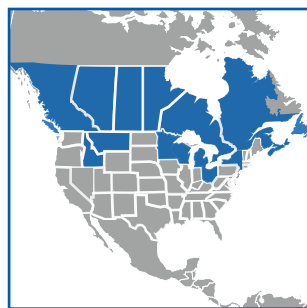
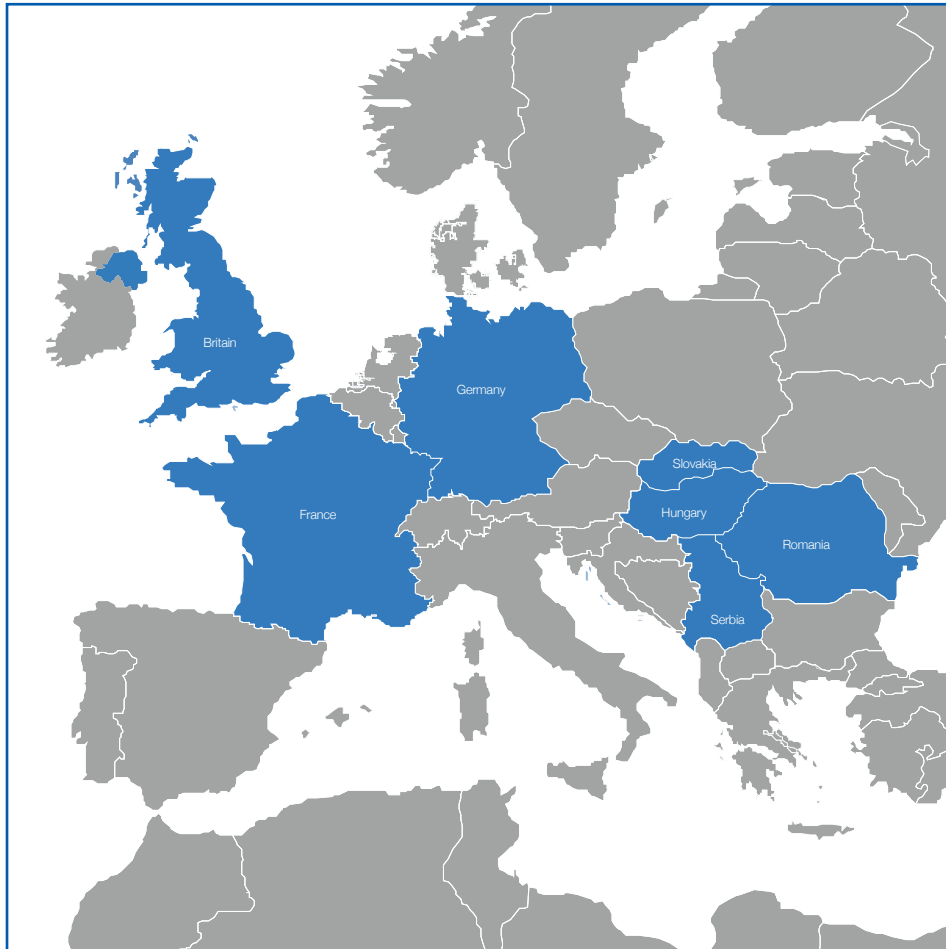
Exterior Products is largely comprised of commercial and residential roofing, siding and related products, the demand for which is greatly influenced by residential and

commercial replacement activity (75% of sales volume is RMI-related). Allied continues to maintain its position as one of the top three roofing and siding distributors in the United States. Growth in 2015 came mainly from the commercial roofing sector which benefited from strong demand, particularly in California and the East Coast metro markets. With pricing discipline maintained in highly competitive markets, the Exterior Products division maintained margins and reported strong sales and operating profit growth over 2014.

Interior Products (40% of EBITDA)

The Interior Products business specialises in the distribution of gypsum wallboard, metal studs and acoustical ceiling systems and related products to specialty contractors. The primary market is new construction, including residential, multi-family and commercial, with limited exposure to the repair and remodel market and low exposure to weather-driven replacement activity. Allied is the third largest distributor of these interior products in the United States. Performance in this business was strong in most markets with increased demand of core products contributing to higher sales and improved operating profit.

LH Assets



Canada & US



Brazil



Philippines

Business Description

CRH's vision is to be the leading building materials business in the world. To achieve this vision, the Group makes large or transformational acquisitions from time to time when the strategic rationale and opportunity is compelling.

During 2015, the opportunity arose for CRH to acquire certain assets from Lafarge S.A. and Holcim Limited for a total enterprise value of €6.5 billion. These assets have leading market positions and produce cement, aggregates, readymixed concrete and asphalt and related construction activities globally.

For CRH there were five compelling rationales for this acquisition: the quality of the assets being acquired; their strategic fit with our existing range of businesses; the timing of the acquisition at the right point of the cycle; the value creation potential inherent in the deal; and maximising returns through capital efficiencies.

The newly acquired heavyside assets delivered four regional platforms for growth in one global deal. We are now the second largest global provider of aggregates with a circa 45% increase in volumes, while our cement volumes have more than doubled.

The four regional platforms are: Western Europe (UK, France/La Reunion, Germany), Central and Eastern Europe (Romania, Slovakia, Hungary, Serbia), the Americas (Canada/United States, Brazil) and Asia (Philippines), and a programme of integration to CRH's existing business is well underway.

As at 31 December 2015, LH Assets employs 16,000 people, at over 700 locations, in 11 countries.

Overview of business segments acquired

		Cement	Aggregates	Readymixed Concrete	Asphalt
Western Europe	UK	✓	✓	✓	✓
	France	✓	✓	✓	
	Germany	✓		✓	
Central & Eastern Europe	Romania	✓	✓	✓	
	Slovakia	✓	✓	✓	
	Hungary	✓		✓	
	Serbia	✓	✓		
The Americas	Canada/US	✓	✓	✓	✓
	Brazil	✓			
Asia	Philippines	✓	✓		



Market leadership positions

Cement

No.1	UK, Slovakia, La Reunion
No.2	Canada (excluding British Columbia), Hungary, Philippines, Romania, Serbia

Aggregates

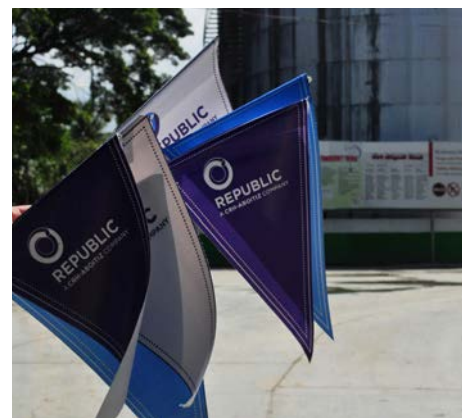
No.1	UK
No.2	Ontario and Quebec
No.3	La Reunion, Serbia

Readymixed Concrete

No.1	Ontario and Quebec
No.2	La Reunion
No.3	UK

Asphalt

No.1	UK
No.3	Canada



LH Assets | continued

Operations Review

Results		Analysis by Region				
€ million	2015	Western Europe	CEE	Americas	Asia	Transaction/One-off costs
Sales revenue	2,418	1,464	186	617	151	-
EBITDA*	171	183	51	100	34	-197
Operating profit*	2	85	22	67	25	-197
EBITDA/sales	7.1%	12.5%	27.4%	16.2%	22.5%	-
Operating profit/sales	0.1%	5.8%	11.8%	10.9%	16.6%	-

* EBITDA and operating profit exclude profit on disposals

Transaction costs of €144 million and other one-off costs of €53 million

The acquisition of assets in 11 countries from Lafarge S.A. and Holcim Limited ("LH Assets") for a total consideration of €6.5 billion was completed on 31 July 2015 (European and American assets) and 15 September (the Philippines), adding four regional platforms for CRH, in Western Europe, Central and Eastern Europe ("CEE"), Americas (mainly Canada) and Asia (mainly the Philippines). Three countries, the UK, Canada and the Philippines account for circa 70% of the results.

Trading results for these businesses for the five month post-acquisition period ended 31 December 2015 were ahead of expectations. Strong performances were reported in the UK, CEE and the Philippines, with growth in volumes and reduced input costs driving solid sales and operating profit performance. Canada's performance was in line with expectations. More challenging market conditions were experienced in France, Germany and Brazil.

At the time of acquisition, CRH indicated that it expected €90 million in synergies over three years; since completion of the acquisition, we have identified additional potential operational efficiencies and now expect to realise up to €120 million in synergies over the three-year period.

Western Europe

Construction activity in the UK showed strong growth trends in 2015 with the pace moderating slightly in the second half of the year. This positive backdrop is reflected in sales volumes and price growth in all our major business lines. Lower input costs also contributed to a strong operating profit performance.

In France, the cement and readymixed concrete operations faced difficult conditions as continued market slowdown resulted in an 8% decline in cement market volumes for the year. The challenging market conditions have also negatively impacted prices. A focus on cost reduction initiatives across all product lines has limited the operating profit impact.

Cement volumes were also under pressure in Germany reflecting a combination of regional market declines and project delays with a resultant impact on cement prices which were slightly lower than expected in 2015.

Central & Eastern Europe

Construction activity in Romania increased in 2015 driven by residential and non-residential market growth. This positive growth drove strong sales and operating profit performance in the post-acquisition period.

EBITDA margins in Serbia were strong; however, pricing remains challenging due to overcapacity and import pressure. Our operations in North Danube (Hungary and Slovakia) are trading favourably, supported by a modest recovery in construction activity in this region.

Americas

Regional variations in key operational geographies produced mixed results for our businesses in Canada which are located primarily in Quebec and Ontario. Continued government investment in large-scale public infrastructure projects and stable demand for residential housing delivered positive results across all segments in the core Ontario market. Cement exports increased with favourable pricing as the US recovery took hold. In contrast, excess capacity and a reduction in available bid work created pressure on volume and price in the Quebec/Atlantic markets. The Brazilian construction market suffered in 2015 as the country struggled with significant economic, financial and political problems.

Asia

Construction activity in the Philippines showed favourable growth trends during 2015. This positive growth is reflected in higher volumes and prices contributing to a robust operating performance in 2015.

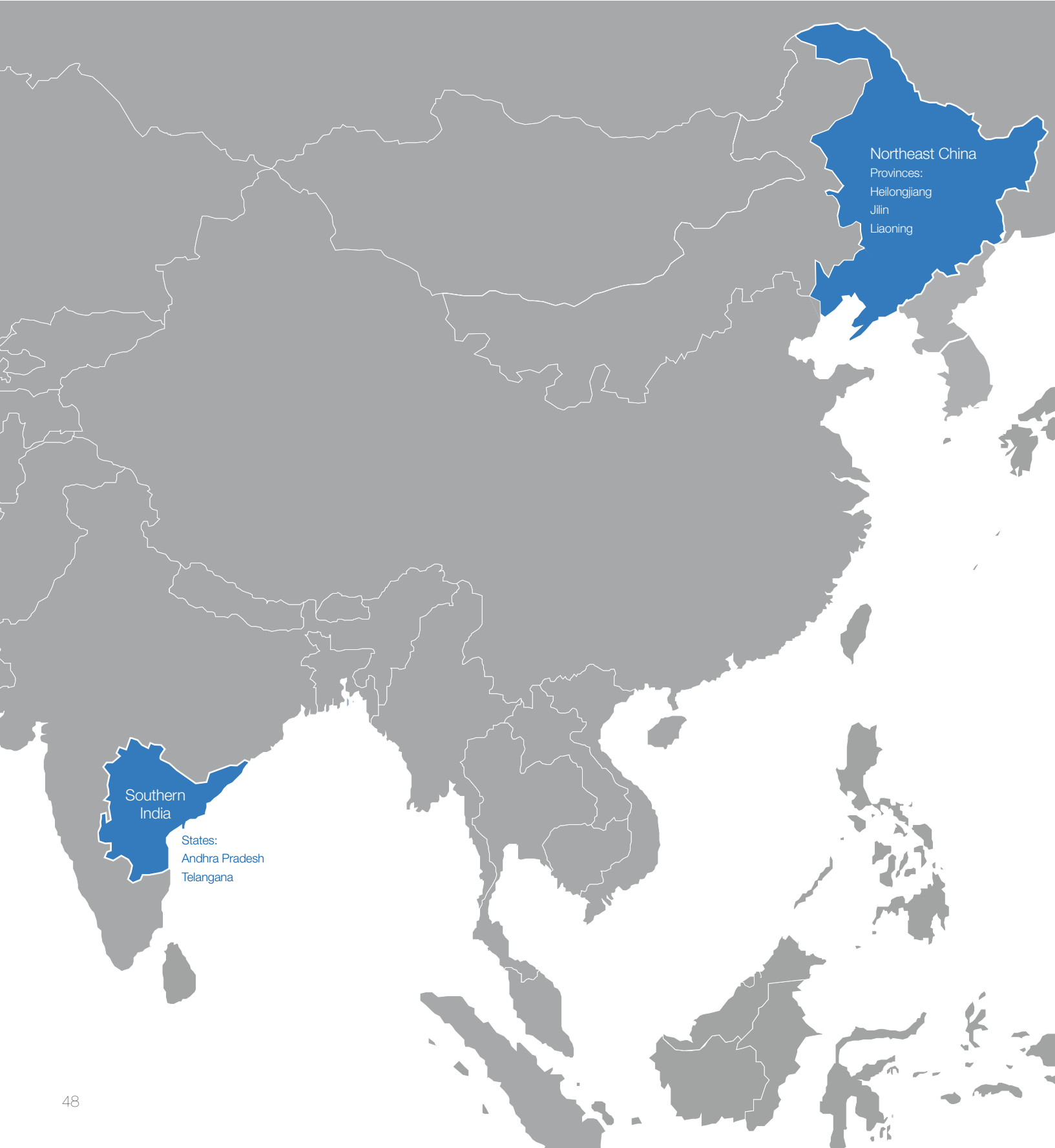
Reserves

Location	Proven & probable million tonnes	Period to depletion years
Cement		
Brazil	169	89
Canada	300	106
France	155	81
Germany	164	54
Philippines	189	31
Romania	241	79
Serbia	109	185
Slovakia	307	113
UK	251	63
US	31	76
Aggregates		
Canada	481	29
France	250	24
La Reunion	4	4
Romania	121	50
Slovakia	19	25
UK	1,438	33
Lime		
UK	39	36



A newly branded tanker on display at the CRH Canada Joliette Cement Plant in Quebec to celebrate becoming part of the CRH family.

CRH in China & India



CRH has established strategic footholds in China and India over the last eight years. Our strategy is to build select leading regional positions to enable us to benefit from industrialisation, urbanisation and population growth in these developing economies over the coming decades.

The Group has a 26% stake in associate Yatai Building Materials, which is a market leader in building materials in Northeast China. In India, we have a 50% Joint Venture with My Home Industries Limited (“MHIL”) which is a leading player in the southern states of Andhra Pradesh and Telangana. In 2013, we also opened a regional headquarters in Singapore.

CRH operations in China and India employ circa 10,000 people.

China

Market conditions in 2015 were very challenging as the Chinese economy moves towards a more sustainable level of growth. This has impacted negatively on the construction industry. Performance at our 26% associate, Yatai Building Materials, which is a market leader in Northeast China with a capacity of 32 million tonnes of cement, continues to be affected by lower volumes and selling prices, partially offset by lower energy costs.

India

CRH has a cement capacity of 8 million tonnes across three locations in Southern India, where it operates through a 50% Joint Venture, MHIL. The regional market has a cement consumption of 76 million tonnes and MHIL is the market leader in southern states of Andhra Pradesh and Telangana.

In 2015, MHIL sales grew by 5% helped by better pricing and the benefit of clinker exports to Sri Lanka and Bangladesh. The lower cost of raw materials and fuels and the focus on commercial and operational excellence also resulted in higher trading profits in 2015.

Market leadership positions

Cement

No.1	Andhra Pradesh and Telangana, India (50%)
------	---

No.1	Northeast China (26%)
------	-----------------------

Commissioned in 2009, this 3.7km conveyor belt feeds crushed limestone to two 5,000 tonne per day kilns in Shuangyang Cement Plant which is located in the northeast of China.





Governance



Governance

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Board of Directors

Nicky Hartery



Chairman

Appointed to the Board:
June 2004

Nationality: Irish

Age: 64

Committee membership:
Acquisitions Committee;
Finance Committee;
Nomination & Corporate
Governance Committee;
Remuneration Committee

Skills and experience: Nicky 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.

Qualifications: C.Eng, FIEI, MBA.

External appointments: **Non-listed:** Chief Executive of Prodigium, a consulting company which provides business advisory services; non-executive Director of Musgrave Group plc, a privately-owned international food retailer and Eircom Limited, a telecommunications services provider in Ireland. **Listed:** Non-executive Director of Finning International, Inc., the world's largest Caterpillar equipment dealer.

Albert Manifold



Chief Executive

Appointed to the Board:
January 2009

Nationality: Irish

Age: 53

Committee membership:
Acquisitions Committee

Skills and experience: Albert was appointed a CRH Board Director in January 2009. He joined CRH in 1998. Prior to joining CRH, he was Chief Operating Officer with a private equity group. While at CRH, he has held a variety of senior positions, including Finance Director of the Europe Materials Division (now part of Europe Heavyside), Group Development Director and Managing Director of Europe Materials. He became Chief Operating Officer in January 2009 and was appointed Group Chief Executive with effect from 1 January 2014.

Qualifications: FCPA, MBA, MBS.

External appointments: **Non-listed:** Not applicable. **Listed:** Not applicable.

Senan Murphy



Finance Director

Appointed to the Board:
January 2016

Nationality: Irish

Age: 46

Skills and experience: Senan has over 25 years' experience in international business across financial services, banking and renewable energy. He joined CRH from Bank of Ireland Group plc where he was the Chief Operating Officer and a member of the Group's Executive Committee. He previously held positions as Chief Operating Officer and Finance Director at Ulster Bank, Chief Financial Officer at Airtricity and numerous senior financial roles in GE, both in Ireland and the United States.

Qualifications: BComm, FCA.

External appointments: **Non-listed:** Not applicable. **Listed:** Not applicable.

Maeve Carton



Group Transformation Director

Appointed to the Board: May 2010

Nationality: Irish

Age: 57

Committee membership: Acquisitions Committee; Finance Committee

Skills and experience: Since joining CRH in 1988, Maeve has held a number of roles in the Group Finance area and was appointed Group Controller in 2001, Head of Group Finance in January 2009 and to the position of Finance Director in May 2010. She was appointed as Group Transformation Director with effect from January 2016. Maeve 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.

Qualifications: MA, FCA.

External appointments: **Non-listed:** Agency Member of the National Treasury Management Agency (NTMA), a state body that provides asset and liability management services to the Irish Government. **Listed:** Not applicable.

Mark S. Towe



Chairman, CRH Americas

Appointed to the Board: July 2008

Nationality: United States

Age: 66

Skills and experience: Mark joined CRH in 1997 and was appointed a CRH Board Director with effect from July 2008. In 2000, he was appointed President of Oldcastle Materials, Inc. and became the Chief Executive Officer of this Division in 2006. He was appointed Chief Executive Officer of Oldcastle, Inc. (the holding company for CRH's operations in the Americas) in July 2008 and, with effect from January 2016, assumed the role of Chairman, CRH Americas. With over 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.

External appointments: **Non-listed:** Not applicable. **Listed:** Not applicable.

Donald A. McGovern, Jr.



Non-executive Director*

Appointed to the Board: July 2013

Nationality: United States

Age: 64

Committee membership: Nomination & Corporate Governance Committee; Remuneration Committee

Skills and experience: Don retired from PricewaterhouseCoopers (PwC) in June 2013, following a 39 year career with the firm. During that time he was Vice Chairman, Global Assurance at PwC, a position he had held since July 2008 and directed the US firm's services for a number of large public company clients. He also held various leadership roles in PwC and was, from July 2001 to June 2008, a member of, and past lead Director for, the Board of Partners and Principals of the US firm as well as a member of PwC's Global Board.

Qualifications: CPA, MBA.

External appointments: **Non-listed:** Director of Neuraltus Pharmaceuticals, Inc. and eAsic Corporation. **Listed:** Not applicable.

* Don McGovern is Senior Independent Director

Ernst J. Bärtschi



Non-executive Director

Appointed to the Board: October 2011

Nationality: Swiss

Age: 63

Committee membership: Audit Committee (Financial Expert); Finance Committee

Skills and experience: Ernst was Chief Executive of Sika AG, a manufacturer of speciality chemicals for construction and general industry, until 31 December 2011. 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.

Qualifications: LIC.OEC.HSG

External appointments: **Non-listed:** Member of the Advisory Board of China Renaissance Capital Investment Inc., a private equity investment company in Hong Kong, China. **Listed:** Chairman of the Board of Directors of Conzetta AG, a broadly diversified Swiss company and a member of the Board of Bucher Industries AG, a mechanical and vehicle engineering company based in Switzerland.

Board of Directors | continued

William (Bill) P. Egan



Non-executive Director

Appointed to the Board: January 2007

Nationality: United States

Age: 70

Committee membership: Nomination & Corporate Governance Committee; Remuneration Committee

Skills and experience: Bill is founder and General Partner of Alta Communications and Marion Equity Partners LLC, Massachusetts-based venture capital firms. He is past Chairman of Cephalon Inc., and past President and Chairman of the National Venture Capital Association. He was until May 2014, a Director of the Irish venture capital company Delta Partners Limited.

Qualifications: BA, MBA.

External appointments: **Non-listed:** Member of the Board of Avadeyne Health, Davler Media Group, Integra Partners and Sentinel Peak Capital, LLC. **Listed:** Not applicable.

Utz-Hellmuth Felcht



Non-executive Director

Appointed to the Board: July 2007

Nationality: German

Age: 68

Committee membership: Acquisitions Committee; Finance Committee

Skills and experience: Utz-Hellmuth was, until May 2011, Chairman of the Supervisory Board of Süd-Chemie Aktiengesellschaft. He was also Chief Executive of Degussa AG, Germany's third largest chemical company, until May 2006, a partner in the private equity group One Equity Partners Europe GmbH until July 2014 and a Director of Jungbunzlauer Holding AG until March 2015.

External appointments: **Non-listed:** Chairman of the Supervisory Board of German rail company Deutsche Bahn AG. Non-executive Director of Honosthor N.V. **Listed:** Not applicable.

Patrick J. Kennedy



Non-executive Director

Appointed to the Board: January 2015

Nationality: Irish

Age: 62

Committee membership: Acquisitions Committee; Audit Committee

Skills and experience: Pat was Chairman of the Executive Board of Directors of SHV Holdings (SHV), a large family-owned Dutch multinational company with a diverse portfolio of businesses, including the production and distribution of energy, the provision of industrial services, heavy lifting and transport solutions, cash and carry wholesale and the provision of private equity. He retired from SHV mid-2014. During a 32 year career with SHV, he held various leadership roles across SHV's diverse portfolio of businesses, while living in various parts of the world, and was a member of the Executive Board of SHV from 2001, before becoming Executive Chairman in 2006.

Qualifications: MBS, BComm.

External appointments: **Non-listed:** Member of the Board of Liquigas S.p.A., a LPG distribution company. **Listed:** Not applicable.

Rebecca McDonald



Non-executive Director

Appointed to the Board: September 2015

Nationality: United States

Age: 63

Committee membership: Acquisitions Committee; Finance Committee

Skills and experience: Rebecca has held a variety of executive leadership positions in the energy sector, including Chief Executive of Laurus Energy, President Gas and Power in BHP Billiton and Chief Executive of Amoco Energy Development Company, and has international experience in the Americas, Asia and Africa. She was, until recently, a non-executive Director of Granite Construction, Inc., a leading infrastructure contractor and construction materials producer in the United States.

Qualifications: Bachelor of Sciences degree

External appointments: **Non-listed:** Not applicable. **Listed:** Non-executive Director of Aggreko plc, Veresen, Inc. and ITT Corporation.

Heather Ann McSharry



Non-executive Director

Appointed to the Board: February 2012

Nationality: Irish

Age: 54

Committee membership: Audit Committee; Finance Committee

Skills and experience: Heather Ann is a former Managing Director Ireland of Reckitt Benckiser and Boots Healthcare and was previously a non-executive Director of Bank of Ireland plc and IDA Ireland.

Qualifications: BComm, MBS.

External appointments: **Non-listed:** Chairman of the Bank of Ireland Pension Fund Trustees Board; Director of Ergonomics Solutions International and the Institute of Directors. **Listed:** Non-executive Director of Greencore Group plc and Jazz Pharmaceuticals plc.

Lucinda J. Riches



Non-executive Director

Appointed to the Board: March 2015

Nationality: British

Age: 54

Committee membership: Nomination & Corporate Governance Committee; Remuneration Committee

Skills and experience: Lucinda spent the majority of her career in investment banking, including 21 years in UBS Investment Bank and its predecessor firms where she worked until 2007. She held senior management positions in the UK and the US, including Global Head and Chairman of UBS's Equity Capital Markets Group and Vice Chairman of the Investment Banking Division.

Qualifications: Masters in Philosophy, Politics and Economics and a Masters in Political Science.

External appointments: **Non-listed:** Non-executive Director of UK Financial Investments Limited, which manages the UK government's investments in financial institutions, and the British Standards Institution. Lucinda is also a non-executive member of the Partnership Board of King & Wood Mallesons LLP and a trustee of Sue Ryder. **Listed:** Non-executive Director of Diverse Income Trust plc and Graphite Enterprise Trust plc.

Henk Th. Rottinghuis



Non-executive Director

Appointed to the Board: February 2014

Nationality: Dutch

Age: 59

Committee membership: Acquisitions Committee; Audit Committee

Skills and experience: Henk has a background in distribution, wholesale and logistics. Until 2010, he was Chief Executive Officer at Pon Holdings B.V., a large, privately held international company which is focused on the supply and distribution of passenger cars and trucks, and equipment for the construction and marine sectors. He was also a member of the Supervisory Board of the Royal Bank of Scotland N.V. and the retail group Detailresult Groep.

Qualifications: Masters degree in Dutch Law; PMD Harvard Business School (1989).

External appointments: **Non-listed:** Member of the Supervisory Boards of Stork Technical Services Group and Blokker Holding B.V. and holder of several non-profit board memberships. **Listed:** Not applicable.

William (Bill) J. Teuber, Jr.



Non-executive Director

Appointed to the Board: 3 March 2016

Nationality: United States

Age: 64

Committee membership: Not applicable

Skills and experience: Bill is the Vice Chairman at EMC Corporation, a global leader in enabling businesses and service providers to transform their operations and deliver IT as a service. In previous roles he was responsible for EMC's global sales and distribution organisation (2006 - 2012) and served as Chief Financial Officer leading the company's worldwide finance operation (1996 - 2006). Prior to joining EMC he was a partner in the audit and financial advisory services practice of Coopers & Lybrand LLP.

Qualifications: MBA degree from Babson College, a Masters of Science in Taxation from Bentley College and a Bachelors degree from Holy Cross.

External appointments: **Non-listed:** Director of Pivotal Software, Inc. and College of the Holy Cross. **Listed:** Member of the Board of Directors of Popular, Inc., a diversified financial services company, and Inovalon Holdings, Inc., a healthcare technology company.

Corporate Governance Report

Nicky Hartery



Chairman

Chairman's Introduction

In keeping with general reporting trends in recent years to focus on key issues for shareholders, the Corporate Governance Report this year addresses matters relevant to 2015 and includes separate updates from the respective Committee Chairmen. Details of CRH's general governance practices, which are largely unchanged from prior years, are available on CRH's website, www.crh.com (the "[Governance Appendix](#)").

Governance

CRH implements the 2014 UK Corporate Governance Code (the "2014 Code") and complied with its provisions in 2015. A copy of the 2014 Code can be obtained from the Financial Reporting Council's website, www.frc.org.uk.

The 2014 Code introduced a new requirement to include provisions in incentive plans that would enable a company to recover sums paid or withhold the payment of any sum. The *Remuneration Committee* has included clawback and malus provisions in the Annual Bonus Plan (see page 82 in the Directors' Remuneration Report). For the 2014 Performance Share Plan, awards are subject to malus during the three-year performance period and during the additional two-year holding period following performance assessment. Given that malus provisions apply for the combined five-year vesting period from the date of award, the *Remuneration Committee* considers that an additional clawback provision for Performance Share Plan awards is not necessary and is satisfied that the Company's arrangements are appropriate and balanced in the context of the intent of the 2014 Code. This position will, nevertheless, be kept under review.

We also have procedures in place for compliance with our obligations under the applicable rules and regulations issued by the United States Securities and Exchange Commission.

Board Renewal, Re-election and Succession Planning

Details in relation to the approach taken by the *Nomination & Corporate Governance Committee* in respect of Board renewal and succession planning in general are set out in my report as Chairman of the *Nomination & Corporate Governance Committee* on page 62.

There have been a number of executive and non-executive Director changes to the Board during 2015 and to-date in 2016, details of which are set out on page 111 of the Directors' Report.

Pat Kennedy, Rebecca McDonald and Lucinda Riches were appointed as non-executive Directors in 2015. In addition, Bill Teuber will join the Board with effect from 3 March 2016 as a non-executive Director. I welcome each of these individuals to the Board and look forward to working with them. In order to facilitate their full and active participation as Directors, I have put in place a detailed induction programme for each of them (a sample of CRH's induction programme is included in Section 1 of the *Governance Appendix*).

In relation to each of the Directors putting themselves forward for re-election at the 2016 Annual General Meeting, I have conducted a formal evaluation of the performance of each Director, which also considered individual training needs where appropriate. I can confirm that each of the Directors continues to perform effectively and to demonstrate strong commitment to the role. Following a review carried out by

* The *Governance Appendix* is published in conjunction with the *Directors' Report* in compliance with Section 1373 of the *Companies Act 2014*. For the purposes of Section 1373 (2) of the *Companies Act 2014*, the *Governance Appendix* and the risk management disclosures on pages 16, 17 and 113 to 119 form part of, and are incorporated by reference into, this *Corporate Governance Report*.

the *Nomination & Corporate Governance Committee*, the Board has determined that each non-executive Director continues to be independent. I strongly recommend that each Director be re-elected. Their biographies are set out on pages 52 to 55.

Board Training, Development and Effectiveness

Don McGovern, Senior Independent Director, and I organised a number of workshops for the Board in 2015. The Board has a very effective “working together dynamic”, which is reflected in the outcome of the external board evaluation referred to below. Nevertheless, the current environment presents constant challenges for boards and it is important that we continually seek to identify areas for potential beneficial advancement. The workshops, which were facilitated by an external expert, reviewed the workings of the Board, the Board’s role in strategy and executive and Board succession.

In order to facilitate the continued development of non-executive Directors in terms of their knowledge of CRH’s operations, in 2016 we will extend the number of Board visits from two to three, with the usual site visits in Europe and the United States, which generally last between three and five days, to be supplemented by the addition of a week-long visit to Asia, including CRH’s Asia Pacific Head Office in Singapore and a site visit to the operations acquired from Lafarge S.A. in the Philippines. In 2015, the Board visits were to Berlin in Germany and Utah in the United States. Also in 2015, a group of non-executive Directors visited CRH’s offices and Yatai’s operations in China.

An external consultant, ICSA Board Evaluation (“ICSA”), was engaged to

facilitate a formal external evaluation of the effectiveness of the Board during 2015. ICSA*, which also conducted the previous external evaluation in 2012, has reported its findings to the Board. Overall, similar to the 2012 evaluation, the performance of the Board was found to be “very good” as rated on a six-point scale, ranging from poor to excellent. Some relatively minor recommendations arose from the process which we will consider with a view to implementing over the course of the next year. These related to the interaction between the Board and its Committees as the work and responsibilities of the Committees evolve, the arrangements for feedback from non-executive Directors in relation to the performance of executive Directors and the establishment of additional protocols for certain Board discussions.

Further details in relation to Board training and development, and the processes by which the Board evaluates its effectiveness are included in the Governance Appendix.

Talent Management/Succession Planning

In last year’s Annual Report, I reported that the Board was working with the Chief Executive and the Group Human Resources and Talent Development Director to take a fresh look at our talent management and succession processes to ensure we have a pipeline of executives at all levels to match our needs. We are pleased with the progress, both in terms of assessing the Group’s existing management talent base and the executives recruited as part of the acquisition of assets from Lafarge S.A. and Holcim Limited. Talent management/succession planning will be a regular agenda item for the Board during 2016.

Risk Management & Cyber Security

The 2014 Code introduced a new requirement for the Directors to explain in the Annual Report how they have assessed the prospects of the Group over an extended period of time and to state whether they have a reasonable expectation that it will be able to continue in operation and meet its liabilities as they fall due over the period of their assessment. This “viability statement” is included in the Directors’ Report on page 110. The 2015 Annual Report also contains additional disclosures regarding risk management in CRH (see pages 16, 17 and 113 to 119).

Cyber security has been identified as a key risk for the Board. In relation to the Group’s readiness to deal with any cyber security issues, the Group’s head office team has been strengthened in recent years by the addition of a number of specialist information security professionals, and an information security programme has been implemented across the Group, including the United States, Asia and Europe, to bring uniform approaches and practices to security. The programme has involved the engagement of third party experts to advise on global standards and frameworks and to ensure that adequate capabilities and resourcing are available. Responsibility for monitoring progress in this area has been delegated to the *Audit Committee*, while the Board receives regular updates on the status of the programme.

Committees of the Board

I am pleased to report that CRH’s Board Committees continue to work very effectively, enabling the Board increasingly to concentrate on matters of strategic importance.

* ICSA is part of an organisation which provides software solutions to third parties, including CRH. The value of the contract is de minimus and otherwise ICSA has no business connection with CRH.

Corporate Governance Report | continued

The *Audit Committee* determined in 2015 that it would not be appropriate to carry out a tender for the Group's external audit in 2016. However, the position will be kept under review. Ernst & Young have been CRH's auditors since 1988 and under new EU rules cannot hold the position after 2020. The reasons for not carrying out a tender in 2016, along with further details on the work of the *Audit Committee*, are set out in the report from Committee Chairman, Ernst Bärtschi, on page 59.

The *Remuneration Committee* has, as indicated in last year's Annual Report, carried out an extensive review of CRH's remuneration policies. The purpose of the review was to ensure that the Group's remuneration structures were appropriate for the needs of the business. The Committee Chairman, Don McGovern, consulted with shareholders on the proposals which are the subject of a policy vote at the 2016 Annual General Meeting. I believe these proposals are measured and appropriate for CRH in the coming years and I would recommend that shareholders vote in favour of the changes to the policy at the Annual General Meeting. Further details are set out in the Directors' Remuneration Report on page 74.

In 2015, the Board set up an ad-hoc committee to support management in relation to the integration of the LH Assets.

Conclusion

Good corporate governance is important in enabling the Board to meet the challenges, and avail of the opportunities, which an environment of continual change, both internal and external to CRH, presents. We, therefore, keep our governance structures and arrangements under review on an on-going basis and I am satisfied that our processes remain at the forefront of best practice, are aligned to the needs of the business, help us manage risk and provide assurance and accountability in a transparent way for the benefit of our shareholders and all stakeholders.

Nicky Hartery

Chairman

2 March 2016

Audit Committee Report

Ernst Bärtschi



Chairman of Audit Committee
Audit Committee Financial Expert
(as determined by the Board)

Chairman's Overview

On behalf of the *Audit Committee*, I am pleased to introduce the Audit Committee Report for the year ended 31 December 2015. The purpose of this report is to provide shareholders with an insight into the workings of the Committee in the last 12 months. In keeping with the changes outlined in the Chairman's introduction on page 56, the format of the Audit Committee Report has been amended this year to focus more clearly on the principal matters we have dealt with at the nine meetings we held in the past 12 months. General details in relation to the operation of the Committee and the policies applied by it can be found in the Governance Appendix.

Table 1 outlines the key areas that the Committee focused on in 2015.

Audit Committee Effectiveness and Priorities for 2016

During 2015, the effectiveness of the Committee was reviewed by both the Board as part of the external evaluation facilitated by ICSA and by the Committee itself. No issues of concern were identified.

The key areas of focus for the Committee in 2016 will be on internal control, external audit planning, IT governance, cyber security and Enterprise Risk Management.

Ernst Bärtschi

Chairman of Audit Committee

2 March 2016

Key areas - 2015

Issue	Description	Table 1
Financial Reporting and External Audit	In July 2015, we met with Ernst & Young to agree the 2015 external audit plan. Table 2 on page 60 outlines the key areas identified as being potentially significant and how we addressed these during the year.	
Impairment Testing	Through discussion with both management and Ernst & Young, we reviewed management's impairment testing methodology and processes. We found the methodology to be robust and the results of the testing process appropriate. Details of the impairments recorded during the year, which amount to a total of €44 million, are set out in note 2 on page 152.	
Acquisitions	During 2015, the Group acquired a number of significant assets and businesses. We considered various related aspects, including, estimates and judgements regarding valuations, the recognition of intangible assets and the implementation of CRH's internal control structures.	
Enterprise Risk Management	We monitored progress in respect of the ongoing formalisation of Enterprise Risk Management, including development of a Risk Appetite & Tolerance Framework and preparations for the "viability statement" disclosed in the Directors' Report (further details in relation to CRH's risk governance are outlined on pages 16 and 17). We also considered an assessment of the Group's risk management and internal control systems. This had regard to all material controls, including financial, operational and compliance controls that could affect the Group's business.	
Cyber Security	We monitored progress in refining the Group's information security programme and cyber security capabilities.	
External Auditors	Ernst & Young have been the Group's auditors since 1988. During 2015, we considered whether to put the external audit contract out to tender. Given the focus on the integration of the major acquisitions completed in 2015, the appointment of a new Finance Director in January 2016 and the Committee's continued satisfaction with the performance of Ernst & Young (details of the Committee's processes in reviewing the effectiveness of the external audit are set out on page 61), we concluded that it would not be in the best interests of the Group to carry out a tender at this time. We will continue to keep this under review in the context of EU rules mandating the rotation of external auditors which, for CRH, would require a transition by the end of 2020. As in prior years, the continuance in office of Ernst & Young will be subject to a non-binding advisory vote at the 2016 Annual General Meeting.	
Internal Audit	We considered the results of an independent external assessment of the Internal Audit function. The assessment included interviews with key stakeholders across the Group (including the members of the Committee) and the examination of the information provided to the Committee. The results, which were generally very positive, identified some areas where the effectiveness of the function and its reporting to the Committee could be enhanced. A detailed action plan to address these was agreed.	

Corporate Governance Report | continued

Areas identified for focus during the 2015 External Audit Planning Process

Area of Focus	Audit Committee Action	Table 2
Impairment of Goodwill	<p>For the purposes of its annual impairment testing process, the Group assesses the recoverable amount of each of CRH's cash-generating units (CGUs – see details in note 14 to the Consolidated Financial Statements) based on a value-in-use computation. The annual goodwill impairment testing was conducted by management, and papers outlining the methodology and assumptions used in, and the results of, that assessment were presented to the <i>Audit Committee</i>. Following its deliberations, the <i>Audit Committee</i> was satisfied that the methodology used by management (which was consistent with prior years) and the results of the assessment, together with the disclosures in note 14, were appropriate.</p> <p>Similar to 2014, a separate assessment was carried out in 2015 in respect of any remaining business units identified for divestment as part of the previously announced Group-wide portfolio review. The valuation of each business unit (based on the estimated fair value less costs of disposal) was reassessed in 2015 on a standalone CGU basis and compared with its carrying value. The <i>Audit Committee</i> reviewed and considered the methodology used by management in the reassessment process and was satisfied that it was appropriate.</p> <p>During 2015, and as noted elsewhere in this report, the Group completed two significant acquisitions. As the initial allocation of the goodwill to CGUs is not complete, CRH is required to assess whether indicators of impairment exist in relation to goodwill attributable to these businesses. Papers outlining the methodology used in, and the results of, that assessment were presented to the <i>Audit Committee</i>. Following its deliberations, the <i>Audit Committee</i> was satisfied that the methodology used by management and the results of the assessment were appropriate (see note 14 for further details).</p>	
Impairment of Property, Plant and Equipment, and Financial Assets	<p>In addition to the goodwill impairment testing process discussed above, the Group also annually assesses the need for impairment of other non-current assets (property, plant and equipment and financial assets) as and when indicators of impairment exist. The <i>Audit Committee</i> considered the methodology used by management in that process and was satisfied that it was appropriate.</p>	
Contract Revenue Recognition	<p>IAS 11 – <i>Construction Contracts</i> requires revenue and expenses to be recognised on uncompleted contracts, with the underlying principle that, once the outcome of a long-term construction contract can be reliably estimated, revenue and expenses associated with that contract should be recognised by reference to the stage of completion of the contract activity at the balance sheet date. If it is anticipated that the contract will be loss-making, the expected loss must be recognised immediately. Following discussions with management and Ernst & Young, the <i>Audit Committee</i> was satisfied that contract revenue recognition was not a material issue for the Group in 2015 as the majority of contracts were completed within the financial year.</p>	
Accounting for Acquisitions and Disposals	<p>During 2015, the Group completed 22 acquisitions and investments at a total cost of approximately €8 billion and realised total disposal proceeds of approximately €1 billion across 30 business disposals. Following discussions with management and Ernst & Young, the <i>Audit Committee</i> was satisfied that the accounting treatment applied to acquisitions and disposals during 2015 was appropriate.</p>	
LH Assets Acquisition – Fair Value Accounting for Property, Plant and Equipment and Provisions	<p>Given the significant scale of the acquisition of the LH Assets, both in terms of monetary value and geographical spread, the <i>Audit Committee</i> considered with management and Ernst & Young the judgements and estimates used by management in the fair value accounting for property, plant and equipment and in the recognition of provisions related to the acquisition and was satisfied that these were appropriate.</p>	
C.R. Laurence Acquisition – Identification and Valuation of Acquired Intangible Assets	<p>The <i>Audit Committee</i> considered with management and Ernst & Young the estimates and judgements used by management in the identification and valuation of intangible assets related to the CRL acquisition and determined that these were appropriate.</p>	

Audit Committee Membership

The *Audit Committee* currently consists of four non-executive Directors considered by the Board to be independent. The biographical details of each member are set out on pages 53 to 55. Together the members of the Committee bring a broad range of experience and expertise from a wide range of industries which is vital in supporting effective governance.

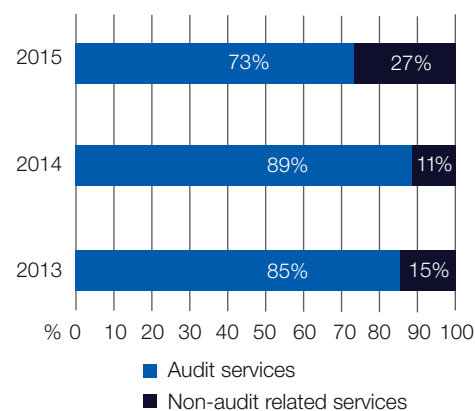
External Audit Effectiveness

The Committee, on behalf of the Board, is responsible for the relationship with Ernst & Young and for ensuring the effectiveness and quality of the external audit process. The Committee's primary means of assessing the effectiveness of the external audit process is by monitoring performance against the agreed audit plan. Each year the Committee considers (i) the experience and knowledge of the Ernst & Young audit team; (ii) the results of post-audit interviews with management and the *Audit Committee* Chairman; (iii) the transparency reports issued under the European Communities (Statutory Audits) (Directive 2006/43/EC) Regulations 2010 by Ernst & Young Ireland; and (iv) where applicable, relevant reports by regulatory bodies on the performance of Ernst & Young. These annual procedures are supplemented by periodic formal reviews of the performance of Ernst & Young, the most recent of which took place in late 2014. The 2014 review captured the views of relevant stakeholders across the Group and members of the Committee. The results indicated a continued high level of satisfaction with Ernst & Young and the services provided by them to CRH. Further details in relation to the external auditors, including information on how auditor objectivity and independence are maintained, are included in the Governance Appendix.

Non-audit Fees

In 2015, the external auditors provided a number of audit-related services, including Sarbanes-Oxley section 404 attestation, and non-audit services, including due diligence services associated with proposed acquisitions and disposals. Ernst & Young were also engaged during 2015 in a number of jurisdictions in which the Group operates to provide help with local tax compliance, advice on taxation laws and other related matters; assignments which typically involve relatively small fees. The *Audit Committee* is satisfied that the external auditors' knowledge of the Group was an important factor in choosing them to provide these services. The Committee is also satisfied that the fees paid to Ernst & Young for non-audit work in 2015, which amounted to €7 million and represented 27% of the total fees for the year, did not compromise their independence or integrity. Details of the amounts paid to the external auditors during the year for audit and other services are set out in note 3 to the Consolidated Financial Statements on page 153 (see also table 3). Further details in relation to the Group's policy regarding non-audit fees are set out in Section 2 of the Governance Appendix.

Percentage of Audit and Non-audit Fees **Table 3**



Nomination & Corporate Governance Committee

Nicky Hartery



Chairman of Nomination & Corporate Governance Committee

Chairman's Overview

Board Renewal

The *Nomination & Corporate Governance Committee* regularly reviews the Board's skill mix, experience and tenure in order that the renewal process is orderly and planned. A skills matrix has been developed to aid this process and is used by the Committee to identify candidates for the role of non-executive Director.

During 2015, the members of the Committee along with other Board members participated in a workshop which in part considered the issue of Board renewal and succession planning. The purpose of the session was to consider the challenges of succession generally and whether CRH's processes could be strengthened. The output from the workshop will be taken into consideration during the course of 2016.

During 2015, and to-date in 2016, the Committee identified and recommended to the Board that the following individuals be appointed:

- Rebecca McDonald (non-executive Director), appointed to the Board with effect from 1 September 2015;
- Senan Murphy (executive Director), appointed to the Board and as Finance Director with effect from 4 January 2016; and
- Bill Teuber (non-executive Director), to be appointed to the Board with effect from 3 March 2016.

The search criteria for the non-executive Director appointments included candidates with a Chief Executive or senior management background, experience in CRH's industry in an executive or non-executive capacity, financial expertise and experience in emerging markets.

Senan Murphy joined the Group from Bank of Ireland and his biography, along with those of Rebecca McDonald and Bill Teuber are set out on pages 52, 54 and 55 respectively.

With effect from January 2016, Maeve Carton and Mark Towe have taken on new, challenging and important roles as Group Transformation Director and Chairman, CRH Americas respectively. They remain as executive Directors.

The services of Board Works and KornFerry were used for the recruitment of Rebecca McDonald and Bill Teuber. Other than the provision of recruitment services, neither agency has any connections with CRH.

Following the Annual General Meeting to be held on 28 April 2016, Bill Egan and Utz-Hellmuth Felcht will retire as Directors following nine years' service on the Board.

Diversity

I am pleased to report that women will represent 31% of CRH's Board following the 2016 Annual General Meeting. As previously reported, the Board had set itself the goal of increasing the number of female Directors to circa 25% of the Board by the end of 2015. The *Nomination & Corporate Governance Committee* will continue to retain gender diversity as a key factor to consider in all Board appointments for the foreseeable future.

Board Committees

In accordance with the Terms of Reference of the *Remuneration Committee*, I will cease to be a member of that Committee following the 2016 Annual General Meeting. Following our recommendation to the Board regarding other changes, the membership of the Committees following the 2016 Annual General Meeting will be as set out in table 4.

Corporate Governance

During the course of the year the Committee agreed the terms of reference for the external Board evaluation conducted by ICSA Board Evaluation, made recommendations to the Board to maximise the usage of its Committees for the benefit of the Board's efficiency and effectiveness, and considered various developments in the area of Corporate Governance.

The Committee also reviewed the voting outcome at the 2015 Annual General Meeting and concluded that there was no issue or pattern in voting which was unexplained or warranted discussion with individual shareholders.

Nicky Hartery

Chairman of Nomination & Corporate Governance Committee

2 March 2016

Membership of Board Committees - Post 2016 AGM⁽ⁱ⁾ Table 4

	Acquisitions	Audit	Finance	Nomination	Remuneration
Ernst Bärtschi	-	CH	M	-	-
Maeve Carton	M	-	M	-	-
Nicky Hartery	CH	-	CH	CH	-
Pat Kennedy	-	-	-	M	M
Albert Manifold	M	-	-	-	-
Senan Murphy	M	-	M	-	-
Rebecca McDonald	M	-	M	-	-
Don McGovern	-	-	-	M	CH
Heather Ann McSharry	-	M	-	-	M
Henk Rottinghuis	M	M	-	-	-
Lucinda Riches	-	-	-	M	M
Bill Teuber	-	M	M	-	-

(i) M = Member; CH = Chairman

Corporate Governance Report | continued

Nomination & Corporate Governance Committee Membership

The *Nomination & Corporate Governance Committee* consists of four non-executive Directors, considered by the Board to be independent. The biographical details of each member are set out on pages 52 to 55. The Chief Executive normally attends meetings of the Committee.

Policy on Diversity

We are committed to ensuring that the Board is sufficiently diverse and appropriately balanced. In its work in the area of Board renewal, the *Nomination & Corporate Governance Committee* looks at the following four criteria when considering non-executive Director candidates:

- international business experience, particularly in the regions in which the Group operates or into which it intends to expand;
- skills, knowledge and expertise in areas relevant to the operation of the Board;
- diversity, including nationality and gender; and
- the need for an appropriately sized Board.

During the ongoing process of Board renewal, each, or a combination, of these factors can take priority.

Board of Directors

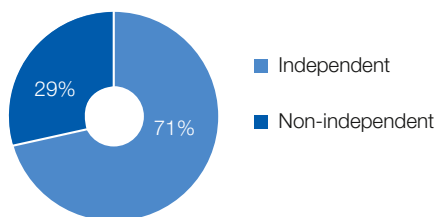
Membership Structure of the Board

We consider the current size and composition of the Board to be within a range which is appropriate. The spread of nationalities of the Directors reflects the geographical reach of the Group and we consider that the Board as a whole has the appropriate blend of skills, knowledge and experience, from a wide range of industries, regions and backgrounds, necessary to lead the Group. Section 1 of the Governance Appendix contains further details on the Board's structures. None of the executive Directors is a non-executive Director of another listed company.

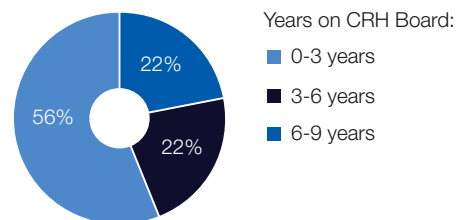
Membership of the CRH Board

Table 5

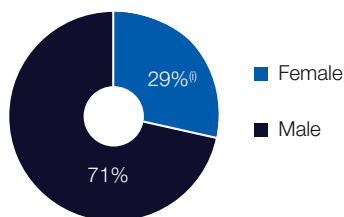
Independence (determined by CRH Board annually)



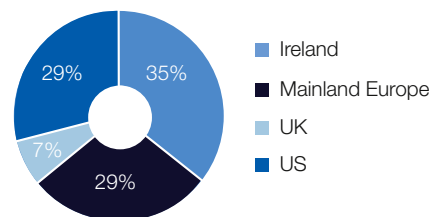
Tenure of non-executive Directors (excluding Chairman)



Gender Diversity



Geographical Spread (by residency)



(i) Will increase to 31% following 2016 Annual General Meeting

Role and Responsibilities of the Board

The Board is responsible for the leadership, oversight, control, development and long-term success of the Group. It is also responsible for instilling the appropriate culture, values and behaviour throughout the organisation. There is a formal schedule of matters reserved to the Board for consideration and decision. This includes the matters set out in table 6.

The Group's strategy, which is regularly reviewed by the Board, and its business model are summarised on pages 8 to 11.

The Board has delegated some of its responsibilities to Committees of the Board. While responsibility for monitoring the effectiveness of the Group's risk management and internal control systems has been delegated to the *Audit Committee**, the Board retains ultimate responsibility for determining the Group's risk appetite and tolerance and annually considers a report in relation to the monitoring, controlling and reporting of identified risks and uncertainties. In addition, the Board receives regular reports from the Chairman of the *Audit Committee* in relation to the work of that Committee in the area of risk management. As required by the 2014 Code, the "viability statement", which explains how the Directors have assessed the prospects of the Group over the five-year period to 31 December 2020, is included in the Directors' Report on page 110.

Individual Directors may seek independent professional advice, at the expense of the Company, in the furtherance of their duties as a Director.

Matters Reserved to the Board Table 6

Appointment of Directors
Strategic plans for the Group
Annual budget
Major acquisitions and disposals
Significant capital expenditure
Approval of the Annual Report
Approval of the Interim Results

The Group has a Directors' and Officers' Liability insurance policy in place.

Chairman

Nicky Hartery was appointed Chairman of the Group in 2012. On his appointment as Chairman, he met the independence criteria set out in the UK Corporate Governance Code. Although he holds a number of other directorships, including a Canadian listed company (see details on page 52), the Board has satisfied itself that these do not impact on his role as CRH Chairman.

Committees

The Board has established five permanent Committees to assist in the execution of its responsibilities. The current permanent Committees of the Board are the *Acquisitions Committee*, the *Audit Committee*, the *Finance Committee*, the *Nomination & Corporate Governance Committee* and the *Remuneration Committee*.

In addition, ad-hoc committees are formed from time to time to deal with specific matters. Each of the permanent Committees has Terms of Reference, under which authority is delegated to them by the Board. The Chairman of each Committee reports to the Board on its deliberations and minutes of all Committee meetings are circulated to all Directors. Chairmen of the Committees attend the Annual General Meeting and are available to answer questions from shareholders.

The *Audit, Nomination & Corporate Governance* and *Remuneration Committees* reviewed their respective Terms of Reference in December 2015 and determined that no changes were required.

In December 2015, the Terms of Reference of the *Acquisitions Committee* were updated to increase the limits under which the Committee can consider acquisition and capital expenditure proposals. In addition, the quorum for Committee meetings was changed from two to three. Also, in December 2015, the Terms of Reference of the *Finance Committee* were updated to enable it to consider and, if deemed appropriate, to approve the acceptance by the Company of any bank facility, or the issuance of any related guarantee or indemnity up to a maximum limit and to consider and, if deemed appropriate, to approve the affixing of the Company's common seal to documents.

The Terms of Reference of each Committee are available on the CRH website, www.crh.com.

* In accordance with Section 167(7) of the Companies Act 2014

Corporate Governance Report | continued

Attendance at meetings during the year ended 31 December 2015

Table 7

	Board		Acquisitions		Audit		Finance		Nomination		Remuneration	
	Total	Attended	Total	Attended	Total	Attended	Total	Attended	Total	Attended	Total	Attended
E.J. Bäertschi	8	7	-	-	9	9	4	4	-	-	-	-
M. Carton	8	8	5	5	-	-	4	4	-	-	-	-
W.P. Egan	8	8	-	-	-	-	-	-	6	6	10	10
U-H. Felcht	8	8	5	5	-	-	4	3	-	-	-	-
N. Hartery	8	8	5	5	-	-	4	4	6	6	10	10
J.W. Kennedy ⁽ⁱ⁾	2	2	1	1	-	-	-	-	-	-	-	-
P.J. Kennedy ⁽ⁱⁱ⁾	8	8	4	4	8	7	-	-	-	-	-	-
R. McDonald ^(iv)	3	3	2	2	-	-	3	3	-	-	-	-
D.A. McGovern, Jr.	8	8	-	-	-	-	-	-	6	6	10	10
H.A. McSharry	8	8	-	-	9	9	4	4	-	-	-	-
A. Manifold	8	8	5	5	-	-	-	-	-	-	-	-
D.N. O'Connor ⁽ⁱ⁾	2	2	-	-	-	-	-	-	1	1	2	2
L.J. Riches ⁽ⁱⁱⁱ⁾	7	6	-	-	-	-	-	-	5	5	9	8
H.Th. Rottinghuis	8	7	4	4	9	8	-	-	-	-	-	-
M.S. Towe	8	8	-	-	-	-	-	-	-	-	-	-

(i) Retired May 2015

(ii) Appointed to Board January 2015

(iii) Appointed to Board March 2015

(iv) Appointed to Board September 2015

All Directors attended the 2015 Annual General Meeting.

Substantial Holdings

Table 8

As at 31 December 2015, the Company had received notification of the following interests in its Ordinary share capital, which were equal to, or in excess of, 3%:

Name	31 December 2015		31 December 2014		31 December 2013	
	Holding/ Voting Rights	% at year end	Holding/ Voting Rights	% at year end	Holding/ Voting Rights	% at year end
Baillie Gifford Overseas Limited and Baillie Gifford & Co.	41,193,797	5.00	-	-	-	-
BlackRock, Inc. ⁽ⁱ⁾	74,030,167	8.99	40,681,647	5.49	43,857,751	5.98
Harbor International Fund	21,853,816	2.65	21,999,275	2.96	21,999,275	3.00
Templeton Global Advisors Limited	-	-	21,503,171	2.90	21,503,171	2.93
UBS AG	26,380,604	3.20	26,380,604	3.56	26,380,604	3.59

(i) BlackRock, Inc. has advised that its interests in CRH shares arise by reason of discretionary investment management arrangements entered into by it or its subsidiaries.

Substantial Holdings

The Company is not owned or controlled directly or indirectly by any government or by any corporation or by any other natural or legal person severally or jointly. The major shareholders do not have any special voting rights. Details of the substantial holdings as at 31 December 2015 are provided in table 8. Between 31 December 2015 and 2 March 2016, the Company has been advised that BlackRock, Inc. reduced its holding to 73,838,812 shares (8.97%).

Stock Exchange Listings and Corporate Governance codes

CRH, which is incorporated in Ireland and subject to Irish Company Law, has a premium listing on the London Stock Exchange, a secondary listing on the Irish Stock Exchange and its American Depository Shares are listed on the New York Stock Exchange.

Regulatory, Compliance & Ethics

The Group Regulatory, Compliance & Ethics ("RCE") programme continues to develop in scope and reach. The structure of the RCE organisation was strengthened in 2015 with the following appointments:

- Group Regulatory and Compliance Director
- Europe/Asia General Counsel
- Senior Competition Counsel at Group level
- Group Compliance Manager

In addition, in line with the Group's efforts to continually review and improve its RCE programmes, the Group commissioned an external quality assessment review to be completed in Q4 2015 - final reporting expected during Q1 2016 with

recommendations expected to be actioned during 2016.

Following updates to the CRH Code of Business Conduct (COBC) approved by the Board in February 2014, the RCE team's primary focus since then has been to ensure all relevant employees receive appropriate training. In the current training cycle, circa 28,000 employees participated in COBC training and over a mix of two and three year training cycles, a further 14,000 have also undertaken advanced instruction on competition law and anti-bribery, corruption and fraud. During 2015, COBC training, which had already been online in the US, was also rolled out across Europe. In addition, in Europe the roll out of a new fraud awareness online training tool commenced in 2015.

In addition, our development teams and procurement teams continue to receive appropriate instruction on both our RCE Mergers, Acquisitions and Joint Venture Due Diligence Programme and our Ethical Procurement Code. CRH continues to implement our Supplier Code of Conduct so that our Corporate Social Responsibility requirements are understood by existing and new suppliers. Similar procedures are being developed and implemented for engagements with business partners.

An updated version of the Anti-Fraud Policy will be finalised early in 2016. In addition, guidance underlying the following is under review:

- The Competition/Antitrust Compliance Code
- Speaking Up
- Gifts, Hospitality and Donations

The COBC has scored an "A" rating by New York Stock Exchange Governance Services and incorporates some welcome new features, including learning aids, an ethical decision making guide and a clear focus on the core values of the Group: Honesty, Integrity and Respect for the law. It was translated and distributed during 2014.

A robust communications plan is in place to complement the training programme. A multi-lingual "Hotline" facility called "Speak Up" is also available to employees to report issues that concern them, for example an issue concerning business ethics. All Hotline reports (or reports outside of the Hotline process) received are fully reviewed and investigated by appropriately qualified personnel.

The RCE programme has been integrated into our standard Internal Audit procedures and forms part of an annual management certification process (this process was changed to an online process during 2015). Its effectiveness is also regularly reviewed by the RCE function with appropriate oversight from senior management and the *Audit Committee*. The collective goal is to ensure the message is clearly understood that at CRH "there is never a good business reason to do the wrong thing".

Communications with Shareholders

Communications with shareholders are given high priority and the Group devotes considerable time and resources each year to shareholder engagement. We recognise the importance of effective dialogue as an integral element of good corporate governance. The Investor Relations team, together with the Chief Executive, Finance Director and other senior executives, meet

Corporate Governance Report | continued

regularly with institutional shareholders (each year covering over 50% of the shareholder base). Detailed reports on the issues covered in those meetings and the views of shareholders are circulated to the Board after each group of meetings. Table 9 provides a brief outline of the nature of the activities undertaken by our Investor Relations team.

During 2015, the Chairman, Senior Independent Director and Company Secretary participated in a number of conference calls with some of the Group's major shareholders in advance of the 2015 Annual General Meeting. The meetings were organised to provide those shareholders with an opportunity to discuss the resolutions on the 2015 Annual General Meeting agenda and corporate governance matters generally.

In addition to the above, major acquisitions are notified to the Stock Exchanges in accordance with the requirements of the Listing Rules and development updates, giving details of other acquisitions completed and major capital expenditure projects, are issued periodically (typically in January and July each year).

In addition, we respond throughout the year to correspondence from shareholders on a wide range of issues.

The Chief Executive made a presentation to shareholders at the 2015 Annual General Meeting on CRH's businesses.

Investor Relations Activities

Table 9

Formal Announcements, including the release of the annual and interim results and the issuance of trading statements. These announcements are typically accompanied by presentations and webcasts or conference calls.

Investor Roadshows, typically held following the release of formal announcements, provide an opportunity for the management team to meet existing and/or potential investors in a concentrated set of meetings.

Industry Conferences: Attendance at key sector and investor conferences affords members of the senior management team the opportunity to engage with key investors and analysts.

Investor Briefings: In addition to regular contact with investors and analysts during the year, the Company periodically holds capital market days, which include presentations on various aspects of CRH's operations and strategy and provide an opportunity for investors and analysts to meet with CRH's wider management team.

Media Briefings: Each year, the Company provides media briefings on numerous issues.

The following are available on the CRH website, www.crh.com

Table 10

Corporate Governance section:

- Governance Appendix
- Terms of Reference of *Acquisitions Committee* (amended December 2015)
- Terms of Reference of *Audit Committee* (amended December 2013)
- Terms of Reference of *Finance Committee* (amended December 2015)
- Terms of Reference of *Nomination & Corporate Governance Committee* (amended December 2013)
- Terms of Reference of *Remuneration Committee* (amended December 2013)
- The Memorandum and Articles of Association of the Company
- Pre-approval policy for non-audit services provided by the auditors
- Compliance & Ethics statement, Code of Business Conduct and Hotline contact numbers

Investors section:

- Annual & Interim Reports, the Annual Report on Form 20-F, the Sustainability Report, Trading Statements and copies of presentations to analysts and investors
 - News releases
 - Webcast recordings of key investor briefings
 - General Meeting dates, notices, shareholder circulars, presentations and poll results
 - Answers to Frequently Asked Questions, including questions regarding dividends and shareholder rights in respect of general meetings
-



Directors' Remuneration Report

Donald A. McGovern, Jr.



Chairman of Remuneration Committee

Introduction

In last year's Remuneration Report we communicated that the Committee would review the Group's remuneration policy and structures during the course of 2015. The context for the review was the transformation of CRH with the impending acquisition of assets from Lafarge S.A. and Holcim Limited (LH Assets). Subsequently, the Group also acquired CRL. These developments have seen CRH become the number two player globally in the building materials sector. The Committee, therefore, felt it was vital to the success of CRH to ensure that our remuneration incentives are appropriate for the evolving needs of the Group, are competitive, support the delivery of our strategy and are aligned with shareholders' interests.

When Albert Manifold was appointed Chief Executive in January 2014, the Committee set his remuneration package at a level which it believed should be increased as he grew into the position. In the period since his appointment, the Committee and the Board believes that he has performed exceptionally well in a role that has become increasingly more complex.

Remuneration Review

During the year, the Committee carried out an in-depth review and concluded that CRH's remuneration structures were not sufficiently incentivising for management and, in particular, for the Chief Executive. Given the importance of the on-going strategic transformation of the Company, we felt that it was important for CRH to submit a revised remuneration policy to shareholders at the 2016 Annual General Meeting (the "2016 Policy"), rather than waiting for the current policy to expire in April 2017.

The Committee developed its proposals based on what we believe are fair and appropriate remuneration arrangements for the Company. In doing so, we considered a number of market data reference points. In particular, the Committee considered its proposals in the context of FTSE50

companies (excluding financial services companies).

Shareholder Consultation

On behalf of the Committee, I met with a number of our major shareholders to outline the background to the review and to consult on our proposals. These meetings covered just under 50% of the Company's issued share capital. The feedback received on our proposed changes illustrated a broad range of perspectives on remuneration. The Committee considered the comments and views that were expressed and made changes to the proposals to take into account the viewpoints expressed. In doing so, we were conscious that it was not possible to address every point. However, we believe that the final proposals are fair, balanced and deal with the key issues communicated to us by shareholders. I would like to take the opportunity to thank those shareholders for their input into the review.

Proposed Policy Changes

Opportunity under CRH's Incentive Plans

The proposed policy increases the maximum opportunity under CRH's incentive plans as set out in table 1.

The increases in the opportunity under the annual bonus plan and the 2014 Performance Share Plan (the "2014 Plan") will only apply to the Chief Executive in 2016. Going forward, the Committee will consider whether it is appropriate to increase the opportunity for the other executive Directors. However, any such increase would be within the limits set by the 2016 Policy and would be set at an appropriate level for their role.

Shareholding Guidelines

In line with the increased opportunity under the Performance Share Plan, the shareholding guideline will be increased for the Chief Executive from one times salary to two-and-a-half times salary, to be achieved by 2020.

Performance Measures for Annual Bonus and Performance Share Plans

The existing metrics for the annual bonus plan (EPS, Return on Net Assets ("RONA"), Cash Flow and Personal/Strategic) will remain unchanged for 2016.

CRH's current focus is on restoring our debt metrics to normalised levels, successfully integrating our newly acquired businesses and maximising long-term shareholder value. The Committee, therefore, believes that the current Performance Share Plan performance measures remain appropriate as they reflect our focus on cash generation and shareholder value creation. We propose, however, to re-weight these measures to reflect their equal significance as set out in table 2.

We are also proposing to introduce a second comparator benchmark for relative TSR. Under the proposals, 50% of the TSR element will continue to be measured against a tailored peer group, which will comprise 14 companies in 2016, and 50% will now be measured against the FTSE All-World Construction & Materials Index (as at the start of the relevant performance period). The revised structure is summarised in table 3, which also sets out the performance target for each element. The list of tailored peer companies for awards in 2016 is set out in table 8 on page 75.

For 2016 awards, performance will be assessed over the three-year period to 31 December 2018. For TSR performance, vesting between the threshold and maximum levels is calculated on a straight-line basis. For the cash flow measure, vesting is calculated on a straight-line basis between 25% and 80% for cash flow of between €2.8 billion and €3.25 billion and between 80% and 100% for an outturn between €3.25 billion and €3.7 billion.

The Committee will monitor, and, if required, will make appropriate adjustments to cash flow to reflect unusual items such as a significant underspend or delay in budgeted capital expenditure, both ordinary and extraordinary.

Revised Maximum Opportunity under CRH's Incentive Plans

Table 1

	Current	Revised
Bonus opportunity	150% of salary	225% of salary
Performance Share Plan opportunity	250% of salary	365% of salary

Performance Measures Performance Share Plans

Table 2

	Current Weighting	Revised Weighting
Relative TSR	75%	50%
Cash flow	25%	50%

2014 Performance Share Plan - Revised Structure

Table 3

	Weighting	Threshold (25% vesting)	Maximum (100% vesting)
TSR ⁽ⁱ⁾ vs. Peers	25%	Median	Upper quartile
TSR vs. Index	25%	Index	Index +5% p.a.
Cash flow	50%	€2.8bn	€3.7bn

(i) The methodology for calculating TSR assumes all dividends are reinvested on the ex-dividend date at the closing share price on that day; the open and close price is based on the three-month average closing price on the last day before the start of the performance period and the final day of the performance period respectively.

During the consultation process, some shareholders expressed a preference for the introduction of RONA as a long-term incentive metric. Given the importance to our business of this measure, which has been an integral part of our short-term incentive plans for senior executives for many years, the Committee thoroughly explored the possibility of introducing a RONA element for PSP awards to be made in 2016. However, we concluded that setting a robust performance range at this point in time, with a threshold and maximum long-term RONA that appropriately capture the performance of the recently acquired LH Assets, is very difficult. As CRH purchased these assets primarily on 31 July 2015 (the Philippine assets were purchased in September 2015), a full year of ownership of these assets and a final plan for capital expenditure, which is currently being completed, is required.

Nevertheless, given the importance of a returns-based measure to CRH and a number of our shareholders, we are proposing to introduce RONA as an underpin to the TSR element of the 2014 Plan (including both the tailored peer group and FTSE index measures). At the end of the three-year vesting period, the Committee will consider the RONA performance of the business, including that of the LH Assets. The PSP outcome for the TSR element may be adjusted (downwards only) if RONA performance has not met the expectations of the Board and the Committee. In addition, the Committee intends to introduce a specific RONA measurement when robust targets can be set.

The updated metrics for the 2014 Plan will apply to all awards made to executive Directors in 2016.

Directors' Remuneration Report | continued

Other Changes in 2016

Management changes

Senan Murphy was appointed as Finance Director on 4 January 2016. His salary was set at €625,000 and he will receive a supplementary taxable non-pensionable cash supplement equivalent to 25% of his annual base salary in lieu of a pension contribution. For 2016 his annual bonus opportunity is 150% of salary, and his PSP award opportunity will be 200% of salary.

Following Senan Murphy's appointment, Maeve Carton has changed role to Group Transformation Director. There were no changes to Maeve Carton's remuneration as a result of her appointment to this new role.

Salaries

The salaries which will apply in respect of 2016 are set out in table 4.

The salary increases for Maeve Carton and Mark Towe are in line with increases for employees generally in their respective regions.

As stated above, when Albert Manifold was appointed Chief Executive in January 2014, the Committee set his remuneration package at a level which it believed should be increased over time to reflect his development in the role. In the period since his appointment, the Committee believes that he has performed exceptionally well in a role that has become significantly more complex. At the revised level, his 2016 salary remains below the salary paid to the Chief Executive in 2008 (see table 11 on page 75).

Non-executive Directors

Given the evolving nature of the Group and its increased complexity, the Board felt that it was appropriate to consider the fees paid to non-executive Directors. The resulting proposed changes were included in the consultation process referred to above. The main purpose was to align fees more closely with the market generally and to reflect the need to recruit high quality non-executives in different markets (Ireland, the US, Europe and Asia), in light of CRH's growth and increasingly

international scope since fees were last increased in 2008. The changes in table 5 have been implemented with effect from January 2016.

The extension of the travel fee to Irish-based non-executive Directors reflects the increase in time commitment to travel to CRH sites across the globe. In 2016, Board visits, incorporating Board meetings, will be held in Asia, Europe and North America.

Remuneration in 2015

During 2015, CRH made significant progress with strong delivery from continuing operations and the newly acquired businesses:

EPS	+13% ⁽ⁱ⁾
Operating Cash flow	+47%
RONA	+20bps
Net Debt	€6.6bn
Divestment proceeds	€1.0bn

(i) EPS was 13% ahead despite the Group issuing an additional 74 million shares following the equity placing in February 2015.

This has translated into annual bonus payouts of between 145% and 150% of salary. All of the financial targets (EPS, RONA and cash flow), which applied to each executive Director, were met resulting in a maximum payout. Further details, including the Committee's assessment of the outcome in terms of personal and strategic goals, are set out on page 76.

In relation to long-term incentive awards, there will be a 77.84% vesting in respect of the award made in 2013 under the 2006 PSP. This award was subject to a three-year TSR performance test (2013 – 2015 inclusive). Details of CRH's performance against the TSR targets are set out on page 81.

There will also be partial vesting of the award made in 2013 under the 2010 Share Option Scheme (the "2010 Scheme"). Adjusted EPS for this award grew by 12.6% p.a. over three years, resulting in a vesting of 37.2% of maximum. This excludes the impact (both costs and benefits) of the acquisition of the LH Assets, which was completed in the final few months of the performance period, and ensures that EPS performance is measured on a like-for-like basis.

Salaries

Table 4

	2016 ⁽ⁱ⁾	2015
Albert Manifold	€1,400,000	€1,290,000
Maeve Carton	€688,500	€675,000
Senan Murphy	€625,000	Not applicable
Mark Towe	US\$1,448,400	US\$1,420,000

(i) Effective from January 2016

Non-executive Directors' Fees

Table 5

	2016	2015
Chairman	€575,000	€450,000
Basic non-executive Director fee	€78,000	€68,000
Committee fee	€27,000	€22,000
Committee Chair fee	€39,000	€34,000
Travel fee extended to Irish non-executive Directors ⁽ⁱ⁾	€15,000	€0

(i) European based (non-Irish) non-executive Directors receive a travel fee of €15,000 and non-European based non-executive Directors receive a travel fee of €30,000.

Conclusion

The Committee believes that the proposed changes to the Group's remuneration policy outlined above:

- maintain the best practice elements of the 2014 Remuneration Policy (the "2014 Policy") (including bonus deferral, the simplicity of a single long-term incentive plan, two-year holding period (after a three-year vesting period) for vested PSP awards, malus/clawback and shareholding guidelines);
- are better aligned to the Group's strategic priorities; and
- are vital to the delivery of CRH's strategy and delivery of value to our shareholders by the Chief Executive and his team in the coming years.

The increase in potential awards for variable pay under the annual and long-term incentive plans will require amendments to the 2014 Policy, which will need to be approved by shareholders before they can take effect.

The 2016 Policy has been included on the agenda for the 2016 Annual General Meeting to be held on 28 April 2016. The proposed 2016 Policy is set out in full in the Policy section of this Report on pages 95 to 106.

On behalf of the *Remuneration Committee*, I would strongly recommend that shareholders vote in favour of the 2016 Policy and the 2015 Directors' Remuneration Report.

Donald A. McGovern, Jr.

Chairman of Remuneration Committee

2 March 2016

The design for this park in Ciechocinek, Poland was completed by students who won Polbruk's "Direction: Ciechocinek" competition. 4,200m² of Urbanika and Carmino pavers were used to bring this design to life.



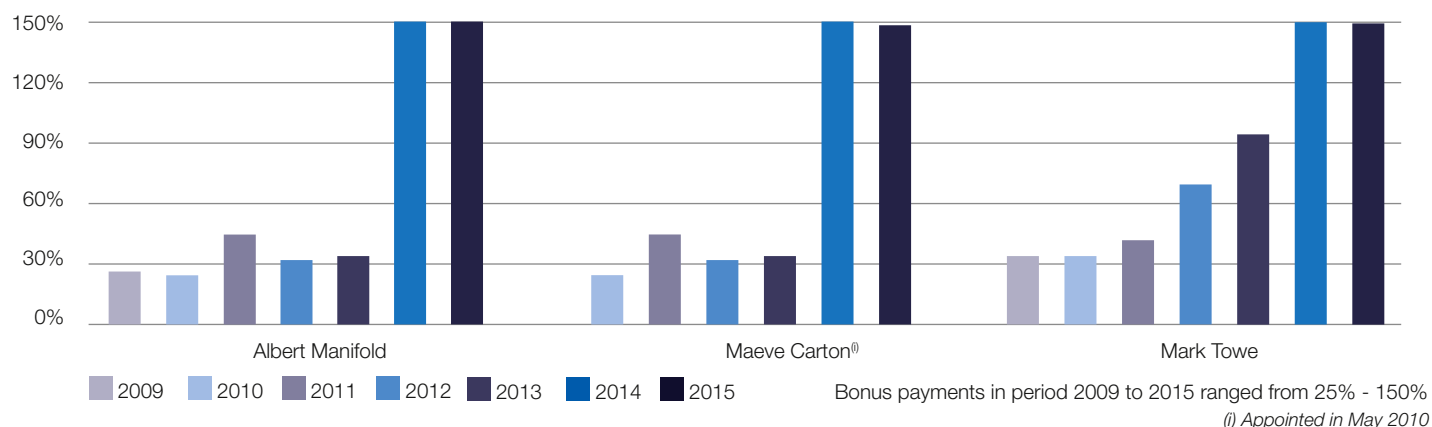
Principal proposed changes to the 2014 Directors' Remuneration Policy

Table 6

	Framework 2014-2015	Framework for 2016 Policy	Comments
Annual Bonus	<ul style="list-style-type: none"> 80% of award based on financial performance (profit, EPS growth, cash flow, RONA) 20% based on individual personal and strategic goals 	<ul style="list-style-type: none"> No changes proposed 	<ul style="list-style-type: none"> The Committee considered that the metrics for the annual bonus plan remain appropriate, robust and challenging Table 7 on the right summarises the bonuses paid between 2009 and 2015
	<ul style="list-style-type: none"> 50% of maximum bonus awarded for delivering target performance 	<ul style="list-style-type: none"> No changes proposed 	
	<ul style="list-style-type: none"> Maximum annual award of 150% of salary for all executive Directors 	<ul style="list-style-type: none"> Maximum annual award of up to 225% of salary 	<ul style="list-style-type: none"> The revised maximum award will apply to the Chief Executive only in 2016; the maximum award for other executives in 2016 will be 150% The Committee will review the annual bonus opportunity for other executive Directors in due course. However, any increase will be within the maximum in the 2016 Policy and will be set at an appropriate level for the role of the individual
	<ul style="list-style-type: none"> 25% of bonus awards for all executive Directors deferred for three years 	<ul style="list-style-type: none"> No changes proposed 	<ul style="list-style-type: none"> Best practice provision
	<ul style="list-style-type: none"> Malus provisions apply for deferred share awards to provide the ability to scale back awards prior to vesting in the event of material misstatement, serious reputational damage or the Group suffering serious losses Clawback provisions apply to the cash portion of the annual bonus 	<ul style="list-style-type: none"> No changes proposed 	<ul style="list-style-type: none"> Best practice provision
	Performance Share Plan	Vesting based: <ul style="list-style-type: none"> 75% on TSR performance against sector peers 25% on cumulative cash flow target 	Vesting based: <ul style="list-style-type: none"> 50% TSR: <ul style="list-style-type: none"> 25% against selected sector peers (see table 8) 25% against FTSE All-World Construction & Materials Index 50% on cumulative cash flow target The TSR element will be subject to a RONA underpin.
	<ul style="list-style-type: none"> 3-year performance period Vested awards required to be held for a further 2 years post vesting 	<ul style="list-style-type: none"> No changes proposed 	<ul style="list-style-type: none"> Best practice provision
	<ul style="list-style-type: none"> Annual award size of: <ul style="list-style-type: none"> Chief Executive: 250% of salary Other executive Directors: 200% of salary Awards in exceptional circumstances limited to 350% of base salary 	<ul style="list-style-type: none"> Maximum award amount of up to 365% of salary No provisions for exceptional circumstances 	<ul style="list-style-type: none"> The revised maximum award will apply to the Chief Executive only in 2016; the maximum award for other executives in 2016 will be 200% Changes to award levels for other executive Directors may be made in due course. However, any adjustments will be within the maximum in the 2016 Policy and will be set at an appropriate level for the role of the individual
	<ul style="list-style-type: none"> Malus provisions for unvested share awards (see above annual bonus section for circumstances in which it may operate) 	<ul style="list-style-type: none"> No changes proposed 	<ul style="list-style-type: none"> Best practice provision
Shareholding Guidelines	<ul style="list-style-type: none"> 1.0x salary 	<ul style="list-style-type: none"> Chief Executive: 2.5x salary Other executive Directors: 1.0x salary 	<ul style="list-style-type: none"> The increased shareholding guideline for the Chief Executive must be achieved by 2020

Annual Bonus Levels as a Percentage of Salary 2009 - 2015

Table 7



2014 Performance Share Plan

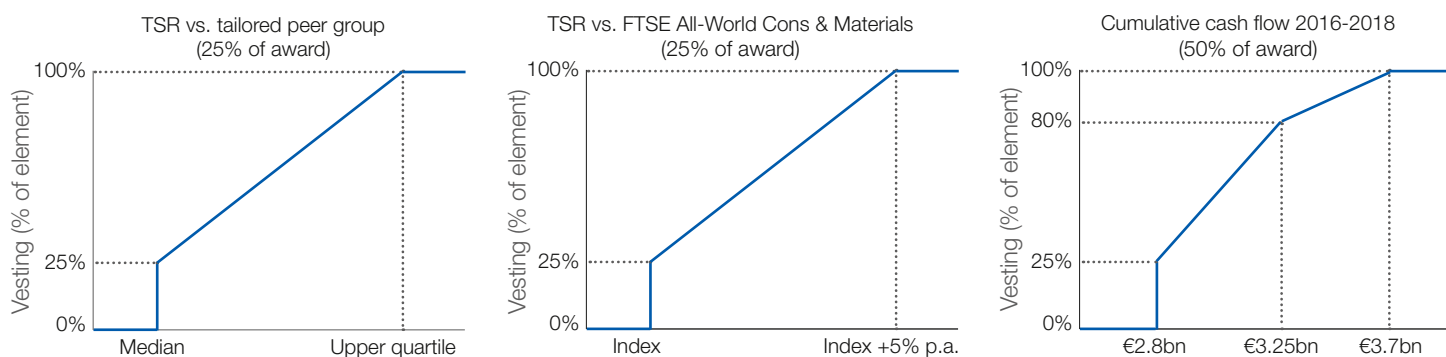
Table 8

Tailored Peer Group for TSR Performance Metric (2016 Awards)

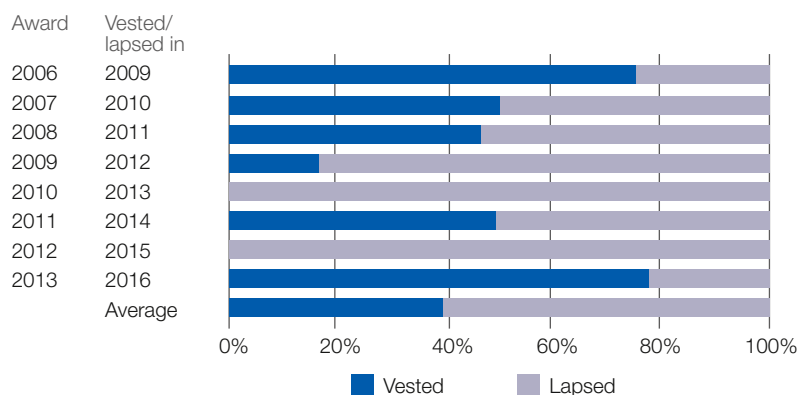
ACS	Braas Monier	LafargeHolcim	Skanska	Vinci
Boral	Cemex	Rockwool	Titan Cement	Wienerberger
Buzzi Unicem	Heidelberg Cement	Saint Gobain	Vicat	

Vesting Schedule (2016 Awards)

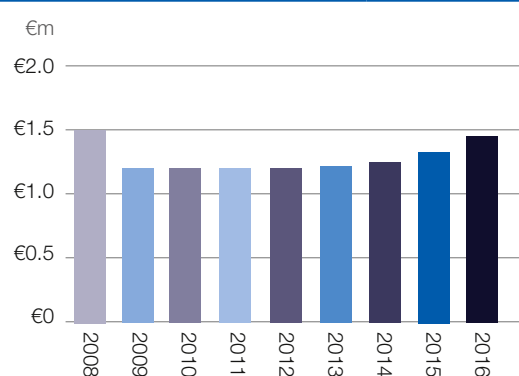
Table 9



Historic vesting of 2006 Performance Share Plan Awards Table 10



Chief Executive Salary Table 11



Directors' Remuneration Report | continued

Annual Statement of Remuneration

Pages 70 to 93 of this report set out:

- a summary of the proposed changes to the Directors' Remuneration Policy;
- details of how CRH's remuneration policy will operate for 2016;
- details of the remuneration paid to Directors in respect of 2015; and
- other areas of disclosure.

The Directors' Remuneration Report, excluding the Remuneration Policy on pages 95 to 106, will be put to shareholders for the purposes of an advisory vote at the Annual General Meeting to be held on 28 April 2016.

Executive Directors

Remuneration received by executive Directors in respect of 2015

Details of individual remuneration for executive Directors for the year ended 31 December 2015, including explanatory notes, are given in table 14. Details of Directors' remuneration charged against profit in the year are given in table 39 in the *Other Disclosures* section.

Basic salary and benefits

Details of executive Directors' salaries for 2016 compared with 2015 are set out in table 4. The percentage increases implemented in 2016 are shown in table 12.

The background to these increases is set out in the Chairman's introduction.

Details in relation to employment-related benefits are set out in note (b) in table 14. No material changes to benefits are proposed for 2016. The level of benefits provided will depend on the cost of providing individual items and the individual circumstances.

Annual Bonus Plan

A summary of the structure of CRH's Annual Bonus Plan and the proposed changes for 2016 is set out in table 6.

2015 Annual Bonus Outcomes

CRH's Annual Bonus Plan for 2015 was based on a combination of financial targets and personal/strategic goals. The specific weightings for each executive Director are shown in table 15. The relative weighting of the components of the plan, together with indicative performance for each measure is given in tables 15 and 16. Specific targets for the 2015 Annual Bonus Plan have not been disclosed in this report as they are considered by the Board to be commercially sensitive. However, it is intended that Group-related targets for 2015 will be disclosed in the 2016 Directors' Remuneration Report, subject to the information no longer being commercially sensitive at that time. Targets for the 2014 annual bonuses are disclosed on page 79.

Overall, strong performance against the 2015 Annual Bonus Plan metrics resulted in bonus payments of 150% of salary for Albert Manifold, 145% of salary for Maeve Carton and 147.5% of salary for Mark Towe, representing a percentage against the maximum payable of 100%, 96.7% and 98.3% respectively. There was a maximum payout under each of the financial targets (EPS, RONA and cash flow), which applied to each executive Director. The outcome in relation to each executive Director's personal/strategic objectives is set out in table 16 on page 78.

In accordance with the Group's 2014 Remuneration Policy, 25% of the bonus amount will be deferred into shares for a period of three years. Deferred Share awards are not subject to any additional performance conditions during the deferral period and are adjusted for dividend equivalents based on dividends paid by CRH during the deferral period.

2016 Salaries – Executive Directors

Table 12

Director	% Change
Albert Manifold	+8.5%
Maeve Carton	+2%
Senan Murphy ⁽ⁱ⁾	Not applicable
Mark Towe	+2%

(i) appointed with effect from 4 January 2016

2015 Annual Bonus Outcome - Summary

Table 13

Director	Payout level as a % of	
	Salary	Maximum Opportunity
Albert Manifold	150.0%	100.0%
Maeve Carton	145.0%	96.7%
Mark Towe	147.5%	98.3%

Similar to 2015, CRH's Annual Bonus Plan for 2014 was based on a combination of financial targets and personal/strategic goals. Due to commercial sensitivity, specific targets were not disclosed in the 2014 Directors' Remuneration Report. The *Remuneration Committee* considers that Group-related targets for 2014 have ceased to be commercially sensitive and, accordingly, these are set out in table 17.

Indicative performance against Oldcastle targets for 2014 is shown in table 18; the actual targets have not been disclosed as it is considered that the information remains commercially sensitive. Please see table 24 in the 2014 Directors' Remuneration Report for performance in 2014 against personal/strategic measures.

The 2016 Annual Bonus Plan will be operated broadly in line with the 2015 Annual Bonus Plan, except that the maximum award size for the Chief Executive will increase to 225% of salary, subject to the 2016 Policy being approved by shareholders at the 2016 Annual General Meeting. The Committee intends to disclose the targets for the 2016 Annual Bonus Plan in the 2017 Directors' Remuneration Report.

Individual remuneration for the year ended 31 December 2015 (Audited)

Table 14

	Annual Bonus Plan												Total €000	Total €000
	Basic salary		Benefits		Cash element		Deferred shares		Long-term incentives		Retirements benefit expense			
	(a) €000		(b) €000		(c) €000		(c) €000		(d) €000		(e) €000			
2015	2014	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014	
Executive Directors														
Albert Manifold	1,290	1,200	22	39	1,451	1,350	484	450	1,671	586	607	559	5,525	4,184
Maeve Carton	675	625	10	16	734	703	245	234	1,161	69	282	260	3,107	1,907
Mark Towe	1,280	1,036	72	59	1,416	1,166	472	389	2,091	129	256	207	5,587	2,986
	3,245	2,861	104	114	3,601	3,219	1,201	1,073	4,923	784	1,145	1,026	14,219	9,077

(a) **Basic Salary:** Further details and background in relation to the changes in salaries effective for 2015 are set out on pages 73 and 74 of the 2014 Directors' Remuneration Report.

(b) **Benefits:** For executive Directors these relate principally to the use of company cars, medical insurance and life assurance and, where relevant, the value of the discount on the grant of options under the Group's 2010 Savings-related Share Option Scheme.

(c) **Annual Bonus Plan:** Under the executive Directors' Annual Bonus Plan for 2015, a bonus was payable for meeting clearly defined and stretch targets and strategic goals. The structure of the 2015 Plan, together with details of the performance against targets and payouts in respect of 2014 and 2015, are set out on pages 78 and 79. For 2015 and 2014 bonuses, 25% of executive Directors' bonuses are paid in Deferred Shares, vesting after three years, with no additional performance conditions.

(d) **Long-Term Incentives:** In February 2016, the *Remuneration Committee* determined that 77.84% of the award made in 2013 under the 2006 Performance Share Plan will vest on 7 March 2016. The *Remuneration Committee* also determined that 37.2% of the award made in 2013 under the 2010 Share Option Scheme would vest. For the purposes of this table, the value of these awards, both of which were subject to a three-year performance period ending in 2015, has been estimated using a share price of €25.60, being the three month average share price to 31 December 2015, less, in the case of the award under the 2010 Share Option Scheme, the amount payable by the Directors to purchase the shares under option (i.e. the total exercise cost). Amounts in the long-term incentive column for 2014 reflect the value of vested long-term incentive awards with a performance period ending in 2014. These amounts reflect the value of the awards granted in 2006, 2007, 2008 and 2009 under the 2000 Share Option Scheme, which the *Remuneration Committee* determined in May 2015 had met the applicable EPS performance targets (see table 22 on page 81) and had vested. For the purposes of this table, the value of these awards have been calculated based on the difference between the total exercise cost and the market value on the date of vesting (€25.11) (see page 81 for more details). No other long-term incentive awards with a performance period ending in 2014 vested.

(e) **Retirement Benefits Expense:** The Irish Finance Act 2006 effectively established a cap on pension provision by introducing a penalty tax charge on pension assets in excess of the higher of €5 million or the value of individual prospective pension entitlements as at 7 December 2005. This cap was further reduced by the Irish Finance Act 2011 to €2.3 million and, by the Finance (No. 2) Act 2013, to €2.0 million. As a result of these legislative changes, the *Remuneration Committee* has decided that executive Directors who are members of Irish pension schemes should have the option of continuing to accrue pension benefits as previously, or of choosing an alternative arrangement - by accepting pension benefits limited by the cap - with a similar overall cost to the Group. Maeve Carton and Albert Manifold chose to opt for the alternative arrangement which involved capping their pensions in line with the provisions of the Finance Acts and receiving a supplementary taxable non-pensionable cash allowance, in lieu of prospective pension benefits foregone. These allowances are similar in value to the reduction in the Company's liability represented by the pension benefit foregone. They are calculated based on actuarial advice as the equivalent of the reduction in the Company's liability to each individual and spread over the term to retirement as annual compensation allowances.

Directors' Remuneration Report | continued

2015 Annual Bonus - Achievement - Financial Targets
(Albert Manifold, Maeve Carton and Mark Towe)

Table 15

Measure	Opportunity as a % of salary		Performance achieved relative to targets		Performance achieved	% Outcome versus Maximum Opportunity
	Target	Maximum	Threshold ⁽ⁱ⁾	Target		
CRH EPS	18.75%	37.5%			89.1c	37.5% / 37.5%
CRH Cash Flow						
- Operating Cash Flow ⁽ⁱⁱ⁾	11.25%	22.5%			€1,722m	22.5% / 22.5%
- Divestments	11.25%	22.5%			€1,017m	22.5% / 22.5%
CRH RONA ⁽ⁱⁱⁱ⁾	18.75%	37.5%			8.8%	37.5% / 37.5%

(i) 0% of each element is earned at threshold, 50% at target and 100% at maximum, with a straight-line pay out schedule between these points.

(ii) For this purpose, operating cash flow has been defined as reported internally and for 2015 excludes the operating cash flows attributable to the post acquisition period for the LH Assets. The figure also differs from the "cash generated from operations" figure of €2,784m reported in the Consolidated Statement of Cash Flows, primarily because it is calculated after deducting outflows on the purchase of property, plant and equipment (PP&E), net of proceeds from the disposal of PP&E.

(iii) 2015 RONA is calculated excluding the transaction/one-off costs of €197m related to the acquisition of the LH Assets.

2015 Annual Bonus - Achievement - Personal/Strategic Targets

Table 16

Directors	Achievements	% Outcome versus Maximum Opportunity
Albert Manifold	Effective leadership of the process to integrate the assets acquired from Lafarge S.A. and Holcim Limited; successful recruitment of new Group Finance Director and supporting the incumbent in the transition to a new strategic role; leading the process of organisation change, including the establishment and resourcing of refined organisation structures in the Americas, Europe and Asia; continued strong leadership of the Group's talent management process and the mentoring of the senior executive team.	30.0% / 30.0%
Maeve Carton	Continued progress in the area of operational performance including the roll-out of financial reporting systems for the measuring and reporting of KPIs; leading succession planning for the Group's tax function, the development of a new supporting organisation structure and co-ordinating refinements to the Group's tax strategy; managing the process of funding the significant acquisition spend in 2015 and effective management of the Group's bond programme; guiding the process for the evolution of CRH's cyber security arrangements.	25.0% / 30.0%
Mark Towe	Leadership in relation to the transition to a new organisation structure in the Americas; management of the process to integrate the assets acquired from Lafarge S.A. and Holcim Limited in Canada and the United States; continued input into the Group's talent management process; working closely with the Chief Executive in relation to the ongoing process to leverage the size and collective scale of the Group in areas such as procurement.	27.5% / 30.0%

2014 Annual Bonus - Achievement - Group Targets (Albert Manifold, Maeve Carton and Mark Towe)




Table 17

Measure	Performance needed for payout at			Performance achieved	Payout % of Maximum
	Threshold	Target	Maximum		
CRH EPS	68c	74c	78c	78.9c	100.0%
CRH Cash Flow					
- Operating Cash Flow ⁽ⁱ⁾	€1,163m	€1,264m	€1,365m	€1,477m	100.0%
- Divestments	€200m	€225m	€250m	€345m	100.0%
CRH RONA	6.15%	6.7%	7.2%	7.4%	100.0%

(i) For this purpose, operating cash flow has been defined as reported internally, which differs from the "cash generated from operations" of €1,626m shown in the 2014 Consolidated Statement of Cash Flows, primarily because it is calculated after deducting cash outflows on the purchase of property, plant and equipment (PP&E), net of proceeds from disposal of PP&E.

2014 Annual Bonus - Achievement - Oldcastle Targets (Mark Towe)

Table 18

Measure	Performance achieved relative to targets			Payout % of Maximum
	Threshold ⁽ⁱⁱ⁾	Target	Maximum	
Oldcastle Group PBIT ⁽ⁱ⁾				100.0%
Oldcastle Cash Flow				
- Operating Cash Flow				100.0%
- Divestments				100.0%

(i) PBIT is defined as earnings before interest and taxes.

(ii) 0% of each element is earned at threshold, 50% at target and 100% at maximum, with a straight-line pay out schedule between these points.

Directors' Remuneration Report | continued

Share scheme awards

A summary of share scheme awards made to executive Directors in 2015 is set out in table 23. Details of outstanding performance share awards and share options held by executive Directors are shown in tables 27, 28 and 29.

Long-Term Incentives

2014 Performance Share Plan

A summary of the proposed changes to the operation of the 2014 Performance Share Plan (the "2014 Plan") is set out in table 6.

During 2015, awards were made under the 2014 Plan to the executive Directors, details of which are summarised in table 28. The performance metrics for the 2015 awards are set out in table 19.

The definition of cash flow is adjusted to exclude:

- dividends to shareholders;
- acquisition/investment expenditure;
- share issues (scrip dividend, share options, other);
- financing cash flows (new loans/ repayments);
- back funding pension payments;
- foreign exchange translation.

The *Remuneration Committee* considers that it is appropriate to make these adjustments in order to remove items that do not reflect the quality of management's operational performance, or are largely outside of management control.

The *Remuneration Committee* will also consider whether any adjustments are required to cash flows resulting from any significant acquisitions completed during the performance period.

The proposed cash flow target for awards in 2016 under the 2014 Plan is set out in table 3 in the *Remuneration Committee* Chairman's introduction on page 71.

Vested awards for executive Directors are required to be held for a further two years post-vesting.

Participants under the 2014 Plan are entitled to receive dividend equivalents in proportion to the percentage of an award which vests. However, they are not entitled to vote in respect of any shares subject to the award, until the shares vest.

2006 Performance Share Plan

The Performance Share Plan (the "2006 PSP"), which was approved by shareholders in May 2006, is based on Total Shareholder Return (TSR) over a three-year performance period. This plan was replaced by the 2014 Performance Share Plan (see above), which was approved by shareholders at the 2014

Annual General Meeting. Consequently, the last award under the 2006 PSP was made in 2013 and vested on performance to 31 December 2015. Half of each award was assessed against TSR for a tailored peer group of global building materials companies and the other half against TSR for the constituents of the Eurofirst 300 Index. The peer group for the TSR test was the same as set out in table 20 with the addition of Home Depot.

The performance criteria for the 2006 PSP are set out in table 21. Participants are not entitled to any dividends (or other distributions made) and have no right to vote in respect of the shares subject to the award, until the shares vest.

2014 Performance Share Plan (2014 Plan) Metrics (2014 and 2015 Awards)

Table 19

3-year TSR [®] performance compared to peer group (75% of Award)	Vesting level
Equal to or greater than 75th percentile	100%
Between 50th and 75th percentile	Straight-line between 25% and 100%
Equal to 50th percentile	25%
Below 50th percentile	0%
Three-Year Cumulative Cash Flow (25% of award)	Vesting Level
Equal to or greater than €3.5bn	100%
Between €2.9bn - €3.5bn	Straight-line between 25% and 100%
Equal to €2.9bn	25%
Below €2.9bn	0%

(i) The methodology for calculating TSR assumes all dividends are reinvested on the ex-dividend date at the closing share price on that day; the open and close price is based on the three month average closing price on the last day before the start of the performance period and the final day of the performance period respectively.

Peer Group for TSR Performance Metric for awards in 2014 and 2015 under the 2014 Plan

Table 20

Boral	Heidelberg Cement	Martin Marietta Materials	Vulcan Materials
Buzzi Unicem	Italcementi	Holcim	Travis Perkins
Cemex	Kingspan Group	Saint Gobain	Wienerberger
Grafton Group	Lafarge	Titan Cement	Wolseley

The rules of the 2006 PSP provide that no award, or portion of an award, which has satisfied the TSR performance criteria should be released unless the *Remuneration Committee* has confirmed the validity of the TSR performance and reviewed EPS performance to assess its consistency with the objectives of the assessment.

In respect of the award made in 2013 (with a performance period 2013-2015), in February 2016, the *Remuneration Committee* determined that 77.84% of the award will vest as, over the three-year period 2013-2015, CRH's TSR performance was 91.6%. The Company's TSR performance was reviewed by the *Remuneration Committee's* remuneration consultants (Deloitte).

During 2015, the *Remuneration Committee* determined that the award made under the 2006 PSP in 2012 (with a performance period 2012-2014) lapsed as, over the three-year period 2012-2014, CRH's TSR performance was below the median of both the peer group and the Eurofirst Index.

2010 Share Option Scheme

At the 2010 Annual General Meeting, shareholders approved the introduction of the Earnings Per Share (EPS) based share option scheme (the "2010 Scheme"). Following the approval by shareholders for the introduction of the 2014 Plan, no further awards will be made under the 2010 Scheme. Consequently, the last award under the 2010 Scheme was made in 2013.

Options were granted at the market price of the Company's shares at the time of grant. The vesting period for options is three years, with vesting only occurring once an initial EPS performance target has been reached. Awards under the 2010 Scheme were limited to 150% of salary.

The performance criteria for the 2010 Scheme are set out in table 22.

The grants of options under the 2010 Scheme made in 2010, 2011 and 2012 did not meet the EPS performance criteria set out in table 22 and, accordingly, the options

lapsed on the third anniversary of the date of grant.

There will be a partial vesting of the award made in 2013 under the 2010 Scheme. Adjusted EPS for this award grew by 12.6% p.a. over three years, resulting in a vesting of 37.2% of maximum. This excludes the impact (both costs and benefits) of the acquisition of the LH Assets, which was

completed in the final few months of the performance period, and ensures that the performance was measured on a like-for-like basis.

Details of outstanding awards to Directors under the 2010 Scheme are provided in tables 29 and 30 on page 86.

2006 Performance Share Plan (2006 PSP) Metrics Table 21

3-year TSR[®] performance compared to peer group/Eurofirst 300 Index Vesting level

Equal to or greater than 75th percentile	100%
Between 50th and 75th percentile	Straight-line between 30% and 100%
Equal to 50th percentile	30%
Below 50th percentile	0%

(i) *The methodology for calculating TSR assumes all dividends are reinvested on the ex-dividend date at the closing share price on that day; the open and close price is based on the closing price on the last day before the start of the performance period and the final day of the performance period respectively.*

Share Option Scheme Metrics Table 22

Compound EPS[®] Growth Performance over Three Years

Awarded in 2010 & 2011	Awarded in 2012 & 2013	Vesting Level
Equal to or greater than 27.5% p.a.	Equal to or greater than 20% p.a.	100%
Between 17.5% and 27.5% p.a.	Between 13% and 20% p.a.	Straight-line between 40% and 100%
Between 12.5% and 17.5% p.a.	Between 10% and 13% p.a.	Straight-line between 20% and 40%
Equal to 12.5% p.a.	Equal to 10% p.a.	20%
Less than 12.5% p.a.	Less than 10% p.a.	0%

(i) *The EPS figure used for the purposes of the 2010 Scheme is the basic consolidated earnings per share of the Company for the accounting period concerned as shown in the Annual Report issued by the Company for that accounting period.*

Directors' Remuneration Report | continued

2000 Share Option Scheme

At the Annual General Meeting held in 2000, shareholders approved the introduction of a share option scheme (the "2000 Scheme"). This scheme was superseded by the 2010 Scheme referred to above. No awards have been made under the 2000 Scheme since 2009. Details of unexercised awards and the performance criteria for the 2000 Scheme are set out in the notes to tables 29 and 30 on page 86.

Pursuant to the rules of the 2000 Scheme, during 2015, the *Remuneration Committee* determined that the grants of options made in 2006, 2007, 2008 and 2009 under the 2000 Scheme had met the applicable performance criteria and these awards vested. Details in relation to the performance test for these options is set out in table 30.

Other employee share plans

Executive Directors are eligible to participate in the 2010 Savings-Related Option Scheme (Republic of Ireland) (the "2010 SAYE Scheme") and in the Group's Irish Revenue approved Share Participation Scheme (the "Participation Scheme").

The 2010 SAYE Scheme is an Irish Revenue approved plan open to all Irish employees. Participants may save up to €500 a month from their net salaries for a fixed term of three or five years and at the end of the savings period they have the option to buy CRH shares at a discount of up to 15% of the market price on the date of invitation of each savings contract. Details of the outstanding awards of executive Directors under the 2010 SAYE Scheme are set out in table 29 on page 86.

The Participation Scheme is an Irish Revenue approved plan and is open to all employees in Ireland. Grants can be made to participants up to a maximum of €12,700 annually in CRH shares. Maeve Carton and Albert Manifold participated in the Participation Scheme in 2015.

Malus and Clawback

Since 2015 all incentive awards to executive Directors are subject to recovery provisions. Annual bonus awards are subject to recovery provisions for three years from the date of payment (cash awards) or grant (deferred awards). Performance Share Plan awards are subject to malus for the three years prior to performance assessment and the two further years of the holding period.

Malus or clawback provisions may be triggered in the event of:

- material misstatement;
- serious reputational damage; or
- the Group suffering serious losses.

Summary of Scheme Interests Granted in 2015

Table 23

Directors	Scheme	Basis of award (% of salary)	Number of shares	Face value ⁽ⁱ⁾	Exercise price	Percentage vesting at threshold performance (% of maximum)	Performance period end date	Expected date of release
A. Manifold	PSP (conditional shares)	250%	132,064	€3,225,002	n/a	25%	31-Dec-17	Feb-2020
	Annual Bonus ⁽ⁱⁱ⁾ (deferred shares)	37.5%	24,928	€450,000	n/a	n/a	n/a	Feb-2018
M. Carton	PSP (conditional shares)	200%	55,283	€1,350,010	n/a	25%	31-Dec-17	Feb-2020
	Annual Bonus ⁽ⁱⁱ⁾ (deferred shares)	37.5%	12,983	€234,375	n/a	n/a	n/a	Feb-2018
M. Towe	PSP (conditional shares)	200%	107,110	€2,615,626	n/a	25%	31-Dec-17	Feb-2020
	Annual Bonus ⁽ⁱⁱ⁾ (deferred shares)	37.5%	22,908	€413,489	n/a	n/a	n/a	Feb-2018

(i) Face value for PSP awards has been calculated using the share price at the date of grant (€24.42).

(ii) See table 21 on page 76 of the 2014 Annual Report for the structure of the 2014 Annual Bonus Plan.

Pension entitlements - defined benefit (Audited)

Table 24

	Increase in accrued personal pension during 2015 ⁽ⁱ⁾ €000	Transfer value of increase in dependants' pension ⁽ⁱ⁾ €000	Total accrued personal pension at year-end ⁽ⁱⁱ⁾ €000
Executive Directors			
A. Manifold	-	109	273
M. Carton	-	33	266

(i) As noted below, the pensions of Albert Manifold and Maeve Carton have been capped in line with the provisions of the Irish Finance Acts. However, dependants' pensions continue to accrue resulting in Greenbury transfer values which have been calculated on the basis of actuarial advice. These amounts do not represent sums paid out or due, but are the amounts that the pension scheme would transfer to another pension scheme in relation to benefits accrued in 2015 in the event of these Directors leaving service.

(ii) The accrued pensions shown are those which would be payable annually from normal retirement date.

Pension entitlements - defined contribution (Audited)

Table 25

The accumulated liabilities related to the unfunded Supplemental Executive Retirement Plans for Mark Towe are as follows:

	As at 31 December 2014 €000	2015 contribution €000	2015 notional interest ⁽ⁱⁱⁱ⁾ €000	Translation adjustment €000	As at 31 December 2015 €000
Executive Director					
M. Towe	2,502	237	119	295	3,153

(iii) Notional interest, which is calculated based on the average bid yields of United States Treasury fixed-coupon securities with remaining terms to maturity of approximately 20 years, plus 1.5%, is credited to the above plans.

Retirement benefit expense

Maeve Carton and Albert Manifold are participants in a contributory defined benefit plan which is based on an accrual rate of 1/60th of salary* for each year of pensionable service and is designed to provide two-thirds of career average salary at retirement for full service. If either Maeve Carton or Albert Manifold leaves service prior to Normal Retirement Age (60) they will become entitled to a deferred pension, payable from Normal Retirement Age, based on the pension they have accrued to their date of leaving. The Finance Act 2006 established a cap on pension provisions by introducing a penalty tax charge on pension assets in excess of the higher of €5 million (in the Finance Act 2011, this threshold was reduced to €2.3 million and reduced further to €2 million by the Finance (No. 2) Act 2013) or the value of individual accrued pension entitlements as at 7 December 2005.

As a result of these legislative changes, the Remuneration Committee decided that executive Directors should have the option of continuing to accrue pension benefits as previously, or of choosing an alternative arrangement - by accepting pension benefits limited by the cap - with a similar overall cost to the Group. Maeve Carton and Albert Manifold have opted for an arrangement whereby their pensions are capped in line with the provisions of the Finance Act 2006 and receive a supplementary taxable non-pensionable cash supplement in lieu of pension benefits forgone. There was, therefore, no additional accrual in 2015. The cash pension supplements for 2015 are detailed in table 14. These supplements are similar in value to the reduction in the Company's liability represented by the pension benefits foregone. They are calculated based on actuarial advice as the equivalent of the reduction in the Company's liability to each individual and spread over the term to retirement as annual compensation allowances.

The contributory defined benefit plan in which Albert Manifold and Maeve Carton participate is closed to new entrants.

Mark Towe participates in a defined contribution retirement plan in respect of basic salary; and in addition he participates in an unfunded defined contribution Supplemental Executive Retirement Plan (SERP) also in respect of basic salary, to which contributions are made at an agreed rate (20%), offset by contributions made to the other retirement plan.

No changes in the above pension arrangements are proposed in 2016.

Senan Murphy receives a supplementary taxable non-pensionable cash supplement equivalent to 25% of his annual base salary in lieu of a pension contribution.

Details regarding pension entitlements for the executive Directors are set out in tables 24 and 25.

* salary is defined as basic annual salary and excludes any fluctuating emoluments.

Directors' Remuneration Report | continued

Directors' Interests in Shares and Share Scheme Awards

Deferred Share Awards under the Annual Bonus Plan (Audited)

Table 26

	31 December 2014	Awards in 2015 ⁽ⁱ⁾	Dividend Equivalent adjustment ⁽ⁱⁱⁱ⁾ /Scrip Dividend allotment 2015	Released in 2015	31 December 2015	Release Date
Maeve Carton	-	12,983	325	-	13,308	March 2018 ⁽ⁱⁱ⁾
Albert Manifold	-	24,928	624	-	25,552	March 2018 ⁽ⁱⁱ⁾
Mark Towe	2,626	-	54	-	2,680	March 2017 ⁽ⁱⁱ⁾
	-	22,908	573	-	23,481	March 2018 ⁽ⁱⁱ⁾
	2,626	60,819	1,576	-	65,021	

(i) The shares awarded during 2015 relate to the deferred portion of 2014 bonus and were included in total remuneration reported for 2014. Under the rules of Annual Bonus Plan, the number of shares awarded was calculated using the three month average share price to 31 December 2014, being €18.05.

(ii) Under the Annual Bonus Plan in operation in respect of the financial years ended 31 December 2014 and 2015, up to one-third of the earned bonus was receivable in CRH shares, deferred for a period of three years, with forfeiture in the event of departure from the Group in certain circumstances during that period. Deferred Shares are not subject to any additional performance conditions during the deferral period.

(iii) In order to calculate the Dividend Equivalents Adjustment it is assumed that an election for scrip shares in lieu of cash is made for each dividend during the vesting period.

Directors' awards under the 2006 Performance Share Plan⁽ⁱ⁾ (Audited)

Table 27

	Year of award	31 December 2014	Granted in 2015	Released in 2015 ⁽ⁱⁱ⁾	Lapsed in 2015 ⁽ⁱⁱ⁾	31 December 2015	Performance Period	Release Date	Market Price in euro on award
Maeve Carton	2012	50,000	-	-	50,000	-			
	2013	50,000	-	-	-	50,000	01/01/13 - 31/12/15	March 2016	16.19
		100,000	-	-	50,000	50,000			
Albert Manifold	2012	70,000	-	-	70,000	-			
	2013	72,000	-	-	-	72,000	01/01/13 - 31/12/15	March 2016	16.19
		142,000	-	-	70,000	72,000			
Mark Towe	2012	90,000	-	-	90,000	-			
	2013	90,000	-	-	-	90,000	01/01/13 - 31/12/15	March 2016	16.19
		180,000	-	-	90,000	90,000			

(i) **2006 Performance Share Plan:** This is a long-term share incentive plan under which share awards are granted in the form of a provisional allocation of shares for which no exercise price is payable. 77.84% of the shares awarded in 2013 are scheduled for release in March 2016. See pages 80 and 81 for more details.

(ii) In 2015, the Remuneration Committee determined that the 2012 award lapsed as, over the three-year period 2012-2014, CRH's TSR performance was below the median of both the peer group and the Eurofirst Index.

Directors' awards under the 2014 Performance Share Plan⁽ⁱ⁾ (Audited)

Table 28

	Year of award	31 December 2014	Granted in 2015	Dividend Equivalents 2015 ⁽ⁱⁱ⁾	Released in 2015	Lapsed in 2015	31 December 2015	Performance Period	Release date	Market Price in euro on award
Maeve Carton	2014	60,118	-	1,508	-	-	61,626	01/01/14 - 31/12/16	February 2019	20.49
	2015	-	55,283	391	-	-	55,674	01/01/15 - 31/12/17	February 2020	24.42
		60,118	55,283	1,899	-	-	117,300			
Albert Manifold	2014	144,384	-	3,621	-	-	148,005	01/01/14 - 31/12/16	February 2019	20.49
	2015	-	132,064	934	-	-	132,998	01/01/15 - 31/12/17	February 2020	24.42
		144,384	132,064	4,555	-	-	281,003			
Mark Towe	2014	98,109	-	2,461	-	-	100,570	01/01/14 - 31/12/16	February 2019	20.49
	2015	-	107,110	757	-	-	107,867	01/01/15 - 31/12/17	February 2020	24.42
		98,109	107,110	3,218	-	-	208,437			

(i) *2014 Performance Share Plan*: This is a long-term share incentive plan under which share awards are granted in the form of a provisional allocation of shares for which no exercise price is payable. The shares scheduled for release in February 2019 and February 2020 will be allocated to the extent that the relevant performance conditions are achieved. The structure of the 2014 Performance Share Plan is set out in table 6.

(ii) The Remuneration Committee has determined that dividend equivalents should accrue on awards under the 2014 Performance Share Plan. Subject to the satisfaction of the applicable performance criteria, such dividend equivalents will be released to participants in the form of additional shares at vesting.

Directors' Remuneration Report | continued

Directors' Share Options (Audited)

Table 29

Details of movements on outstanding options and those exercised during the year are set out in the table below						Options exercised during 2015			
	31 December 2014	Granted in 2015	Lapsed in 2015	Exercised in 2015	31 December 2015		Weighted average option price at 31 December 2015 €	Weighted average exercise price €	Weighted average market price at date of exercise €
	55,831	-	-	19,234	36,597	(a)	27.97	21.52	25.11
Maeve Carton	97,000	-	50,000	-	47,000	(b)	16.19		
	1,726	-	-	-	1,726	(c)	17.67		
	166,445	-	-	110,995	55,450	(a)	28.15	18.88	25.08
Albert Manifold	137,500	-	70,000	-	67,500	(b)	16.19		
	2,236	-	-	-	2,236	(c)	13.64		
	133,081	-	-	27,725	105,356	(a)	25.84	18.85	25.10
Mark Towe	175,000	-	90,000	-	85,000	(b)	16.19		
	768,819	-	210,000	157,954	400,865				

Options by price (Audited)

Table 30

€	31 December 2014	Granted in 2015	Lapsed in 2015	Exercised in 2015	31 December 2015		Earliest exercise date	Expiry date
18.7463	16,635	-	-	16,635	-	(a)		
18.8545	27,725	-	-	27,725	-	(a)		
26.1493	72,085	-	-	-	72,085	(a)	March 2016	April 2016
29.4855	53,232	-	-	-	53,232	(a)	March 2016	April 2017
29.8643	36,043	-	-	-	36,043	(a)	March 2016	April 2017
21.5235	99,637	-	-	63,594	36,043	(a)	March 2016	April 2018
16.58	50,000	-	-	50,000	-	(a)		
15.19	210,000	-	210,000	-	-	(b)		
16.19	199,500	-	-	-	199,500	(b)	March 2016	April 2023
13.64	2,236	-	-	-	2,236	(c)	August 2017	January 2018
17.67	1,726	-	-	-	1,726	(c)	August 2019	January 2020
	768,819	-	210,000	157,954	400,865			

The market price of the Company's shares at 31 December 2015 was €26.70 and the range during 2015 was €18.73 to €28.09.

(a) Granted under the 2000 Share Option Scheme, these options are only exercisable when EPS growth exceeds the growth of the Irish Consumer Price Index by 5% compounded over a period of at least three years subsequent to the granting of the options.

(b) Granted under the 2010 Share Option Scheme. Vesting will only occur once an initial performance target has been reached and, thereafter, will be dependent on performance. The performance criteria are set out in table 22 on page 81.

(c) Granted under the 2010 Savings-related Share Option Scheme.

Shareholding guidelines for executive Directors

The *Remuneration Committee* adopted a policy in 2013 whereby executive Directors are required to build up (and maintain), within five years of appointment a minimum holding in CRH shares which is equivalent to one times basic salary. For existing executive Directors it was required that this guideline be achieved by 31 December 2015, unless the executive Director had a significant change in role which resulted in a step change in salary in which case the one times salary guideline was required be achieved within five years of the change. Senan Murphy will have until 31 December 2020 to meet the shareholding guideline. As at his date of appointment, he held 1,000 CRH shares.

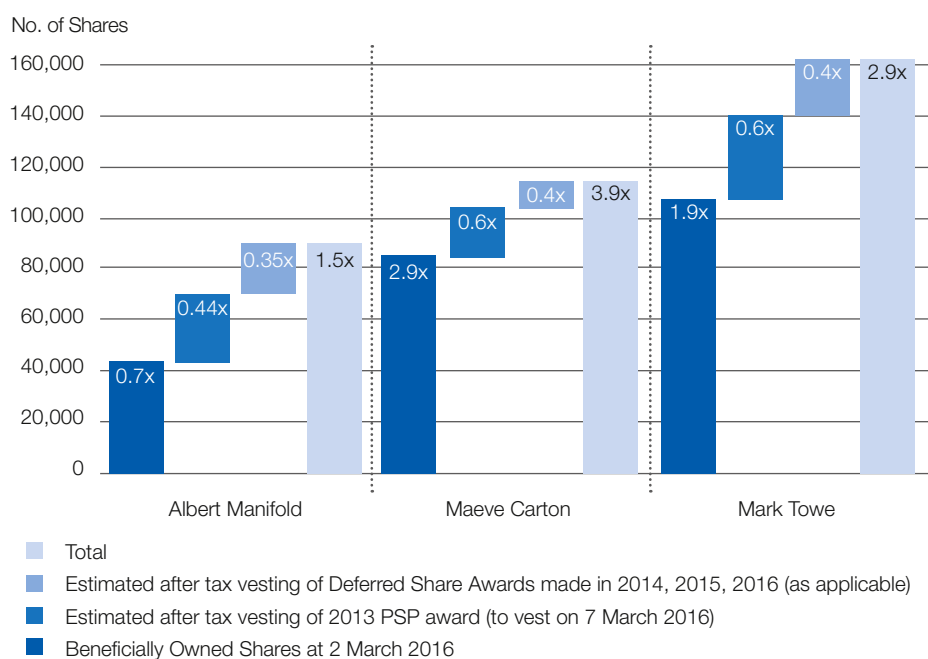
As part of the remuneration review carried out in 2015, the *Remuneration Committee* considered whether the shareholding guideline should be increased, particularly in relation to the Chief Executive.

The *Remuneration Committee* concluded that, subject to shareholder approval for the increase in PSP opportunity set out in the 2016 Policy (see page 99), the shareholding guideline for the Chief Executive should be increased to two-and-a-half times basic salary and that the Chief Executive should be required to meet this guideline by 2020. The Committee concluded that the shareholding guidelines for the other executive Directors remain appropriate.

The current shareholdings of executive Directors as a multiple of 2016 basic salary, excluding Senan Murphy, are shown in table 31. The table includes, for illustrative purposes, shares beneficially owned by the Directors as at 2 March 2016, the estimated after tax vesting of the 2013 awards under the 2006 PSP (which will vest on 7 March 2016) and the estimated after tax vesting of Deferred Share awards granted in respect of 2014, 2015 and 2016 (as appropriate).

Executive Director Shareholdings (as a multiple of 2016 basic salary)

Table 31



Directors' Remuneration Report | continued

Shareholdings of Directors and Company Secretary as at 31 December 2015

Directors' interests in share capital at 31 December 2015 (Audited)

Table 32

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

Ordinary Shares	31 December 2015	31 December 2014
Directors		
E.J. Bärtschi	25,200	25,200
M. Carton	84,818 ⁽ⁱ⁾	82,036
W.P. Egan	16,112	16,112
- Non-beneficial	12,000	12,000
U-H. Felcht	1,303	1,285
N. Hartery	16,591	12,265
P.J. Kennedy	2,000	- ⁽ⁱⁱ⁾
R. McDonald	1,000	- ⁽ⁱⁱ⁾
D.A. McGovern, Jr.	5,255	5,131
H.A. McSharry	3,965	3,886
A. Manifold	43,372 ⁽ⁱ⁾	39,998
L.J. Riches	2,000	- ⁽ⁱⁱ⁾
H.Th. Rottinghuis	15,426	15,124
M. Towe	107,388 ⁽ⁱ⁾	100,276 ⁽ⁱ⁾
Secretary		
N. Colgan	9,511	15,549
	345,941	328,862

There were no transactions in the above Directors' and Secretary's interests between 31 December 2015 and 2 March 2016. Senan Murphy was appointed to the Board with effect from 4 January 2016. His holding at that date was 1,000 Ordinary Shares. Of the above holdings, the following are held in the form of American Depository Receipts:

	31 December 2015	31 December 2014
W.P. Egan	15,000	15,000
- Non-beneficial	12,000	12,000
R. McDonald	1,000	- ⁽ⁱⁱ⁾
D.A. McGovern, Jr.	5,255	5,131

(i) Excludes awards of Deferred Shares, details of which are disclosed on page 84.

(ii) Holding at date of appointment.

Non-executive Directors

Remuneration paid to non-executive Directors in 2015 is set out in table 33.

Individual remuneration for the year ended 31 December 2015 (Audited)

Table 33

Non-executive Directors	Basic salary and fees (a) €000		Benefits (b) €000		Other remuneration (c) €000		Total €000	Total €000
	2015	2014	2015	2014	2015	2014	2015	2014
E.J. Bärtschi	68	68	-	-	71	71	139	139
W.P. Egan	68	68	-	-	52	52	120	120
U-H. Felcht	68	68	-	-	37	37	105	105
N. Hartery	68	68	6	10	382	382	456	460
J.M. de Jong (d)	-	24	-	5	-	13	-	42
J.W. Kennedy (e)	24	68	-	-	13	37	37	105
P.J. Kennedy (f)	68	-	-	-	37	-	105	-
R. McDonald (g)	23	-	-	-	17	-	40	-
D.A. McGovern, Jr.	68	68	-	-	85	52	153	120
H.A. McSharry	68	68	-	-	22	22	90	90
L.J. Riches (h)	57	-	-	-	31	-	88	-
D.N. O'Connor (e)	24	68	-	-	10	56	34	124
H.Th. Rottinghuis (i)	68	59	-	-	37	27	105	86
	672	627	6	15	794	749	1,472	1,391

(a) Fee levels for non-executive Directors were unchanged in 2015. The fees which will apply for 2016 are out on page 90.

(b) Benefits: In the case of Nicholas Hartery the amount reflects the reimbursement of travel expenses from his residence to his Chairman's office in Dublin, which have been grossed up for Irish tax purposes.

(c) Other Remuneration: Includes remuneration for Chairman, Board Committee work and allowances for non-executive Directors based outside of Ireland.

(d) Jan Maarten de Jong retired as Director on 7 May 2014.

(e) John Kennedy and Dan O'Connor retired as Directors on 7 May 2015.

(f) Pat Kennedy became a Director on 1 January 2015.

(g) Rebecca McDonald became a Director on 1 September 2015.

(h) Lucinda Riches became a Director on 1 March 2015.

(i) Henk Rottinghuis became a Director on 18 February 2014.

Directors' Remuneration Report | continued

In July 2014, the Irish Revenue Commissioners issued guidance that certain travel and subsistence expenses for non-executive Directors were to be treated as taxable. Irish law was subsequently amended in 2015 to state that travel and subsistence expenses for non-Irish resident non-executive Directors will not be taxable from 1 January 2016 onwards. The relevant expenses reimbursed to non-executive Directors in respect of travel to/from Board meetings for 2015 have, therefore, been taxed. The total grossed up value of these expenses in 2015 was €290,105 (including tax).

Remuneration for non-executive Directors in 2016

The remuneration of non-executive Directors and the Chairman is determined by the Board of Directors as a whole. The fees were last increased in 2008. As part of the recent remuneration review referred to in the Committee Chairman's introduction, increases to the fees have been implemented with effect from January 2016. The revised fees are set out in table 34.

Other Disclosures

Fees paid to former Directors

The 2013 Large and Medium-sized Companies and Groups (Accounts and Reports) (Amendment Regulations) Regulations in the UK, require disclosure of payments to former directors in certain circumstances. No payments have been made to individual former directors in those circumstances which exceed the de minimis threshold of €20,000 per annum set by the *Remuneration Committee*.

As reported in the 2013 Directors' Remuneration Report, following his retirement as Chief Executive, the *Remuneration Committee* granted Myles Lee an extension of 12 months, from the date of vesting of his options under the 2000 Share Option Scheme, to exercise those options.

Non-executive Director Fee Structure

Table 34

Role	2016	2015
Group Chairman (including non-executive Director salary and fees for committee work)	€575,000	€450,000
Basic non-executive Director fee	€78,000	€68,000
Committee fee	€27,000	€22,000
Additional fees		
Senior Independent Director/Remuneration Committee Chairman ⁽ⁱ⁾	€39,000	€34,000
Audit Committee Chairman	€39,000	€34,000
Fee for Europe-based non-executive Directors ⁽ⁱⁱ⁾	€15,000	€15,000
Fee for US-based non-executive Directors	€30,000	€30,000

(i) If the roles of Senior Independent Director and Remuneration Committee Chair are not combined, fees of €25,000 and €15,000 apply respectively.

(ii) Fee for Europe-based non-executive Directors has been extended to Irish non-executive Directors for 2016 onwards. This reflects the increase in time commitment to travel to CRH sites across the globe. In 2016, Board visits, incorporating Board meetings, will be held in Asia, Europe and North America.

As outlined above, the options granted in 2006, 2007, 2008 and 2009 vested during 2015. The total value of these awards on vesting, based on the difference between the total exercise cost and the market value on the date of vesting (€25.11), was €841,497.

Executives' external appointments

The executive Directors may accept external appointments with the prior approval of the Board provided that such appointments do not prejudice the individual's ability to fulfil their duties at the Group. Whether any related fees are retained by the individual or remitted to the Group is considered on a case-by-case basis.

In December 2014, Maeve Carton was appointed as an agency member of the National Treasury Management Agency, an Irish state body that provides asset and liability management services to the Irish government. During 2015, Ms. Carton received a total of €30,870 fees in relation to this appointment.

Total Shareholder Return

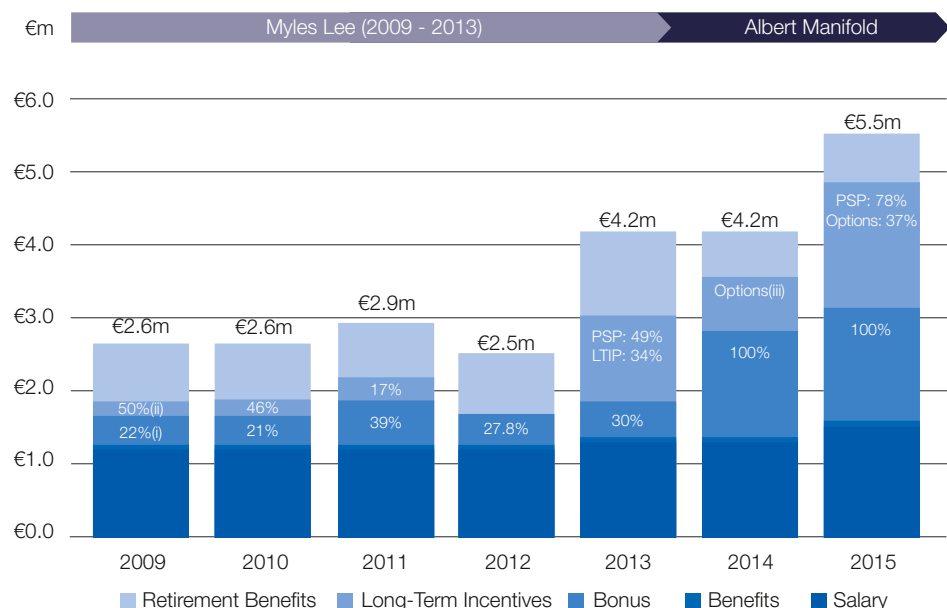
The value at 31 December 2015 of €100 invested in 2005 and 2008 respectively, compared with the value of €100 invested in the Eurofirst 300 Index and the FTSE100 Index (which CRH joined in December 2011) is shown in table 36.

TSR performance has been compared against the FTSE100 and the Eurofirst 300 as these are broad general market indices of which CRH is a constituent. The Committee, therefore, considers that they offer a reasonable comparison for performance.

Compound TSR growth since the formation of the Group in 1970 (assuming the reinvestment of dividends) is 16.1%.

Remuneration paid to Chief Executive 2009 - 2015

Table 35



- (i) Value of bonus award each year is shown as a percentage of the maximum opportunity.
- (ii) Value of vested long-term incentive awards is shown as a percentage of the maximum opportunity.
- (iii) Value of long-term incentives for 2014 has been updated to reflect the full vesting of options under the 2000 Share Option Scheme (see page 77 for more details).

Remuneration paid to Chief Executive 2009 - 2015

Table 35 to the left shows the total remuneration paid to the Chief Executive in the period 2009 to 2015 inclusive and shows bonuses and vested long-term incentive awards as a percentage of the maximum bonus and award that could have been received in each year. Albert Manifold succeeded Myles Lee as Chief Executive in January 2014.

The increase in the Chief Executive's salary in the period 2009 to 2015 is set out in table 11 on page 75.

The increase in total remuneration paid to the Chief Executive in 2015 compared to 2014 arises primarily as a result of the vesting of the PSP award made in 2013 (see page 77 for more details); no PSP awards with a performance period to 31 December 2014 vested. Excluding the impact of vested share based awards, the percentage change in the Chief Executive's salary, benefits and bonus between 2014 and 2015 was as follows:

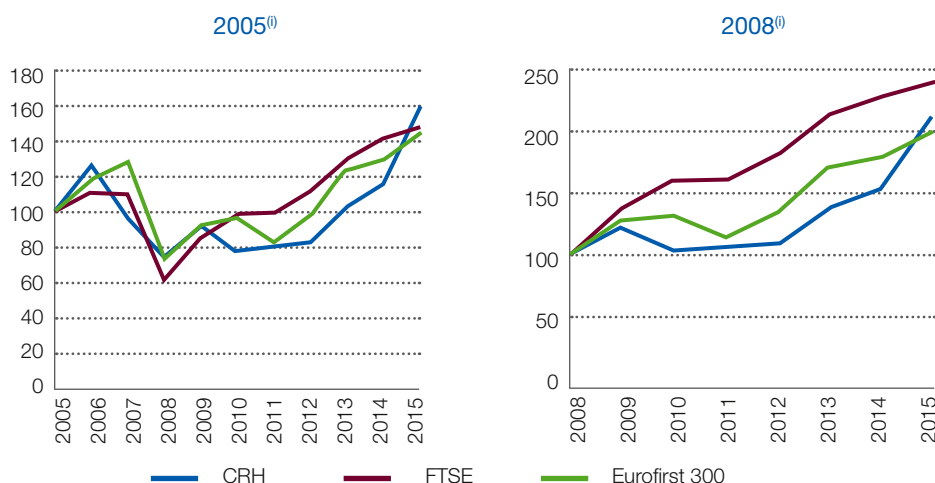
Salary	+7.5%
Benefits	-43.6%
Bonus	+7.5%

The combined percentage change was +6.8%.

There was a 23% increase in the total average employment costs in respect of employees in the Group as a whole between 2014 and 2015.

TSR Performance

Table 36



- (i) For the purposes of comparability, the FTSE100 Index has been converted to euro using the closing exchange rate at each year-end.

Directors' Remuneration Report | continued

Relative importance of spend on pay

Table 37 sets out the amount paid by the Group in remuneration to employees compared to dividend distributions made to shareholders in 2014 and 2015. The average number of employees is set out in note 5 to the Consolidated Financial Statements on page 155. We have also shown the change in EBITDA performance year on year to provide an indication of the change in profit performance.

The Remuneration Committee and Advisers

The non-executive Directors who were members of the *Remuneration Committee* during 2015, together with their record of attendance at Committee meetings, are identified on page 66.

Risk policies and systems

During 2015, the Chairman of the *Remuneration Committee* reviewed with the *Audit Committee* the Group's remuneration structures from a risk perspective.

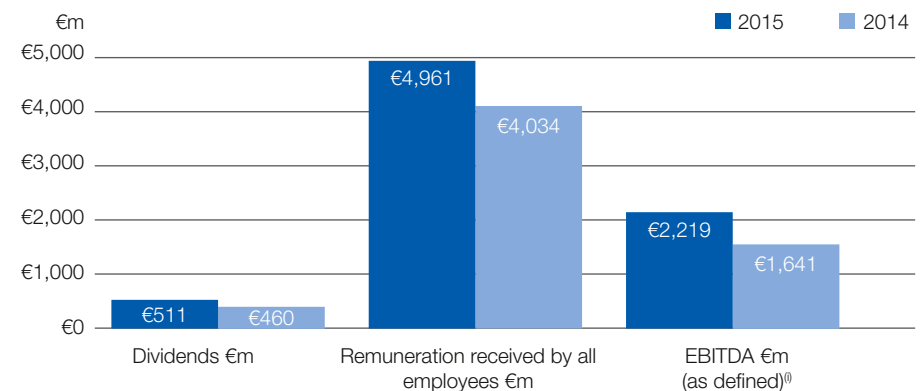
Remuneration consultants

Deloitte LLP are the Committee's independent remuneration consultants. The Committee has satisfied itself that the advice provided by Deloitte LLP is robust and independent and that the Deloitte LLP engagement partner and team that provide remuneration advice to the Committee do not have connections with CRH plc that may impair their independence.

For the purposes of the remuneration review carried out in 2015 and in early 2016, the

Relative importance of spend on pay

Table 37



(i) Defined as earnings before interest, taxes, depreciation, amortisation, asset impairment charges, profit on disposals and the Group's share of equity accounted investments' profit after tax.

Committee also engaged the services of Kepler, a brand of Mercer, in relation to the performance metrics for the performance share plan. Kepler also assisted along with Deloitte LLP in the shareholder consultation process.

Both Deloitte LLP and Kepler are signatories to the Voluntary Code of Conduct in relation to executive remuneration consulting in the UK. During 2015, Deloitte LLP provided the following remuneration services:

- research and advice regarding remuneration trends, best practice and remuneration levels for executive and non-executive Directors in companies of similar size and complexity;
- guidance and advice in relation to remuneration developments;
- analysis of TSR workings under the 2006 Performance Share Plan;
- advice in relation to remuneration matters generally; and
- attendance at Committee meetings, when required.

Deloitte LLP also provide other consultancy services to the Company including support for Internal Audit and Regulatory & Compliance functions, when required, and in respect of talent management and human resources, technology and taxation advisory services.

In 2015, Kepler's parent, Mercer, provided pensions advice and related services to the Company.

In respect of work carried out on behalf of the *Remuneration Committee* in 2015, fees in the amount of €125,739 (Deloitte LLP) and €60,766 (Kepler) were incurred.

2015 Annual General Meeting votes on remuneration matters

The voting outcome in respect of the remuneration related votes at the 2015 Annual General Meeting is set out in table 38.

AGM – Remuneration Related Votes

Table 38

	Year of AGM	% in Favour	% Against	No. of votes withheld	Total No. of Votes Cast (incl. votes withheld)	% of issued share capital voted
Directors' Remuneration Report ("Say on Pay")	2015	94.39%	5.61%	8,946,923	569,847,488	69.8%
Directors' Remuneration Policy	2014	95.23%	4.77%	3,648,186	511,208,343	69.6%

Shareholder Engagement

The Chairman and the *Remuneration Committee* Chairman met with a number of the Group's major shareholders in advance of the 2015 Annual General Meeting (the "AGM"). No issues of concern in relation to remuneration arose. Following the AGM the *Remuneration Committee* determined that there were no concerns with the Group's remuneration structures that required investigation.

In January 2016, the Chairman of the *Remuneration Committee* met with a number of major shareholders to discuss the Committee's proposals, which form part of the 2016 Remuneration Policy to be voted on at the 2016 Annual General Meeting.

Details of remuneration charged against profit in 2015

Directors' Remuneration ⁽ⁱ⁾ (Audited)	Table 39	
	2015	2014
	€000	€000
Executive Directors		
Basic salary	3,245	2,861
Performance-related incentive plan		
- cash element	3,601	3,219
- deferred shares element	1,201	1,073
Retirement benefits expense	1,145	1,026
Benefits	104	114
Total executive Directors' remuneration	9,296	8,293
Average number of executive Directors	3.00	3.00
Non-executive Directors		
Fees	672	627
Other remuneration	794	749
Benefits	6	15
Total non-executive Directors' remuneration	1,472	1,391
Average number of non-executive Directors	9.75	9.30
Payments to former Directors ⁽ⁱⁱ⁾	95	23
Total Directors' remuneration	10,863	9,707

Notes to Directors' remuneration

(i) See analysis of 2015 remuneration by individual in tables 14 and 33 on pages 77 and 89 respectively.

(ii) Consulting and other fees paid to a number of former Directors.



Directors' Remuneration Report | continued

2016 Remuneration Policy Report

As outlined in the Committee Chairman's Statement on page 70, the Committee carried out a review of the Group's remuneration arrangements during 2015 and early 2016. The principal proposed changes to the 2014 Remuneration Policy, which was approved by shareholders at the 2014 Annual General Meeting, are set out on pages 70 to 72. The following sets out the full 2016 Directors' Remuneration Policy (the "Policy"). As an Irish incorporated company, CRH is not required to comply with section 439A of the UK Companies Act 2006, which requires UK companies to submit their remuneration policy to a binding shareholder vote. However, maintaining high levels of corporate governance is important to CRH and, therefore, the Company intends to submit this Policy to an advisory shareholder vote at the 2016 Annual General Meeting. The Committee's intention is to operate within this Policy unless it is not practical to do so in exceptional circumstances. As an Irish incorporated company, CRH cannot rely on the statutory provisions applicable to UK companies under the 2013 UK Regulations which, in certain circumstances, can resolve any inconsistency between a remuneration policy and any contractual or other right of a Director.

In the event there were to be such an inconsistency the Company may be obliged to honour any such right, notwithstanding it may be inconsistent with the Policy. If approved, the Policy will apply to payments made from the date of the 2016 Annual General Meeting.

The *Remuneration Committee's* aim is to make sure that CRH's pay structures are fair, responsible and competitive, in order that CRH can attract and retain staff of the calibre necessary for it to compete in all of its markets.

The Group's remuneration structures are designed to drive performance and link rewards to responsibility and the individual contribution of executives. It is policy to grant participation in the Group's performance-related plans to key management to encourage identification with shareholders' interests and to create a community of interest among different regions and nationalities.

The policy on Directors' remuneration, which is derived from the overall Group policy, is designed to:

- help attract and retain Directors of the highest calibre who can bring their experience and independent views to the policy, strategic decisions and governance of CRH;

- properly reward and motivate executive Directors to perform in the long-term interest of the shareholders;
- provide an appropriate blend of fixed and variable remuneration and short and long-term incentives for executive Directors;
- complement CRH's strategy of fostering entrepreneurship in its regional companies by rewarding the creation of shareholder value through organic and acquisitive growth;
- reflect the spread of the Group's operations so that remuneration packages in each geographical area are appropriate and competitive for that area; and
- reflect the risk policies of the Group.

In setting remuneration levels, the *Remuneration Committee* takes into consideration the remuneration practices of other international companies of similar size and scope and trends in executive remuneration generally, in each of the regions in which the Company operates. The *Remuneration Committee* also takes into account the EU Commission's recommendations on remuneration in listed companies.

Directors' Remuneration Report | continued

Policy Table

Further details regarding the operation of the Policy for the 2016 financial year can be found on pages 70 to 93 of the Directors' Remuneration Report.

Policy Table

Table 40

Element	Fixed Base Salary	Fixed Pension
Purpose and link to strategy	<ul style="list-style-type: none"> Competitive salaries help to attract and retain staff with the experience and knowledge required to enable the Group to compete in its markets. 	<ul style="list-style-type: none"> Pension arrangements provide competitive and appropriate retirement plans. Given the long-term nature of the business, pension is an important part of the remuneration package to support creation of value and succession planning.
Operation	<ul style="list-style-type: none"> Base salaries are set by the Committee taking into account: <ul style="list-style-type: none"> the size and scope of the executive Director's role and responsibilities; the individual's skills, experience and performance; salary levels at FTSE listed companies of a similar size and complexity to CRH and other international construction and building materials companies; pay and conditions elsewhere in the Group. Base salary is normally reviewed annually with changes generally effective on 1 January, although the Committee may make an out-of-cycle increase if it considers it to be appropriate. 	<ul style="list-style-type: none"> Irish-based executive Directors participate in a contributory defined benefit scheme or, if they joined the Group after 1 January 2012, in a defined contribution scheme as the defined benefit scheme which the Directors participate in is closed to new entrants. The US-based executive Director participates in a defined contribution scheme and in an unfunded Supplemental Executive Retirement Plan. For new appointments to the Board the Committee may determine that alternative pension provisions will operate (for example a cash contribution). When determining pension arrangements for new appointments the Committee will give regard to existing entitlements, the cost of the arrangements, market practice and the pension arrangements received elsewhere in the Group.
Maximum opportunity	<ul style="list-style-type: none"> Base salaries are set at a level which the Committee considers to be appropriate taking into consideration the factors outlined in the "operation" column. While there is no maximum base salary, normally increases will be in line with the typical level of increase awarded to other employees in the Group but may be higher in certain circumstances. These circumstances may include: <ul style="list-style-type: none"> Where a new executive Director has been appointed at a lower salary, higher increases may be awarded over an initial period as the executive Director gains in experience and the salary is moved to what the Committee considers is an appropriate positioning. Where there has been a significant increase in the scope or responsibility of an executive Director's role or where an individual has been internally promoted, higher salary increases may be awarded. Where a larger increase is considered necessary to reflect significant changes in market practice. 	<ul style="list-style-type: none"> The defined benefit pension is provided through an Irish Revenue approved retirement benefit scheme up until the pension cap established in the Finance Act 2006 (see details on page 83). Accrued benefits for service to 31 December 2011 are based on pensionable salary and years of service as at that date (annual accrual of 1/60ths), with this tranche being re-valued annually at the Consumer Price Index subject to a 5% ceiling. For service subsequent to that date, a career-average re-valued earnings system was introduced with each year of service being subject to annual revaluation on the same basis as outlined above. Irish-based executive Directors receive a supplementary taxable non-pensionable cash allowance in lieu of pension benefits foregone as a result of the pension cap. These allowances are similar in value to the reduction in the Company's liability represented by the pension benefit foregone. Whilst there is no absolute maximum to the quantum of these payments they are calculated based on actuarial advice as the equivalent of the reduction in the liability the Company would otherwise have had under the Scheme in respect of each individual's benefits and spread over the term to retirement as annual compensation allowances. The US-based executive Director participates in a defined contribution retirement plan in respect of basic salary; and in addition he participates in an unfunded defined contribution Supplemental Executive Retirement Plan (SERP) also in respect of basic salary, to which contributions are made at an agreed rate (currently 20%), offset by contributions made to the other retirement plan.
Performance measure	<ul style="list-style-type: none"> n/a 	<ul style="list-style-type: none"> n/a

Policy Table | continued

Element	Fixed Benefits
Purpose and link to strategy	<ul style="list-style-type: none"> To provide a market competitive level of benefits for executive Directors.
Operation	<ul style="list-style-type: none"> The Committee's policy is to set benefit provision at an appropriate market competitive level taking into account market practice, the level of benefits provided for other employees in the Group, the individual's home jurisdiction and the jurisdiction in which the individual is based. Employment-related benefits include the use of company cars (or a car allowance), medical insurance for the Director and his/her family and life assurance. In the event that the Chief Executive falls ill or is injured in such a way as which would constitute ill-health or disablement so that the Chief Executive could not work for a period of more than six months, in lieu of the early ill-health retirement provisions in the pension scheme which would otherwise operate in such cases, he shall be entitled to receive a disability salary of €1,000,000 per annum. Such payment would cease when the Chief Executive reaches age 60, returns to work or if the service agreement is terminated. The US-based executive Director also receives benefits in relation to club membership and short-term disability insurance. Benefits may also be provided in relation to legal fees incurred in respect of agreeing service contracts, or similar agreements (for which the Company may settle any tax incurred by the executive Director) and a gift on retirement. The Committee may remove benefits that executive Directors receive or introduce other benefits if it is considered appropriate to do so. The Company may also pay the tax due on benefits if it considers that it is appropriate to do so. All-employee share schemes - executive Directors are eligible to participate in the Company's all-employee share schemes on the same terms as other employees. Executive Directors may also receive other benefits which are available to employees generally. Re-location policy - where executive Directors are required to re-locate to take up their role, the Committee may determine that they should receive appropriate re-location and ongoing expatriate benefits. The level of such benefits would be determined based on individual circumstances taking into account typical market practice.
Maximum opportunity	<ul style="list-style-type: none"> The level of benefit provided will depend on the cost of providing individual items and the individual's circumstances, and therefore the Committee has not set a maximum level of benefits.
Performance measure	<ul style="list-style-type: none"> n/a

Directors' Remuneration Report | continued

Policy Table | continued

Table 40

Element	Performance-related pay Annual Bonus
Purpose and link to strategy	<ul style="list-style-type: none"> • The Annual Performance-related Incentive Plan is designed to reward the creation of shareholder value through operational excellence and organic and acquisitive growth. The Plan incentivises executive Directors to deliver Group and individual goals that support long-term value creation. • A Deferred Annual Performance-related Incentive Plan element links the value of executive Directors' reward with the long-term performance of the CRH share price and aligns the interests of executive Directors with shareholders interests. • The "malus" and clawback provisions enable the Company to mitigate risk.
Operation	<ul style="list-style-type: none"> • The Annual Performance-related Incentive Plan rewards executive Directors for meeting Company performance goals over a financial year of the Company. Targets are set annually by the Committee. • The annual bonus is paid in a mix of cash and shares (structured as a deferred share award). • For 2016: <ul style="list-style-type: none"> – 75% of the bonus will be paid in cash; – 25% will be paid in shares. • In future years, the Committee may determine that a different balance between cash and shares is appropriate and adjust the relevant payments accordingly. • When assessing performance and determining bonus payouts the Committee also considers the underlying financial performance of the business to ensure it is consistent with the overall award level. • The deferred element of the bonus will be structured as a conditional share award or nil-cost option and will normally vest after three years from grant (or a different period determined by the Committee). Deferred share awards may be settled in cash. • Dividend equivalents may be paid on deferred share awards in respect of dividends paid during the vesting period. These payments may be made in cash or shares and may assume the reinvestment of dividends on a cumulative basis. • For deferred awards, "malus" provisions apply (see page 100). Cash bonus payments are subject to clawback of the net amount paid for a period of three years from payment.
Maximum opportunity	<ul style="list-style-type: none"> • Maximum annual opportunity of 225% of base salary. • For 2016, the intended maximum award levels are: <ul style="list-style-type: none"> – 225% of base salary for Chief Executive; – 150% of base salary for other executive Directors. The Committee may increase the percentage in future years up to a maximum of 225%.
Performance measure	<ul style="list-style-type: none"> • The performance-related incentive plan is based on achieving clearly defined and stretching annual targets and strategic goals set by the Committee each year based on key business priorities. • The performance metrics used are a mix of financial targets including return goals and personal/strategic objectives generally. Currently 80% of the bonus is based on financial performance measures. The Committee may vary the weightings of measures but no less than 50% shall be based on financial performance measures. • A portion of the bonus metrics for any Director may be linked to his/her specific area of responsibility. • Up to 50% of the maximum bonus will be paid for achieving target levels of performance.

 Policy Table | continued

Element	Performance-related pay 2014 Performance Share Plan (PSP)
Purpose and link to strategy	<ul style="list-style-type: none"> The purpose of the 2014 Plan is to align the interest of key management across different regions and nationalities with those of shareholders through an interest in CRH shares and by incentivising the achievement of long-term performance goals. The “malus” provision enables the Company to mitigate risk.
Operation	<ul style="list-style-type: none"> Awards (in the form of conditional share awards or nil-cost options) normally vest based on performance over a period of not less than three years. Awards may also be settled in cash. Awards are normally subject to an additional holding period ending on the fifth anniversary of the grant date (or another date determined by the Committee). Dividend equivalents may be paid on PSP awards that vest in respect of dividends paid during the vesting period until the end of the holding period. These payments may be made in cash or shares and may assume reinvestment on a cumulative basis. “Malus” provisions (as set out in the rules of the 2014 Plan) will apply to awards (see page 82).
Maximum opportunity	<ul style="list-style-type: none"> Maximum annual opportunity of up to 365% of base salary For 2016 the intended award levels are: <ul style="list-style-type: none"> – 365% of base salary for Chief Executive – 200% of base salary for other executive Directors. The Committee may increase the percentage in future years up to a maximum of 365%.
Performance measure	<ul style="list-style-type: none"> Awards to be granted in 2016 will vest based on a relative TSR test compared to a tailored group of key peers (25%) and an index comparator (25%), and cumulative cash flow performance (50%). For threshold levels of performance, 25% of the award vests. Where applicable, when determining vesting under the PSP the Committee reviews whether the TSR performance has been impacted by unusual events and whether it therefore, reflects the underlying performance of the business. In addition, the Committee considers financial performance (including Return on Net Assets) in the period to ensure that TSR performance is consistent with the objectives of the performance criteria and was not distorted by extraneous factors. The Committee may in future years change performance measures including introducing additional performance measures for awards made under this policy, for example, returns based measures. The Committee may amend the performance conditions if an event occurs that causes it to consider that an amended performance condition would be more appropriate and would not be materially less difficult to satisfy.

Directors' Remuneration Report | continued

Notes to policy table

Changes to 2014 Remuneration Policy

Proposed changes to the 2014 Directors' Remuneration Policy are outlined in the Chairman's introductory statement on pages 70 to 73.

Plan Rules

The 2014 Deferred Share Bonus Plan, the 2014 Performance Share Plan, the 2010 Share Option Scheme and the 2000 Share Option Scheme shall be operated in accordance with the relevant plan rules. Awards may be (a) adjusted in accordance with the rules in the event of a variation of the Company's share capital, merger, de-merger, special dividend or other event that, in the opinion of the Committee, materially affects the price of shares; and (b) amended in accordance with the plan rules.

Clawback/Malus

For Deferred Annual Performance-related Incentive plan awards and Performance Share Plan awards, the Committee has the discretion to reduce or impose further conditions on awards prior to vesting in certain circumstances, including:

- a material misstatement of the Group's audited financial results;
- a material failure of risk management; or
- serious reputational damage to the Group or one of its businesses as a result of a participant's misconduct or otherwise.

Cash bonus payments are subject to clawback of the net amount paid for a period of three years from payment in the circumstances outlined.

Other elements of remuneration are not subject to clawback or malus provisions.

General

The Committee reserves the right to make any remuneration payments and payments for loss of office (including exercising any discretions available to it in connection

with such payments) notwithstanding that they are not in line with the policy set out above where the terms of the payment were agreed (i) before 7 May 2014 (the date the Company's first shareholder-approved Directors' Remuneration Policy came into effect; (ii) before the policy set out above came into effect, provided that the terms of the payment were consistent with the shareholder-approved Directors' Remuneration Policy in force at the time they were agreed; or (iii) at a time when the relevant individual was not a director of the Company and, in the opinion of the Committee, the payment was not in consideration for the individual becoming a director of the Company. For these purposes "payments" includes the Committee satisfying awards of variable remuneration and, in relation to an award over shares, the terms of the payment are "agreed" at the time the award is granted.

Minor amendments

The Committee may make minor changes to this Policy for regulatory, exchange control, tax or administrative purposes or to take account of a change in legislation without seeking shareholder approval for that amendment.

Information supporting the policy table

Selection of performance measures and targets

(i) Annual bonus

Annual incentive plan targets are selected each year to incentivise executive Directors to achieve annual financial, operational, strategic and personal goals across a range of metrics which are considered important for delivering long-term performance excellence.

(ii) Performance share plan

The ultimate goal of our strategy is to provide long-term sustainable value for all of our shareholders. Performance measures for PSP awards to be granted in 2016 are,

therefore, focused on achieving relative outperformance of Total Shareholder Return against our key peers and an index comparator and generating cash in the business to support the restoration of debt levels to normalised levels, further investment and dividend payments to shareholders.

Targets for the annual bonus and PSP are set each year by the Committee taking into account internal plans and external expectations. Targets are calibrated to be stretching but motivational to management and to be aligned with the long-term creation of shareholder value.

Remuneration arrangements throughout the Group

CRH operates significant operations in over 3,900 locations in 31 countries with approximately 89,000 employees across the globe. Remuneration arrangements through-out the organisation, therefore, differ depending on the specific role being undertaken, the level of seniority and responsibilities, the location of the role and local market practice. However, remuneration arrangements are designed based on a common set of principles: that reward should be set at a level which is appropriate to retain and motivate individuals of the necessary calibre to fulfil the roles without paying more than is considered necessary to achieve. The reward framework is designed to incentivise employees to deliver the requirements of their roles and add value for shareholders.

The Group operates share participation plans and savings-related share option schemes for eligible employees in all regions where the regulations permit the operation of such plans.

Remuneration policy for new hires

CRH has a strong history of succession planning and developing internal executive talent.

The Committee's key principle when determining appropriate remuneration arrangements for a new executive Director (appointed from within the organisation or externally) is that arrangements are in the best interests of both CRH and its shareholders without paying more than is considered necessary by the Committee to recruit an executive of the required calibre to develop and deliver the business strategy.

The Committee would generally seek to align the remuneration package offered with our remuneration policy outlined in table 40. Although in exceptional circumstances, the Committee may make remuneration proposals on hiring a new executive Director which are outside the standard policy to facilitate the hiring of someone of the calibre required to deliver the Group's strategy. When determining appropriate remuneration arrangements the Committee will take into account all relevant factors including (among others) the level of opportunity, the type of remuneration opportunity being forfeited and the jurisdiction the candidate was recruited from. Any remuneration offered would be

within the limit on variable pay outlined below.

Variable remuneration in respect of an executive Director's appointment shall be limited to 590% of base salary measured at the time of award. This limit is in line with the plan maximum outlined in table 40. This limit excludes any awards made to compensate the Director for awards forfeited from his or her previous employer.

The Committee may make awards on appointing an executive Director to 'buy-out' remuneration terms forfeited on leaving a previous employer. In doing so the Committee will take account of relevant factors including any performance conditions attached to these awards, the form in which they were granted (e.g. cash or shares) and the time over which they would have vested. The Committee's key principle is that generally buy-out awards will be made on a comparable basis to those forfeited.

To facilitate awards outlined above, the Committee may grant awards under Company incentive schemes or under

Listing Rule 9.4.2 which allows for the granting of awards, to facilitate, in unusual circumstances, the recruitment of an executive Director, without seeking prior shareholder approval or under other relevant company incentive plans. The use of Listing Rule 9.4.2 shall be limited to buy-out awards.

In the event that an internal candidate is promoted to the Board, legacy terms and conditions will normally be honoured, including pension entitlements and any outstanding incentive awards.

In the event of the appointment of a new Chairman or non-executive Director, remuneration arrangements will normally reflect the policy outlined above for Chairman and non-executive Directors. Other remuneration arrangements may be provided to a new Chairman or non-executive Director if these arrangements are considered appropriate in accordance with the principles set out above.

Remuneration Policy for non-executive Directors

Table 41

Approach to setting fees	Basis of fees	Other items
<ul style="list-style-type: none"> The remuneration of non-executive Directors is determined by a Board committee of the Chairman and the executive Directors. The <i>Remuneration Committee</i> determines the remuneration of the Chairman within the framework or broad policy agreed with the Board. Remuneration is set at a level which will attract individuals with the necessary experience and ability to make a substantial contribution to the Company's affairs and reflect the time and travel demands of Board duties. Fees are set taking into account typical practice at other companies of a similar size and complexity to CRH. Fees are reviewed at appropriate intervals. 	<ul style="list-style-type: none"> Fees are paid in cash. Non-executive Director fees policy is to pay: <ul style="list-style-type: none"> A basic fee for membership of the Board. An additional fee for chairing a Committee. An additional fee for the role of Senior Independent Director (SID) (if the SID is not the Chairman of the <i>Remuneration Committee</i>). An additional fee to reflect committee work (combined fee for all committee roles). An additional fee based on the location of the Director to reflect time spent travelling to Board meetings. Other fees may also be paid to reflect other board roles or responsibilities. In accordance with the Articles of Association, shareholders set the maximum aggregate amount of the fees payable to non-executive Directors. The current limit of €750,000 was set by shareholders at the Annual General Meeting held in 2005. A resolution to increase the limit to €875,000 will be included on the agenda for the 2016 Annual General Meeting. 	<ul style="list-style-type: none"> The non-executive Directors do not participate in any of the Company's performance-related incentive plans or share schemes. Non-executive Directors do not receive pensions. The Group Chairman is reimbursed for expenses incurred in travelling from his residence to his CRH office. The Company settles any tax incurred on this on his behalf. Non-executive Directors do not currently receive any benefits. However, benefits may be provided in the future if, in the view of the Board (for non-executive Directors or for the Chairman), this was considered appropriate. The Company may settle any tax due on benefits.

Directors' Remuneration Report | continued

Remuneration outcomes in different performance scenarios

Remuneration at CRH consists of fixed pay (salary, pension and benefits), short-term variable pay and long-term variable pay. A significant portion of executive Directors' remuneration is linked to the delivery of key business goals over the short and long-term and the creation of shareholder value.

Table 44 shows hypothetical values of the remuneration package for executive Directors under three assumed performance scenarios (based on 2016 proposals).

No share price growth or the payment of dividend equivalents has been assumed in these scenarios. Potential benefits under all-employee share schemes have not been included.

Remuneration outcomes in different performance scenarios

Table 42

Performance scenario	Payout level
Minimum	<ul style="list-style-type: none"> Fixed pay (see table 43 for each executive Director) No bonus payout No vesting under the Performance Share Plan
On-target performance	<ul style="list-style-type: none"> 50% annual bonus payout (112.5% of salary for the Chief Executive and 75% for the other executive Directors) 25% vesting under the Performance Share Plan (91.25% of salary for the Chief Executive and 50% for other executive Directors)
Maximum performance	<ul style="list-style-type: none"> 100% annual bonus payout (225% of salary for the Chief Executive and 150% of salary for other executive Directors) 100% Performance Share Plan vesting (365% of salary for the Chief Executive and 200% for other executive Directors)

Hypothetical remuneration values

Table 43

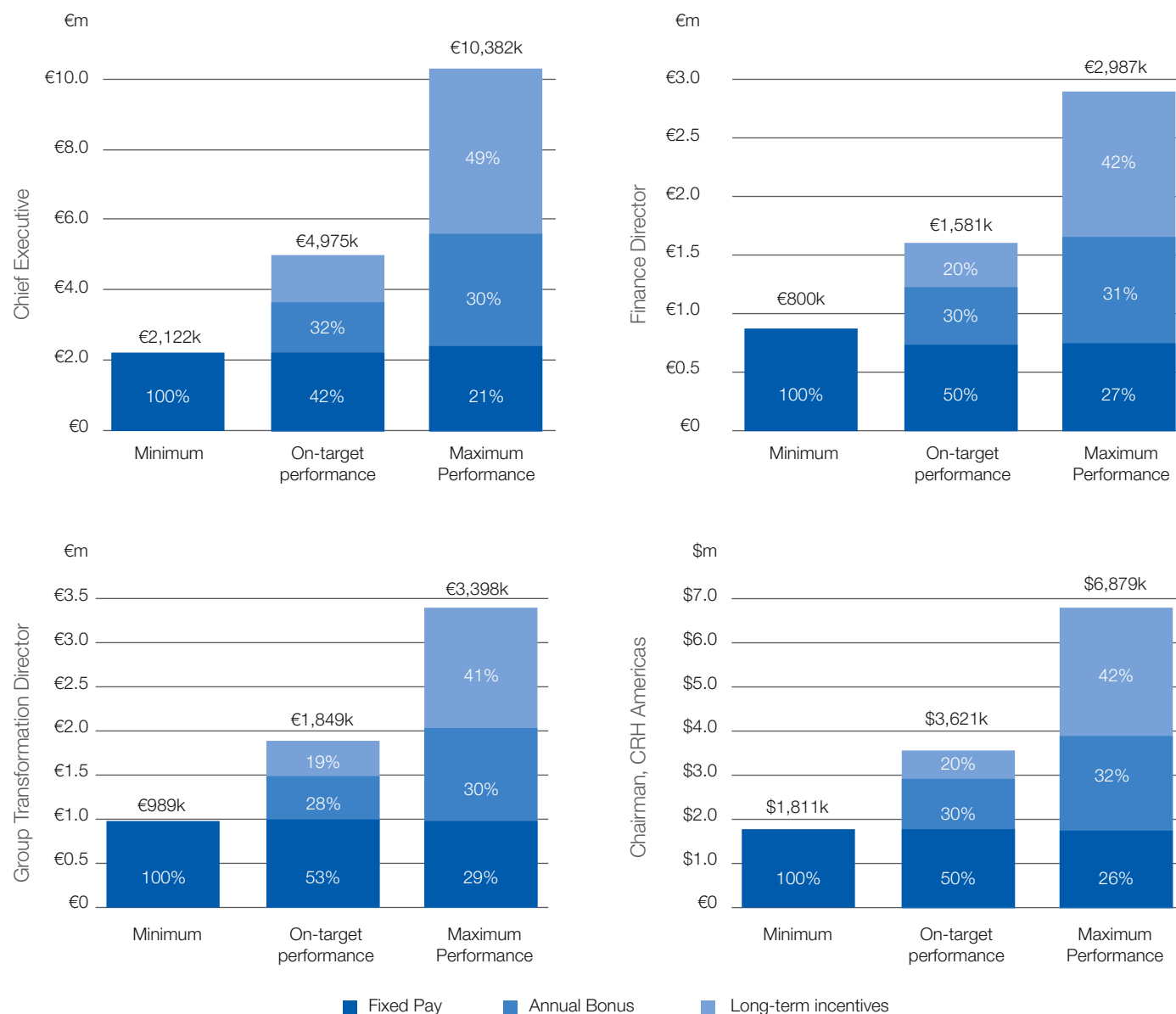
	Salary With effect from 1 January 2016	Benefits Level paid in 2015 ⁽ⁱ⁾	Estimated Pension ⁽ⁱⁱ⁾	Total Fixed Pay
Chief Executive (Albert Manifold)	€1,400,000	€22,000	€700,000	€2,122,000
Finance Director (Senan Murphy)	€625,000	€18,500	€156,250	€799,750
Group Transformation Director (Maeve Carton)	€688,500	€10,000	€290,000	€988,500
Chairman, CRH Americas (Mark Towe)	\$1,448,400	\$72,000	\$289,680	\$1,810,080

(i) estimated in the case of S. Murphy; based on 2015 expenses for other executive Directors.

(ii) see page 96 for details in relation to retirement benefit arrangements.

Performance-related remuneration outcomes

Table 44



Directors' Remuneration Report | continued

Executive Director service contracts and policy on payment for loss of office

When determining leaving arrangements for an executive Director the Committee takes into account any contractual agreements (including any incentive arrangements) and the performance and conduct of the individual.

Service contracts

The Chief Executive and Finance Director have entered into service contracts with the Company. The summaries in tables 45 and 46 set out the key remuneration terms of those contracts.

The Committee reserves the right to make any other payments in connection with a director's cessation of office or employment where the payments are made in good faith in discharge of an existing legal obligation (or by way of damages for breach of such an obligation) or by way of a compromise or settlement of any claim arising in connection with the cessation of a director's office or employment. Any such payments may include paying any fees for outplacement assistance and/or the Director's legal/or professional advice fees in connection with his cessation of office or employment.

The Group Transformation Director (Maeve Carton) and Chairman, CRH Americas (Mark Towe) do not currently have service contracts. They do not have a notice period in excess of 12 months or an entitlement to any benefits on termination of employment. The Committee will determine the amount, if any, paid on termination taking into account the circumstances around departure and the prevailing employment law.

The Committee's policy in this area is that service contracts will be put in place for newly appointed executive Directors and in cases where there is a significant step change in Directors' responsibilities. It is currently anticipated that these terms will be similar to those agreed with the Chief Executive.

Under Irish Company Law, CRH is not required to make service contracts available for inspection as the notice period is not more than 12 months. Service contracts will only be available with the executive Director's consent due to data protection reasons.

Annual cash bonus

Executive Directors may, at the discretion of the Committee, remain eligible to receive an annual bonus award for the financial year in which they leave employment. Such awards will be determined by the Committee taking into account time in employment and performance.

Chief Executive service contract

Table 45

Notice period	<ul style="list-style-type: none"> 12 months' notice by the Company or the executive.
Expiry date	<ul style="list-style-type: none"> Indefinite duration. Terms of contract will automatically terminate on the executive's 62nd birthday.
Termination payments	<ul style="list-style-type: none"> On lawful termination of employment, the Committee may, at its absolute discretion, make a termination payment in lieu of 12 months' notice based on base salary, benefits and pension contribution due during that period. Where the Company terminates the contract lawfully without notice then no payment in lieu of notice shall be due. If, in the event of a change of control, there is a diminution in the role and responsibilities of the Chief Executive he may terminate the contract; on such termination a payment equal to one year's remuneration (being salary, pension, other benefits and vested incentive awards) will be made to the executive.
Disability	<ul style="list-style-type: none"> In the event that the Chief Executive falls ill or is injured in such a way as which would constitute ill-health or disablement so that the Chief Executive could not work for a period of more than six months, in lieu of the early ill-health retirement provisions in the pension scheme which would otherwise operate in such cases, he shall be entitled to receive a disability salary of €1,000,000 per annum. Such payment would cease when the Chief Executive reaches age 60, returns to work or if the service agreement is terminated.
Other information	<ul style="list-style-type: none"> The Company retains the ability to suspend the executive from employment on full salary and to require the executive to observe a period of "garden leave" of up to 12 months on full salary, contractual benefits and pension contribution.

Finance Director service contract

Table 46

Notice period	<ul style="list-style-type: none"> Six months' notice by the Company or the executive.
Expiry date	<ul style="list-style-type: none"> Indefinite duration. Terms of contract will automatically terminate on the executive's 65th birthday.
Termination payments	<ul style="list-style-type: none"> On lawful termination of employment, the Committee may, at its absolute discretion, make a termination payment in lieu of six months' notice based on base salary, benefits and pension contribution due during that period. Where the Company terminates the contract lawfully without notice then no payment in lieu of notice shall be due.
Other information	<ul style="list-style-type: none"> The Company retains the ability to suspend the executive from employment on full salary and to require the executive to observe a period of "garden leave" of up to 12 months on full salary, contractual benefits and pension contribution.

Share Plan Rules – Leaver Provisions

The treatment of outstanding share awards in the event that an executive Director leaves is governed by the relevant share plan rules. The following table summarises leaver provisions under the executive share plans.

“Good leaver” circumstances are defined in the 2014 Performance Share Plan and deferred annual performance incentive plans as ill-health, injury, disability, the participants employing company or business being sold out of the Group or any other reason at the Committee’s absolute discretion (except where a participant is summarily dismissed).

Where an individual leaves by mutual agreement the Committee has discretion to determine the treatment of outstanding share awards.

Individuals who are dismissed for gross misconduct would not be treated as “good leavers”.

Leaver Provisions

Table 47

	Death	“Good Leavers” as determined by the Committee in accordance with the plan rules	Leavers in other circumstances
Deferred Annual Performance Incentive Plan 2014	<ul style="list-style-type: none"> Unvested awards vest, unless the Committee determines otherwise, to the extent determined by the Committee. Awards in the form of nil-cost options may be exercised for 12 months from death (or another period determined by the Committee). 	<ul style="list-style-type: none"> Awards shall normally vest in full at the normal vesting date. Alternatively, the Committee may determine that awards should vest in full at cessation of employment. Where awards vesting in such circumstances are granted in the form of nil-cost options participants shall have six months from vesting to exercise their award. Where awards have already vested at cessation of employment, participants shall have six months from cessation of employment to exercise their option. 	<ul style="list-style-type: none"> Awards will lapse on the individual’s cessation of office or employment.
Performance Share Plan 2014	<ul style="list-style-type: none"> Unvested awards shall vest as soon as practicable following death unless the Committee determines otherwise. The number of shares vesting shall be determined by the Committee taking into account the extent to which the performance condition has been met and, if the Committee determines, the length of time that has elapsed since the award was granted until the date of death (or if death occurs during an applicable holding period, to the beginning of the holding period). Awards in the form of nil-cost options may be exercised for 12 months from death (or another period determined by the Committee). 	<ul style="list-style-type: none"> Awards shall normally vest at the normal vesting date. Alternatively the Committee may determine that awards should vest at the time the individual leaves. The level of vesting shall be determined by the Committee taking into account the extent to which the performance condition has been met and, unless the Committee determines otherwise, the period of time that has elapsed since the date of grant until the date of cessation (or if cessation occurs during an applicable holding period, to the beginning of the holding period). Awards vesting in such circumstances in the form of nil-cost options may be exercised for six months from vesting (or another period determined by the Committee). Where a nil-cost option was already vested at cessation of employment, participants may exercise such options for six months from cessation (or another period determined by the Committee). 	<ul style="list-style-type: none"> Awards will lapse on the individual’s cessation of office or employment.
Share Option Scheme 2010	<ul style="list-style-type: none"> The Committee may determine the extent to which options shall vest. Options shall be exercisable for 12 months from vesting or from death (whichever is later). 	<p><i>Retirement (for age or health reasons)</i></p> <ul style="list-style-type: none"> The Committee may determine the extent to which options may be exercised on the same terms as if the individual had not ceased to hold employment or office having determined the extent to which the performance conditions applicable to the award have been satisfied. Options shall be exercisable for 12 months from vesting or from the participant’s cessation (whichever is later). <p><i>Redundancy, early retirement, sale of the individual’s employing subsidiary out of the Group or for any other reason determined by the Committee.</i></p> <ul style="list-style-type: none"> The Committee may determine the extent to which the option may be exercised having determined the extent to which the performance conditions applicable to the award have been satisfied. Options shall be exercisable for six months from vesting or cessation of employment (whichever is later). Where a participant has ceased to hold office or employment because of health reasons, redundancy, retirement or sale of his employing subsidiary out of the Group, the Committee may waive any relevant performance conditions, in which case his options may be scaled down by reference to the participant’s performance and the proportion of the relevant performance period the participant has served. 	<ul style="list-style-type: none"> Awards will normally lapse.

Directors' Remuneration Report | continued

Under the 2000 Share Option Scheme, if a participant leaves employment in the event of death, retirement (on age or health grounds), redundancy, or in cases where a subsidiary is divested, the Committee will determine the extent to which options vest. In cases of death and retirement, options may be exercised within 12 months of cessation of office of employment. In other circumstances, where the Committee uses its discretion to deem an individual a good leaver then the exercise window is six months. Where an individual ceases office or employment for other reasons option awards will normally lapse.

Awards under the 2010 Savings-related Share Option Scheme are treated in accordance with the rules. The rules provide that awards may be exercised by a participant's executor within 12 months of the date of death, and six months from the date of termination of employment in other circumstances where options automatically become exercisable, for example in the case of retirement.

Where an executive ceases employment as a result of summary dismissal they will normally forfeit outstanding share incentive awards.

The Committee may allow awards to vest early at its discretion in the event an executive Director is to be transferred to a jurisdiction where he would suffer a tax disadvantage or he would be subject to restrictions in connection with his award, the underlying shares or the sales proceeds.

Change of control

In the event of a change of control of the Company, the Committee will determine the treatment of share awards.

In the event of a change of control of the Company:

- a) awards granted under the 2014 Plan will vest taking into account the extent to which any performance condition has been satisfied and, unless the Committee determines otherwise the period of time that has elapsed since grant and the relevant event (or if the event occurs

during an applicable holding period, to the beginning of the holding period);

- b) awards granted under the 2014 Deferred Annual Performance-related Incentive Plan may, at the discretion of the Committee, vest in full;
- c) options granted under the 2000 Share Option Scheme may be exercised to the extent determined by the Committee; and
- d) options granted under the Share Option Scheme 2010 may be exercised to the extent determined by the Committee and may be subject to personal performance and time pro-rating (by reference to the proportion of the performance period that has elapsed).

If the Company is wound up or there is a de-merger, de-listing, special dividend or other similar event which the Committee considers may affect the price of the Company's shares:

- a) awards granted under the 2014 Plan may, at the Committee's discretion, vest taking into account the extent to which any performance condition has been satisfied and, unless the Committee determines otherwise, the period of time that has elapsed since the date of grant and the relevant event (or if the event occurs during an applicable holding period, to the beginning of the holding period);
- b) awards granted under the 2014 Deferred Annual Performance-related Incentive Plan will vest to the extent the Committee determines.

Non-executive Director - Letters of appointment

Non-executive Directors serve under letters of appointment, copies of which are available for inspection at the Company's Registered Office and at the Annual General Meeting.

In line with the UK Corporate Governance Code, all non-executive Directors submit themselves for re-election by shareholders every year at the Annual General Meeting.

All non-executive Director appointments can be terminated by either party without notice. There is no payment in lieu of notice provided.

Considering employee views

When setting remuneration policy for executive Directors, the *Remuneration Committee* reviews and has regard to the remuneration trends across the Group and considers how executive Director remuneration compares to that for all employees to ensure that the structure and quantum of executive pay remains appropriate in this context.

The Company does not currently consult directly with employees when developing the Directors' Remuneration Policy and there is no current intention to do so in the future.

Consulting with shareholders

The Committee believes that it is very important to maintain open dialogue with shareholders on remuneration matters. CRH made significant changes to remuneration arrangements during the year and consulted extensively with shareholders in relation to this. Shareholder views were important in shaping the final proposals outlined in this Policy Report.

The Committee will continue to liaise with shareholders regarding remuneration matters more generally and CRH arrangements as appropriate. It is the Committee's intention to consult with major shareholders in advance of making any material changes to remuneration arrangements.

On behalf of the Board

Donald A. McGovern, Jr.

Chairman of Remuneration Committee and Senior Independent Director

2 March 2016



Directors' Report

The Directors submit their report and the audited Consolidated Financial Statements for the year ended 31 December 2015.

Principal Activity, Results for the Year and Review of Business

CRH is a leading global diversified building materials group which manufactures and distributes a diverse range of products servicing the breadth of construction needs, 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. The Group has over 1,400 subsidiary, joint venture and associate undertakings; the principal ones as at 31 December 2015 are listed on pages 224 to 231.

The Group's strategy, business model and development activity are summarised in the Strategy Review section on pages 6 to 17 and are deemed to be incorporated in this part of the Directors' Report.

As set out in the Consolidated Income Statement on page 132, the Group reported a profit before tax for the year of €1.03 billion. Comprehensive reviews of the financial and operating performance of the Group during 2015 are set out in the Business Performance Review on pages 20 to 49; key financial performance indicators are also set out in this section. The treasury policy and objectives of the Group are set out in detail in note 21 to the Consolidated Financial Statements.

Dividend

CRH recognises the contribution dividends make to overall shareholder return, and for the 26 years between 1984 to 2009 the Group maintained a progressive dividend policy delivering dividend growth in each of these years. The Group maintained the dividend at 62.5c per share for each of the subsequent five years, during which, with the exception of 2013 when the Group recorded a non-cash impairment charge of €755 million which resulted in a net loss per share, the dividend cover was just over 1x.

An interim dividend of 18.5c (2014: 18.5c) per share was paid in November 2015 and the Board is recommending a final dividend of 44.0c per share. This would give a total 2015 dividend of 62.5c, unchanged from last year's level (2014: 62.5c). The earnings per share for 2015 amounted to 89.1c representing a cover of 1.4 times the proposed dividend for the year. It is proposed to pay the final dividend on 6 May 2016 to shareholders registered at the close of business on 11 March 2016. Subject to the approval of resolutions 2 and 13 at the 2016 Annual General Meeting, shareholders are being offered a scrip dividend alternative.

Share placing

CRH completed a placing of 74,039,915 new ordinary shares in CRH plc (which rank pari passu in all respects with the existing ordinary shares including the right to receive all future dividends declared or paid after the date of the placing) raising gross proceeds of approximately €1.6 billion, and representing approximately 9.99% of CRH's issued ordinary share capital before the placing. Closing of the placing and admission of the placing shares to the official lists and to trading on the main markets of the London Stock Exchange and Irish Stock Exchange took place on 5 February 2015.

2016 Outlook

The 2016 outlook set out in the Chief Executive's Review on page 7 is deemed to be incorporated in this part of the Directors' Report.

Sustainability

Sustainability and Corporate Social Responsibility (CSR) concepts are embedded in all CRH operations and activities. Embracing all aspects of these concepts is considered fundamental to achieving the CRH vision to be the leading building materials business in the world. Excellence in the areas of health & safety, environment & climate change, governance, and people & community is a daily priority. The Group's policies and implementation systems are summarised in the Strategy Review section on pages 14 and 15, and are described in detail in the independently verified annual Sustainability Report, which is published mid-year in respect of the previous calendar year, and is available on the Group's website. CRH is recognised by several leading Socially Responsible Investment (SRI) agencies as being among the leaders in its sector in these important areas.

Greenhouse Gas Emissions

Disclosures relating to the Group's greenhouse gas emissions are contained in the Measuring Performance section on page 12.

Location of information required pursuant to Listing Rule 9.8.4C

**Listing Rule
LR 9.8.4 (12) and (13)**

**Information to be included*:
Waivers of dividends Disclosure**

The Trustees of the Employee Benefit Trust, have elected to waive dividends in respect of certain holdings of CRH shares. See page 201 to the Consolidated Financial Statements.

* No information is required to be disclosed in respect of Listing Rules 9.8.4 (1), (2), (3), (4), (5), (6), (7), (8), (9), (10), (11) and (14).

This table contains information which is required to be provided for regulatory purposes.

Regulatory Information

Companies Act 2014:

For the purpose of Section 1373, the Corporate Governance report on pages 56 to 68, together with the Governance Appendix located on the CRH website (www.crh.com), which contains the information required by Section 1373(2) of the Companies Act 2014 and the risk management disclosures on pages 16, 17 and 113 to 119 are deemed to be incorporated in the Director's Report and form part of the corporate governance statement required by section 1373 of the Companies Act. Details of the Company's Employee Share Schemes and capital structure can be found in notes 7 and 28 to the Consolidated Financial Statements on pages 156 to 158 and 199 to 202 respectively.

2006 Takeover Regulations:

For the purpose of Regulation 21 of Statutory Instrument 255/2006 European Communities (Takeover Bids (Directive 2004/25/EC)) Regulations 2006, the rules relating to the appointment and replacement of Directors are summarised in the Governance Appendix. The Chief Executive and the Finance Director have entered into service contracts, the principal terms of which are summarised on page 104 of the Directors' Remuneration Report and are deemed to be incorporated in this part of the Directors' Report. The Company's Memorandum and Articles of Association, which are available on the CRH website, are also deemed to be incorporated in this part of the Directors' Report. The Group has certain banking facilities and bond issues outstanding which may require repayment in the event that a change in control occurs with respect to the Company. In addition, the Company's share option schemes and Performance Share Plan contain change of control provisions which can allow for the acceleration of the exercisability of share options and the vesting of share awards in the event that a change of control occurs with respect to the Company.

2007 Transparency Regulations:

For the purpose of Statutory Instrument 277/2007 Transparency (Directive 2004/109/EC) Regulations 2007, the Sustainability Report as published on the CRH website is deemed to be incorporated in this part of the Directors' Report, together with the following sections of this annual report: the Chairman's Introduction on page 3, the Strategy Review section on pages 8 to 11, the Principal Risks and Uncertainties section on pages 113 to 119, the Business Performance Review on pages 20 to 49, the details of earnings per Ordinary Share in note 12 to the Consolidated Financial Statements, details of derivative financial instruments in note 24, the details of the re-issue of Treasury Shares in note 28 and details of employees in note 5.

Disclaimer:

This Annual Report contains certain forward-looking statements with respect to the financial condition, results of operations, business, viability and future performance of CRH and certain of the plans and objectives of CRH. These forward-looking statements may generally, but not always, be identified by the use of words such as "will", "anticipates", "should", "expects", "is expected to", "estimates", "believes", "intends" or similar expressions.

By their nature, forward-looking statements involve risk and uncertainty because they relate to events and depend on circumstances that may or may not occur in the future and reflect the Company's current expectations and assumptions as to such future events and circumstances that may not prove accurate. A number of material factors could cause actual results and developments to differ materially from those expressed or implied by these forward-looking statements, certain of which are beyond our control and which include, among other things: economic and financial conditions generally in various countries and regions where we operate; the pace of recovery in the overall construction and building materials sector; demand for infrastructure, residential and non-residential construction in our geographic markets; increased competition and its impact on prices; increases in energy and/or raw materials costs; adverse changes to laws and regulations; approval or allocation of funding for infrastructure programs; adverse political developments in various countries and regions; failure to complete or successfully integrate acquisitions; and the specific factors identified in the discussions accompanying such forward-looking statements and in the Principal Risks and Uncertainties included at pages 113 to 119 of this Directors' Report.

You should not place undue reliance on any forward-looking statements. The Principal Risks and Uncertainties included at pages 113 to 119 of this Directors' Report could cause the Company's results to differ materially from those expressed in forward-looking statements. There may be other risks and uncertainties that the Company is unable to predict at this time or that the Company currently does not expect to have a material adverse effect on its business. These forward-looking statements are made as of the date of this Directors' Report. The Company expressly disclaims any obligation to update these forward-looking statements other than as required by law.

The forward-looking statements in this Annual Report do not constitute reports or statements published in compliance with any of Regulations 4 to 8 and 26 of the Transparency (Directive 2004/109/EC) Regulations 2007.

Directors' Report | continued

Viability Statement

In accordance with Provision C.2.2. of the 2014 UK Corporate Governance Code, the Board has carried out a robust assessment of the principal risks facing the Group, including those which would threaten its business model, future performance, solvency or liquidity. The nature of and the strategies, practices and controls to mitigate those risks are addressed in the principal risks and uncertainties section on pages 113 to 119 of this Directors' Report.

Using the Group Strategic Plan ("the Plan"), which is prepared annually on a bottom-up basis and is submitted to Board for approval, the prospects of the Group have been assessed over a five-year period from 1 January 2016 to 31 December 2020 inclusive. The projections in the Plan consider the Group's cash flows, committed funding and liquidity positions, forecast future funding requirements, banking covenants and other key financial ratios, including those relevant to maintaining the Group's investment grade credit ratings.

Appropriate stress-testing of certain key performance, solvency and liquidity assumptions underlying the Plan has been conducted taking account of the principal risks and uncertainties faced and possible severe but plausible combinations of those risks and uncertainties. Whilst each of the principal risks and uncertainties set out in this Directors' Report could have an impact, the sensitivity analysis focused on the economic environment (captioned "Industry Cyclicity" in the Principal Risks & Uncertainties disclosure), acquisition integration (captioned "Acquisition Activity") and regulatory compliance (captioned "Laws and Regulations") and presumed the availability and effectiveness of various mitigating actions which could realistically be implemented to avoid or reduce the impact or occurrence of those risks and uncertainties. In evaluating the likely effectiveness of such actions, the conclusions of the Board's regular monitoring and review of risk management and internal control systems were taken into account.

As a result of this assessment, the Board has a reasonable expectation that the Group will be able to continue in operation and meet its liabilities as they fall due over the aforementioned five-year period.

Going Concern

The Group's business activities, together with the factors likely to affect its future development, performance and position are set out in the Strategy Review and in this report on pages 8 to 17 and 113 to 119 respectively. The financial position of the Group, its cash flows, liquidity position and borrowing facilities are described in the Business Performance Review on pages 20 to 49. In addition, notes 20 to 24 to the Consolidated Financial Statements include the Group's objectives, policies and processes for managing its capital; its financial risk management objectives; details of its financial instruments and hedging activities; and its exposures to credit, currency and liquidity risks.

The Group has considerable financial resources and a large number of customers and suppliers across different geographic areas and industries. In addition, the local nature of building materials means that the Group's products are not usually shipped cross-border.

Having assessed the relevant business risks, the Directors believe that the Group is well placed to manage these risks successfully, and they have a reasonable expectation that CRH plc, and the Group as a whole, has adequate resources to continue in operational existence for the foreseeable future. For this reason, they continue to adopt the going concern basis in preparing the Consolidated Financial Statements.

Principal Risks and Uncertainties

Under Section 327(1)(b) of the Companies Act 2014 and Regulation 5(4)(c)(ii) of the Transparency (Directive 2004/109/EC) Regulations 2007, CRH is required to give a description of the principal risks and uncertainties which it faces. These risks and uncertainties reflect the international scope

of the Group's operations and the Group's decentralised structure. The principal risks and uncertainties are set out on page 113 to 119 and are deemed to be incorporated in this part of the Directors' Report.

Risk Management and Internal Control

The Directors confirm that, in addition to the monitoring carried out by the *Audit Committee* under its terms of reference, they have reviewed the effectiveness of the Group's risk management and internal control systems up to and including the date of approval of the financial statements. This had regard to all material controls, including financial, operational and compliance controls that could affect the Group's business.

Directors' Remuneration Report

Resolution 3 to be proposed at the 2016 Annual General Meeting deals with the 2016 Directors' Remuneration Report (excluding the Remuneration Policy Report), as set out on pages 70 to 93, which the Board has again decided to present to shareholders for the purposes of a non-binding advisory vote. This is in line with international best practice.

Resolution 4 to be proposed at the 2016 Annual General Meeting deals with the Remuneration Policy for the three-year period from April 2016 to April 2019, as set out on pages 95 to 106, which the Board has also decided to present to shareholders for the purposes of a non-binding advisory vote. The Directors believe that the resolution will provide shareholders with an opportunity to have a say on the framework within which remuneration matters are dealt with.

Directors' Fees

An ordinary resolution will be proposed at the 2016 Annual General Meeting to increase the limit of the aggregate fees for non-executive Directors to €875,000. The current limit, approved at the 2005 Annual General Meeting, is €750,000. The proposed increase allows for an increase in the number of non-executive Directors and capacity for fee increases over time.

Changes to the Board of Directors

- Mr. P.J. Kennedy was appointed to the Board with effect from 1 January 2015.
- Ms. L.J. Riches was appointed to the Board with effect from 1 March 2015.
- Mr. J.W. Kennedy and Mr. D.N. O' Connor retired from the Board on 7 May 2015.
- Ms. R. McDonald was appointed to the Board with effect from 1 September 2015.
- Mr. S. Murphy was appointed to the Board with effect from 4 January 2016.
- Mr. B. Teuber will be appointed to the Board with effect from 3 March 2016.
- Mr. U-H Felcht and Mr. W.P. Egan will retire from the Board at the conclusion of the Annual General Meeting to be held on 28 April 2016.

Under the Company's Articles of Association, co-opted Directors are required to submit themselves to shareholders for election at the Annual General Meeting following their appointment and all Directors are required to submit themselves for re-election at intervals of not more than three years. However, in accordance with the provisions contained in the UK Corporate Governance Code, the Board has decided that all Directors eligible for re-election should retire at each Annual General Meeting and offer themselves for re-election.

Auditors

As required under Section 381(1)(b) of the Companies Act 2014, the Annual General Meeting agenda includes a resolution authorising the Directors to fix the remuneration of the Auditors.

Section 383 of the Companies Act 2014 provides for the automatic re-appointment of the auditor of an Irish Company at a company's annual general meeting, unless the auditor has given notice in writing of his unwillingness to be re-appointed or a resolution has been passed at that meeting

appointing someone else or providing expressly that the incumbent auditor shall not be re-appointed. The Auditors, Ernst & Young, Chartered Accountants, are willing to continue in office.

Notwithstanding the provisions of Irish company law, the Board has decided to provide shareholders with an opportunity to have a say on the continuance in office of Ernst & Young and a non-binding resolution has been included on the agenda for the 2016 Annual General Meeting for this purpose.

Authority to Allot Shares

The Directors require the authority of the shareholders to allot any unissued share capital of the Company. Accordingly, an ordinary resolution will be proposed at the 2016 Annual General Meeting to grant authority for that purpose. The authority will be for the total amount of the available unissued share capital, which represents 51.86% of the issued share capital as at 2 March 2016. The authority being sought at the 2016 Annual General Meeting is an increase from the authority granted by shareholders in 2015, which was set at 33% of the issued share capital. The proposed increased authority is in line with general market trends and is in accordance with generally accepted best practice. The resolution to be considered at the 2016 Annual General Meeting provides that any allotment exceeding 33% of the issued share capital would be made pursuant to a fully pre-emptive rights issue.

No issue of shares will be made which could effectively alter control of the Company without prior approval of the Company in General Meeting. The Directors have no present intention of making any issue of shares. If approved, this authority will expire on the earlier of the date of the Annual General Meeting in 2017 or 27 July 2017.

Disapplication of Pre-emption Rights

A special resolution will be proposed at the 2016 Annual General Meeting to authorise the

Directors to disapply statutory pre-emption rights in relation to allotments of shares for cash. In respect of allotments other than for rights issues to ordinary shareholders and employees' share schemes, the total number of shares which the Directors may issue under this authority will be limited to a number which is equivalent to 10% of the issued share capital of the Company as at 2 March 2016.

The authority being sought at the 2016 Annual General Meeting is an increase from the authority granted by shareholders in 2015, which was set at 5% of the issued share capital. The Directors confirm that they intend to follow the Statement of Principles updated by the Pre-emption Group in March 2015 (the "2015 Principles") and that any allotment in excess of 5% of the issued share capital will only be used in connection with an acquisition or specified capital investment. If approved, this authority will expire on the earlier of the date of the Annual General Meeting in 2017 or 27 July 2017.

The Directors also confirm that they intend to follow the 2015 Principles in that allotments of shares for cash and the re-issue of Treasury Shares on a non-pre-emptive basis, other than for rights issues to ordinary shareholders and employees' share schemes or as permitted in connection with an acquisition or specified capital investment as described above, will not exceed 7.5% of the issued Ordinary/Income share capital within a rolling three-year period without prior consultation with its shareholders.

Transactions in Own Shares

During 2015, 2,980,193 (2014: 2,175,649) Treasury Shares were re-issued under the Group's Share Schemes. As at 2 March 2016, 791,305 shares were held as Treasury Shares, equivalent to 0.09% of the Ordinary Shares in issue (excluding Treasury Shares).

A special resolution will be proposed at the 2016 Annual General Meeting to renew the authority of the Company, or any of its subsidiaries, to purchase up to 10% of the Company's Ordinary/Income Shares in issue at the date of the Annual General Meeting.

Directors' Report | continued

If approved, the minimum price which may be paid for shares purchased by the Company shall not be less than the nominal value of the shares and the maximum price will be 105% of the higher of the last independent trade in the Company's shares (or current independent bid, if higher) and the average market price of such shares over the preceding five days. A special resolution will also be proposed for the purpose of renewing the authority to set the maximum and minimum prices at which Treasury Shares (effectively shares purchased and not cancelled) may be re-issued off-market by the Company. If granted, both of these authorities will expire on the earlier of the date of the Annual General Meeting in 2017 or 27 July 2017.

As at 2 March 2016, options to subscribe for a total of 9,209,910 Ordinary/Income Shares are outstanding, representing 1.1% of the issued Ordinary/Income share capital (excluding Treasury Shares). If the authority to purchase Ordinary/Income Shares was used in full, the options would represent 1.2% of the remaining shares in issue.

The Directors do not have any current intention of exercising the power to purchase the Company's own shares and will only do so if they consider it to be in the best interests of the Company and its shareholders.

Authority to Offer Scrip Dividends

An ordinary resolution will be proposed at the 2016 Annual General Meeting to renew the Directors' authority to make scrip dividend offers. This authority will apply to dividends declared or to be paid commencing on 28 April 2016. Unless renewed at the Annual General Meeting in 2017, this authority shall expire at the close of business on 27 July 2017.

Annual General Meeting

A circular to shareholders, which will contain the Notice of Meeting for the 2016 Annual General Meeting, will be posted to shareholders on 30 March 2016.

Statement of Directors' Responsibilities

The Directors as at the date of this report, whose names are listed on pages 52 to 55, are responsible for preparing the Annual Report and Consolidated Financial Statements in accordance with applicable laws and regulations.

Irish Company law requires the Directors to prepare financial statements for each financial year which give a true and fair view of the assets, liabilities, financial position of the Parent Company and of the Group and of the profit or loss of the Group taken as a whole for that period (the "Consolidated Financial Statements").

In preparing the Consolidated Financial Statements, the Directors are required to:

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

The Directors are required by the Transparency (Directive 2004/109/EC) Regulations 2007 and the Transparency Rules of the Central Bank of Ireland to include a management report containing a fair review of the development and performance of the business and the position of the Parent Company and of the Group taken as a whole and a description of the principal risks and uncertainties facing the Group.

The Directors confirm that to the best of their knowledge they have complied with the above requirements in preparing the 2015 Annual Report and Consolidated Financial Statements.

The considerations set out above for the Group are also required to be addressed by the Directors in preparing the financial statements of the Parent Company (which are set out on pages 210 to 216), in respect of which the applicable accounting standards are those which are generally accepted in the Republic of Ireland.

The Directors have elected to prepare the Company Financial Statements in accordance with Irish law and accounting standards issued by the Financial Reporting Council and promulgated by the Institute of Chartered Accountants in Ireland (Generally Accepted Accounting Practice in Ireland), including FRS 102, the Financial Reporting Standard applicable in the UK and Republic of Ireland.

The Directors are responsible for keeping adequate accounting records which disclose with reasonable accuracy at any time the financial position of the Parent Company and which enable them to ensure that the Consolidated Financial Statements are prepared in accordance with applicable International Financial Reporting Standards as adopted by the European Union and comply with the provisions of the Companies Act 2014 and Article 4 of the IAS Regulation.

The Directors have appointed appropriate accounting personnel, including a professionally qualified Finance Director, in order to ensure that those requirements are met. The books and accounting records of the Company are maintained at the principal executive offices located at Belgard Castle, Clondalkin, Dublin 22.

The Directors are also responsible for safeguarding the assets of the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Each of the Directors, whose names are listed on pages 52 to 55, confirms that they consider that the Annual Report and Consolidated Financial Statements, taken as a whole, is fair, balanced and understandable and provides the information necessary for shareholders to assess the Company's position, performance, business model and strategy.

Principal Risks and Uncertainties

Under Section 327(1)(b) of the Companies Act 2014 and Regulation 5(4)(c)(ii) of the Transparency (Directive 2004/109/EC) Regulations 2007, the Group is required to give a description of the principal risks and uncertainties which it faces. These risks and uncertainties reflect the international scope of the Group's operations and the Group's decentralised structure.

Strategic Risks and Uncertainties

Risk	Description	Impact	How we Manage the Risk
Industry Cyclicity	The level of construction activity in local and national markets is inherently cyclical being influenced by a wide variety of factors including global and national economic circumstances, ongoing austerity programmes in the developed world, governments' ability to fund infrastructure projects, consumer sentiment and weather conditions. Financial performance may also be negatively impacted by unfavourable swings in fuel and other commodity/raw material prices.	Failure of the Group to respond on a timely basis and/or adequately to unfavourable events beyond its control may adversely affect financial performance.	<ul style="list-style-type: none"> CRH's market and product diversification strategy, in addition to the spread of activity across multiple end-use sectors means that recession would need to be general across the US and/or Europe to have a significant impact at Group level. CRH's geographic footprint is spread across 31 countries and multiple end-use sectors. CRH is the largest building materials company in North America and is a regional leader in Europe with strategic positions in Asia. Through an ingrained philosophy of business improvement, the Group is strongly committed to ongoing cost control, strong cash generation and disciplined financial management. This commitment, and the strength of its reporting and internal control systems, assist the Group in responding quickly and hence mitigating the volatility associated with cyclicity. The Group prioritises dynamic capital allocation and reallocation aimed at ensuring profitable growth across the Group's network of businesses.
Political and Economic Uncertainty	As an international business, the Group operates in many countries with differing, and in some cases, potentially fast-changing economic, social and political conditions. These conditions could include political unrest, currency disintegration, strikes, civil disturbance and other forms of instability including natural disasters, epidemics, widespread transmission of diseases and terrorist attacks. These factors are of particular relevance in developing/emerging markets.	Changes in these conditions, or in the governmental or regulatory requirements in any of the countries in which the Group operates, may adversely affect the Group's business, results of operations, financial condition or prospects thus leading to possible impairment of financial performance and/or restrictions on future growth opportunities.	<ul style="list-style-type: none"> The annual budgeting process is undertaken in two phases with prevailing economic and market forecasts factored into performance targets. Commentaries and economic indicators are provided to senior management and Board on a monthly basis together with trading results and forecasts to facilitate tracking of political and economic events which may create uncertainties as to financial performance. Where political tensions are heightened, or materialise, mitigation strategies are in place to protect CRH's people and assets.

Directors' Report | continued

Strategic Risks and Uncertainties | continued

Risk	Description	Impact	How we Manage the Risk
Commodity Products and Substitution	<p>The Group faces strong volume and price competition across its product lines. In addition, existing products may be replaced by substitute products which the Group does not produce or distribute.</p>	<p>Against this backdrop, if the Group fails to generate competitive advantage through differentiation and innovation across the value chain (for example, through superior product quality, engendering customer loyalty or excellence in logistics), market share, and thus financial performance, may decline.</p>	<ul style="list-style-type: none"> • CRH endeavours to counter the competitive positioning difficulties posed by low barriers to entry across many of its markets, products and services through focusing on customer service and other means of differentiation. • Innovation and research and development are aimed at ensuring that the Group is constantly aligning its products and services to the demands of customers. These activities are supported by the Group Sustainability function. • Further details are outlined in the sustainability section of the Governance Appendix, at www.crh.com and in the Group Sustainability Report, issued annually and approved by the Board.
Acquisition Activity	<p>Growth through acquisition and active management of the Group's business portfolio are key elements of the Group's strategy with the Group's balanced portfolio growing year on year through bolt-on activity occasionally supplemented by larger and/or step-change transactions. In 2015, the Group completed the largest transaction in its history, namely the acquisition of the LH Assets across 11 countries.</p> <p>In addition, the Group may be liable for the past acts, omissions or liabilities of companies or businesses it has acquired.</p>	<p>The Group may not be able to continue to grow as contemplated in its business plans if it is unable to identify attractive targets (including potential new platforms for growth), 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. If the Group is held liable for the past acts, omissions or liabilities of companies or businesses it has acquired, those liabilities may either be unforeseen or greater than anticipated at the time of the relevant acquisition.</p>	<ul style="list-style-type: none"> • CRH has traditionally grown through acquisition and as such has developed significant expertise in identifying and evaluating appropriate targets and conducting due diligence and subsequent integration. • Many of the Group's core markets remain fragmented or relatively unconsolidated and will continue to offer growth opportunities via the proven acquisition model in the decades ahead. • The Group's detailed due diligence programme is supported by external specialists where internal expertise or resources do not exist or are insufficient. • In respect of the LH Assets, well-tested integration processes and procedures were implemented and will continue into 2016. • Further discussion is provided in the Business Performance Review, Chairman's Introduction and Chief Executive's Review.
Joint Ventures and Associates	<p>The Group does not have a controlling interest in certain of the businesses (i.e. joint ventures and associates) in which it has invested and may invest. The absence of a controlling interest gives rise to increased governance complexity and a need for proactive relationship management, which may restrict the Group's ability to generate adequate returns and to develop and grow these businesses.</p>	<p>These limitations could impair the Group's ability to manage joint ventures and associates effectively and/or realise the strategic goals for these businesses. In addition, improper management or ineffective policies, procedures or controls for non-controlled entities could adversely affect the business, results of operations or financial condition of the relevant investment.</p>	<ul style="list-style-type: none"> • Board-approved governance protocols are in place which require acquisition/investment contracts to contain appropriate provisions as regards future Board participation and ongoing management and interaction, amongst other items. • In joint venture arrangements, CRH has traditionally appointed CRH personnel, by way of the legal agreement entered into, to facilitate integration, assist in best practice transfer and drive performance and growth.

Strategic Risks and Uncertainties | continued

Risk	Description	Impact	How we Manage the Risk
Human Resources	Existing processes to recruit, develop and retain talented individuals and promote their mobility may be inadequate thus giving rise to employee/management attrition, difficulties in succession planning and inadequate "bench strength", potentially impeding the continued realisation of the core strategy of performance and growth. In addition, the Group is exposed to various risks associated with collective representation of employees in certain jurisdictions, these risks could include strikes and increased wage demands with possible reputational consequences.	In the longer term, failure to manage talent and plan for leadership and succession could impede the realisation of core strategic objectives around performance and growth.	<ul style="list-style-type: none"> • Succession planning and talent management initiatives are implemented in an organised and concerted way in respect of all senior management positions across the Group. These exercises are promoted and co-ordinated by Group Human Resources & Talent Management with support from senior operational and HR executives across the Group. • Through appropriate structures, the Group and its operating entities seek to maintain positive employee and trade/labour union relations which are key to successful operations.
Corporate Affairs and Communications	As a publicly-listed company, the Group undertakes regular communications with its stakeholders. Given that these communications may contain forward-looking statements, which by their nature involve uncertainty, actual results and developments may differ from those communicated due to a variety of external and internal factors giving rise to reputational risk.	Failure to deliver on performance indications and non-financial commitments communicated to the Group's variety of stakeholders could result in a reduction in share price, reduced earnings and reputational damage.	<ul style="list-style-type: none"> • The strategic, operational and financial performance of the Group and its constituent entities is reported to the Board on a monthly basis with all results announcements and other externally-issued documentation being discussed by the Board/<i>Audit Committee</i> prior to release. • Communications with stakeholders are given high priority and the Group devotes considerable time and resources each year to stakeholder engagement. The Group has an active and well-recognised investor relations programme fostering openness and transparency in communications with shareholders. CRH recognises the importance of effective dialogue as an integral element of good corporate governance.

Directors' Report | continued

Operational Risks and Uncertainties

Risk	Description	Impact	How we Manage the Risk
Cyber and Information Security/Technology	As a result of the proliferation of information technology in the world today, the Group is dependent on the employment of advanced information systems and is exposed to risks of failure in the operation of these systems. Further, the Group is exposed to security threats to its digital infrastructure through cyber-crime. Such attacks are by their nature technologically sophisticated and may be difficult to detect and defend in a timely fashion.	Should a threat materialise, it might lead to interference with production processes, manipulation of financial data, the theft of private data or misrepresentation of information via digital media. In addition to potential irretrievability or corruption of critical data, the Group could suffer reputational losses, regulatory penalties and incur significant financial costs in remediation.	<ul style="list-style-type: none"> • Ongoing strategic and tactical efforts to address the evolving nature of cyber threats and the challenges posed, including the revision of internal practices and controls. • Enhancement of existing information and cyber security practices towards best practices for organisational assets, which include people, processes and technology. • Ongoing investment and development of risk management and governance associated with information and cyber security.
Sustainability	The Group is subject to stringent and evolving laws, regulations, standards and best practices in the area of sustainability (comprising corporate governance, environmental management and climate change (specifically capping of emissions), health & safety management and social performance).	Non-adherence to such laws, regulations, standards and best practices may give rise to increased ongoing remediation and/or other compliance costs and may adversely affect the Group's business, results of operations, financial condition and/or prospects.	<ul style="list-style-type: none"> • CRH's strategy and business model are built around sustainable, responsible and ethical performance. Sustainability and CSR concepts are embedded in all CRH operations and activities. Excellence in the areas of Health & Safety, Environment & Climate Change, Governance and People & Community is a daily priority of line management. • The Group has implemented detailed policies and procedures promoting Health & Safety, Environmental Practices and Energy Efficiency. • Further details are outlined in the Sustainability Report, issued annually and approved by the Board.

Compliance Risks and Uncertainties

Laws and Regulations	The Group is subject to many local and international laws and regulations, including those relating to competition law, corruption and fraud, across many jurisdictions of operation and is therefore exposed to changes in those laws and regulations and to the outcome of any investigations conducted by governmental, international or other regulatory authorities.	Potential breaches of local and international laws and regulations in the areas of competition law, corruption and fraud, among others, could result in the imposition of significant fines and/or sanctions for non-compliance, and may inflict reputational damage.	<ul style="list-style-type: none"> • CRH's Code of Business Conduct, which was substantially revised in 2014 and is in effect mandatorily across the Group, stipulates best practice in relation to regulatory and compliance matters amongst other issues. The Code is available on www.crh.com. • Proactive on-the-ground engagement throughout the Group through an extensive training programme, a dedicated whistleblowing hotline (the results of which are reported to the <i>Audit Committee</i>) and detailed policies and procedures to support the Code of Business Conduct. • Significant internal controls and compliance policies have been implemented in order to promote strong and ongoing compliance with all laws and regulations, including the UK Bribery Act, 2010 and the US Foreign Corrupt Practices Act, 1977.
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Financial and Reporting Risks and Uncertainties

Risk	Description	Impact	How we Manage the Risk
Financial Instruments (interest rate and leverage, foreign currency, counterparty, credit ratings and liquidity)	<p>The Group uses financial instruments throughout its businesses giving rise to interest rate and leverage, foreign currency, counterparty, credit rating and liquidity risks. A significant portion of the cash generated by the Group from operational activity is currently dedicated to the payment of principal and interest on indebtedness. In addition, the Group has entered into certain financing agreements containing restrictive covenants requiring it to maintain a certain minimum interest coverage ratio and a certain minimum net worth.</p>	<p>A downgrade of the Group'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, insolvency of the financial institutions with which the Group conducts business (or a downgrade in their credit ratings) may lead to losses in derivative assets and cash and cash equivalents balances or render it more difficult either to utilise existing debt capacity or otherwise obtain financing for operations.</p>	<ul style="list-style-type: none"> Fixed and floating rate debt and interest rate swaps are used to manage borrowing costs, while currency swaps and forward foreign currency contracts are used to manage currency exposures and to achieve the desired profile of borrowings. The Group seeks to ensure that sufficient resources are available to meet the Group's liabilities as they fall due through a combination of cash and cash equivalents, cash flows and undrawn committed bank facilities. Systems are in place to monitor and control the Group's liquidity risks, which are reported to the Board on a monthly basis. Cash flow forecasting is provided to executive management on a daily basis. The Group's established policy is to spread its net worth across the currencies of its various operations with the objective of limiting its exposure to individual currencies. All of the Group's financial counterparties are leading financial institutions of international scope with a minimum A- S&P credit rating. Please see note 21 to the Consolidated Financial Statements for further detail.
Defined Benefit Pension Schemes and Related Obligations	<p>The Group operates a number of defined benefit pension schemes and related obligations (for example, termination indemnities and jubilee/long-term service benefits, which are accounted for as defined benefit) in certain of its operating jurisdictions. The assets and liabilities of defined benefit pension schemes may exhibit significant period-on-period volatility attributable primarily to asset values, changes in bond yields/discount rates and anticipated longevity.</p>	<p>In addition to the contributions required for the ongoing service of participating employees, significant cash contributions may be required to remediate deficits applicable to past service. Further, fluctuations in the accounting surplus/deficit may adversely impact credit metrics thus harming the Group's ability to raise funds.</p>	<ul style="list-style-type: none"> Where feasible, defined benefit pension schemes have been closed to future accrual. Where closure to future accrual was not feasible for legal and other reasons, the relevant final salary schemes were transitioned to a career average methodology for future service with severance of the final salary link and the introduction of defined contribution for new entrants. De-risking frameworks (for example, Liability-Driven Investment techniques) have been instituted to mitigate deficit volatility and enable better matching of investment returns with the cash outflows related to benefit obligations. A Group Pension Advisory Committee has been established to provide support to trustees on the investment strategies pursued together with other matters. Defined benefit pension scheme exposures and the mitigation strategies are reviewed by the <i>Audit Committee</i> on a periodic basis.

Directors' Report | continued

Financial and Reporting Risks and Uncertainties | continued

Risk	Description	Impact	How we Manage the Risk
Adequacy of Insurance Arrangements and Related Counterparty Exposures	<p>The building materials sector is subject to a wide range of operating risks and hazards, not all of which can be covered, adequately or at all, by insurance; these risks and hazards include climatic conditions such as floods and hurricanes/cyclones, seismic activity, technical failures, interruptions to power supplies, industrial accidents and disputes, environmental hazards, fire and crime. In its worldwide insurance programme, the Group provides coverage for its operations at a level believed to be commensurate with the associated risks.</p>	<p>In the event of failure of one or more of the Group's counterparties, the Group could be impacted by losses where recovery from such counterparties is not possible. In addition, losses may materialise in respect of uninsured events or may exceed insured amounts.</p>	<ul style="list-style-type: none"> • Insurance protection is maintained with leading, highly-rated international insurers with appropriate risk retention by wholly-owned insurance companies and by insured entities in the context of deductibles/excesses borne. • Strong adherence to Group policies on property management, quality control, Information Security, Health & Safety and Sustainability assist in avoiding potential loss events. Insurance captives play a critical role in CRH's insurable risk management strategies. • Constant monitoring of the risk environment to determine whether all key risks are covered by insurance, where practicable and sensible.
Foreign Currency Translation	<p>The principal foreign exchange risks to which the Consolidated Financial Statements are exposed pertain to adverse movements in reported results when translated into euro (which is the Group's reporting currency) together with declines in the euro value of net investments which are denominated in a wide basket of currencies other than the euro.</p>	<p>Adverse changes in the exchange rates used to translate these and other foreign currencies into euro have impacted and will continue to impact retained earnings. The annual impact is reported in the Consolidated Statement of Comprehensive Income.</p>	<ul style="list-style-type: none"> • The Group's activities are conducted primarily in the local currency of operation resulting in low levels of foreign currency transactional risk. • The Group's established policy is to spread its net worth across the currencies of the various operations with the objective of limiting its exposure to individual currencies and thus promoting consistency with the geographical balance of its operation. • The Group manages its multi-currency borrowings through hedging a portion of its foreign currency assets. • Sensitivity analysis is conducted in order to understand the impact of significant variances in currency fluctuations.

Financial and Reporting Risks and Uncertainties | continued

Risk	Description	Impact	How we Manage the Risk
Goodwill Impairment	Significant underperformance in any of the Group's major cash-generating units or the divestment of businesses in the future may give rise to a material write-down of goodwill.	A write-down of goodwill could have a substantial impact on the Group's income and equity.	<ul style="list-style-type: none"> Economic indicators of goodwill impairment are monitored closely through the monthly reporting process and regular senior management dialogue in order to ensure that potential impairment issues are flagged on a timely basis and corrective action taken, where feasible. Detailed impairment testing in respect of each of the cash-generating units across the Group is undertaken prior to year-end for the purposes of the Consolidated Financial Statements. The goodwill impairment assessment is subject to regular review by the <i>Audit Committee</i>. For further information on how we manage the risk posed by Goodwill Impairment, please refer to note 14 to the Consolidated Financial Statements on page 165 to 168.
Inspections by Public Company Accounting Oversight Board	Our auditors, like other independent registered public accounting firms operating in Ireland and a number of other European countries, are not currently permitted to be subject to inspection by the PCAOB.	Investors who rely on the audit report prepared by the Group's auditors are deprived of the benefits of PCAOB inspections to assess audit work and quality control procedures.	<ul style="list-style-type: none"> Auditors in Ireland are subject to strenuous internal reviews by the relevant regulators and by their regional and international offices to ensure auditing standards remain at an appropriate level. Auditing practices are built on IFRS and PCAOB rules to ensure that audit work is conducted in accordance with best international standards.

On behalf of the Board,

N. Hartery, A. Manifold

Directors

2 March 2016

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Independent Auditor's Report

to the members of CRH plc

Our opinion on the financial statements

In our opinion:

- CRH plc's Group financial statements and Company financial statements (the "financial statements") give a true and fair view of the assets, liabilities and financial position of the Group's and of the Company's affairs as at 31 December 2015 and of the Group's profit for the year then ended;
- the Group financial statements have been properly prepared in accordance with IFRSs as adopted by the European Union;
- the Company financial statements have been properly prepared in accordance with Generally Accepted Accounting Practice in Ireland; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2014, and, as regards the Group financial statements, Article 4 of the IAS Regulation.

What we have audited

CRH plc's financial statements comprise:

Group	Company
Consolidated Income Statement for the year ended 31 December 2015	Balance Sheet as at 31 December 2015
Consolidated Statement of Comprehensive Income for the year then ended	Statement of Changes in Equity for the year then ended
Consolidated Balance Sheet as at 31 December 2015	Statement of Cash Flows for the year then ended
Consolidated Statement of Changes in Equity for the year then ended	Related notes 1 to 14 to the Company Financial Statements
Consolidated Statement of Cash Flows for the year then ended	
Related notes 1 to 33 to the Consolidated Financial Statements	

The financial reporting framework that has been applied in the preparation of the Group Financial Statements is Irish law and International Financial Reporting Standards (IFRSs) as adopted by the European Union. The financial reporting framework that has been applied in the preparation of the Company Financial Statements is Irish law and accounting standards issued by the Financial Reporting Council and promulgated by the Institute of Chartered Accountants in Ireland (Generally Accepted Accounting Practice in Ireland), including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*.

Independent Auditor's Report | continued

Overview of our audit approach

Risks of material misstatement	<ul style="list-style-type: none"> • Assessment of the carrying value of goodwill. • Assessment of the carrying value of property, plant and equipment and financial assets. • Revenue recognition for construction contracts. • Accounting for acquisitions and disposals. • In relation to the acquisition of certain assets from Lafarge S.A. and Holcim Limited (the "LH Assets"), fair value accounting for property, plant and equipment and provisions. • In relation to the C.R. Laurence ("CRL") acquisition, identification and valuation of acquired intangible assets.
Audit Scope	<ul style="list-style-type: none"> • We performed an audit of the complete financial information of 28 components and performed audit procedures on specific balances for a further 63 components. • The components where we performed either full or specific audit procedures accounted for 98% of profit before tax, 90% of revenue and 87% of total assets. • "Components" represent business units across the Group considered for audit scoping purposes.
Materiality	<ul style="list-style-type: none"> • Overall Group materiality was assessed to be €50 million which represents approximately 5% of profit before tax.

Independent Auditor's Report | continued

Our assessment of risk of material misstatement

We identified the risks of material misstatement described below as those that had the greatest effect on our overall audit strategy, the allocation of resources in the audit and the direction of the efforts of the audit team. In addressing these risks, we have performed the procedures below which were designed in the context of the financial statements as a whole and, consequently, we do not express any opinion on these individual areas.

Risk	Our response to the risk	What we reported to the Audit Committee
<p>Assessment of the carrying value of goodwill</p> <p>The impairment review of goodwill, with a carrying value of €7.4 billion, is considered to be a risk area due to the size of the balance as well as the fact that it involves significant judgement by management. Judgemental aspects include assumptions of future profitability, revenue growth, margins and forecast cash flows, and the selection of appropriate discount rates.</p> <p>There has been no change in this risk from the prior year.</p> <p>Refer to the Audit Committee Report (page 59); accounting policies (page 137); and note 14 of the Consolidated Financial Statements (page 165).</p>	<p>Our specialist valuations team performed an independent assessment against external market data of key inputs used by management in calculating appropriate discount rates, principally risk free rates, country risk premium and inflation rates.</p> <p>We challenged the determination of the Group's 21 Cash Generating Units ("CGUs") and flexed our audit approach relative to our risk assessment and the level of headroom in each CGU. For all CGUs selected for detailed testing, we corroborated key assumptions in the models and benchmarked growth assumptions to external economic forecasts and construction activity measures.</p> <p>We challenged management's sensitivity analyses and performed our own sensitivity calculations to assess the level of headroom in place based on reasonably expected movements in such assumptions.</p> <p>We considered the adequacy of management's disclosures in respect of impairment testing and whether the disclosures appropriately communicate the underlying sensitivities.</p> <p>The above procedures were performed predominantly by the Group audit team.</p>	<p>We completed our planned audit procedures with no adverse findings.</p> <p>Consistent with the previous year, two CGUs had allocated goodwill balances approximating 10% of total goodwill and therefore warranted separate disclosure. In addition, 4 CGUs were determined to be sensitive, compared to 2 in the previous year.</p>
<p>Assessment of the carrying value of property, plant and equipment ('PP&E') and financial assets</p> <p>The impairment review of PP&E and financial assets, with a carrying value of €13.1 billion and €1.3 billion respectively, is considered to be a risk area due to the size of the balances as well as the judgemental nature of key assumptions, which may be subject to management override, similar to that noted in the assessment of the carrying value of goodwill above.</p> <p>There has been no change in this risk from the prior year.</p> <p>Refer to the Audit Committee Report (page 59); accounting policies (page 137); and note 13 and note 15 of the Consolidated Financial Statements (pages 164 and 169).</p>	<p>In respect of the discount rate, we performed similar procedures to those noted above for goodwill.</p> <p>The Group operates a variety of business models and as a result the identification of CGUs for testing is based on these business models and management's assessment of impairment indicators.</p> <p>Similar audit procedures to those noted under goodwill above are performed in respect of the key assumptions underpinning the impairment models.</p> <p>We performed the above procedures in 37 locations representing 91% of total PP&E and financial asset carrying values.</p>	<p>Our planned audit procedures were completed without exception. An impairment charge of €41 million was recorded in respect of PP&E impairment.</p>

Independent Auditor's Report | continued

Risk	Our response to the risk	What we reported to the Audit Committee
<p>Revenue recognition for construction contracts</p> <p>There are significant accounting judgements including determining the stage of completion, the timing of revenue recognition and the calculation under the percentage-of-completion method, made by management in applying the Group's revenue recognition policies to long-term contracts entered into by the Group. The nature of these judgements result in them being susceptible to management override.</p> <p>The majority of the Group's construction contracts have a maturity within one year and most are completed prior to the year-end, reflecting seasonality.</p> <p>Total revenue for construction contracts was €4.5 billion which represents 19% of the Group's revenue in 2015.</p> <p>There is significant seasonality to when services are rendered under these construction contracts, with the majority of the work performed in the summer months.</p> <p>There has been no change in this risk from the prior year.</p> <p>Refer to the Audit Committee Report (page 59); accounting policies (page 137); and note 1 of the Consolidated Financial Statements (page 148).</p>	<p>We performed a range of audit procedures which included obtaining a sample of contracts, reviewing for change orders, retrospectively reviewing estimated profit and costs to complete and enquiring of key personnel regarding adjustments for job costing and potential contract losses. We also performed testing procedures over routine sales transactions.</p> <p>We performed the above procedures in 8 locations representing 96% of construction contract revenue recognised during the year.</p>	<p>As a result of our audit procedures, we believe that revenue has been appropriately recognised in relation to construction contracts and that the judgements made by management in recognising revenue, margin and provisioning on loss-making contracts are reasonable.</p>
<p>Accounting for acquisitions and disposals</p> <p>During 2015, the Group completed 19 acquisitions at a cost of €7.9 billion and realised total disposal proceeds of €0.9 billion across 30 disposals.</p> <p>Acquisitions and disposals continue to be a significant focus area for the Group and an area where we allocate significant resources in directing the efforts of the engagement team.</p> <p>There has been no change in this risk from the prior year. However, given the scale and nature of the LH Assets and CRL acquisitions in the current year, in addition to this broader risk we have also identified specific risks in respect of these transactions, as detailed below.</p> <p>Refer to the Audit Committee Report (page 59); accounting policies (page 137); and note 4 and note 30 of the Consolidated Financial Statements (pages 154 and 203).</p>	<p>Our specialist valuations team challenged purchase price allocation adjustments, deferred consideration and the identification and valuation of acquired intangible assets as all such elements involve significant judgement by management.</p> <p>In testing the accounting for disposals we verified various factors including consideration, net assets, disposal costs and foreign exchange reserve recycling.</p> <p>We also considered the adequacy of the related disclosures (note 4 and note 30).</p> <p>The above procedures are performed both locally and by the Group audit team, and covered 98% of acquisition spend and disposal proceeds.</p>	<p>Our procedures in respect of current year acquisitions were focused on the LH Assets and CRL acquisitions which together comprised 98% of total acquisition spend. Substantial audit resources were allocated to these procedures, including evaluation of the work done by experts utilised by management, involvement of our own specialists, and audit of the opening balance sheets by component teams in all material countries.</p> <p>Whilst a number of businesses were disposed of during the year, the most significant disposal was of the clay units in the United Kingdom and the United States. Our audit procedures in respect of this and all other material disposals, were performed as planned and without exception.</p>

Independent Auditor's Report | continued

Risk	Our response to the risk	What we reported to the Audit Committee
<p>In relation to the acquisition of the LH Assets, fair value accounting for property, plant and equipment ('PP&E') and provisions</p>	<p>In respect of the fair value adjustments to PP&E, we performed an evaluation of valuation methodologies, assessed the appropriateness of the underlying data used, and tested significant assumptions in conjunction with our valuations specialists. We performed corroborative procedures including examining relevant external third party benchmarks and performing sensitivity analyses on key assumptions, being the useful lives, direct costs inputs and economics of relevant countries. We also held discussions with the experts employed by management to assist in this area and evaluated the findings and conclusions in their valuation report. These procedures were predominantly performed by the Group audit team and our valuations specialists, although we also leveraged the knowledge and expertise of our component teams. Our procedures covered the total fair value adjustments to PP&E.</p>	<p>Our procedures in respect of PP&E fair value adjustments concluded that the procedures performed by management and the experts employed by them, and the resulting valuation conclusions, were appropriate.</p>
<p>The significant scale of this acquisition, both in terms of monetary value and geographical spread across 11 countries, results in risks related to the purchase price allocation exercise performed by management. We identified the following specific risk areas:</p>	<p>In respect of the recognition and valuation of the fair value adjustments to provisions, we identified all material provisions, obtained evidence and examined the key assumptions and calculations used to ensure they were recorded in accordance with IFRS 3. We also performed an evaluation of any experts engaged by management and utilised our own specialists where necessary. Whilst our procedures were principally focused on recognition and valuation, we also assessed the completeness of recorded provisions. The procedures performed at a component level were performed in 9 locations.</p>	<p>For provisions, our procedures were performed predominantly by our component teams and focused on assessing the legal and constructive obligations which exist and the resulting fair value adjustments. We concluded that the fair value adjustments processed were within an acceptable range.</p>
<ul style="list-style-type: none"> Fair value adjustments to PP&E given the asset intensive nature of the businesses acquired, with total PP&E balances related to LH Assets of €5.3 billion, and the need for complex and judgemental valuation techniques to be utilised. Recognition and valuation of fair value adjustments to provisions, with total provisions of €0.6 billion recorded in the opening balance sheet, requiring significant estimates and judgements to be made by management. 		
<p>As this risk relates to a transaction which took place in 2015 it is a new area of focus for the 2015 audit and did not exist in the prior year.</p>		
<p>Refer to the Audit Committee Report (page 59); accounting policies (page 137); and note 30 of the Consolidated Financial Statements (page 203).</p>		

Independent Auditor's Report | continued

Risk	Our response to the risk	What we reported to the Audit Committee
<p>In relation to the CRL acquisition, identification and valuation of acquired intangible assets</p> <p>The acquisition of CRL during the year resulted in the recognition of separately identifiable intangible assets and goodwill of €252 million and €833 million respectively. Total intangible assets comprised 22% of the total consideration for CRL, a significantly higher proportion than previous acquisitions.</p> <p>The identification and valuation exercise for these differing categories of intangible assets involved significant estimates and judgements to be made by management. Furthermore the amortisation impact in future income statements of separately identifiable intangible assets results in this exercise carrying a greater risk of management override.</p> <p>As this risk relates to a transaction which took place in 2015 it is a new area of focus for the 2015 audit and did not exist in the prior year.</p> <p>Refer to the Audit Committee Report (page 59); accounting policies (page 137); and note 30 of the Consolidated Financial Statements (page 203).</p>	<p>We engaged internal valuation specialists to examine the approach and models used by management to identify and value all intangible assets arising on the CRL acquisition. This assessment also addressed the completeness risk associated with any assets which had not been recognised.</p> <p>These procedures were predominantly performed by the Group audit team, but also involved the local component team. In addition, a CRL site visit was performed by senior Group audit team members during the planning phase in order to understand the nature of CRL's operations and ensure that the intangible assets identified were consistent with the underlying business model.</p>	<p>We reviewed the intangible asset documentation prepared by management and performed a variety of audit procedures, including detailed review of the valuation model and a sensitivity analysis of key assumptions. We concluded that the intangible assets identified and the assigned valuations were appropriate.</p>

In the prior year, our auditor's report included a risk of material misstatement in relation to accounting and disclosure requirements arising from the application of held for sale requirements contained within IFRS 5. This reflected management's decision in 2013 to divest of a number of business units. In the current year, we do not believe there is a risk of material misstatement in connection with this area as a significant proportion of the units have now been disposed of.

Independent Auditor’s Report | continued

The scope of our audit

Tailoring the scope

Our assessment of audit risk, our evaluation of materiality and our allocation of performance materiality determine our audit scope for each entity within the Group. Taken together, this enables us to form an opinion on the Consolidated Financial Statements.

In determining those components in the Group to which we perform audit procedures, we utilised size and risk criteria in accordance with International Standards on Auditing (UK and Ireland).

In assessing the risk of material misstatement to the Group financial statements, and to ensure we had adequate quantitative coverage of significant accounts in the financial statements, we selected 91 components covering entities across Europe and the US, which represent the principal business units within the Group.

Of the 91 components selected, we performed an audit of the complete financial information of 28 components (“full scope components”) which were selected based on their size or risk characteristics. For the remaining 63 components (“specific scope components”), we performed audit procedures on specific accounts within that component that we considered had the potential for the greatest impact on the significant accounts in the financial statements either because of the size of these accounts or their risk profile.

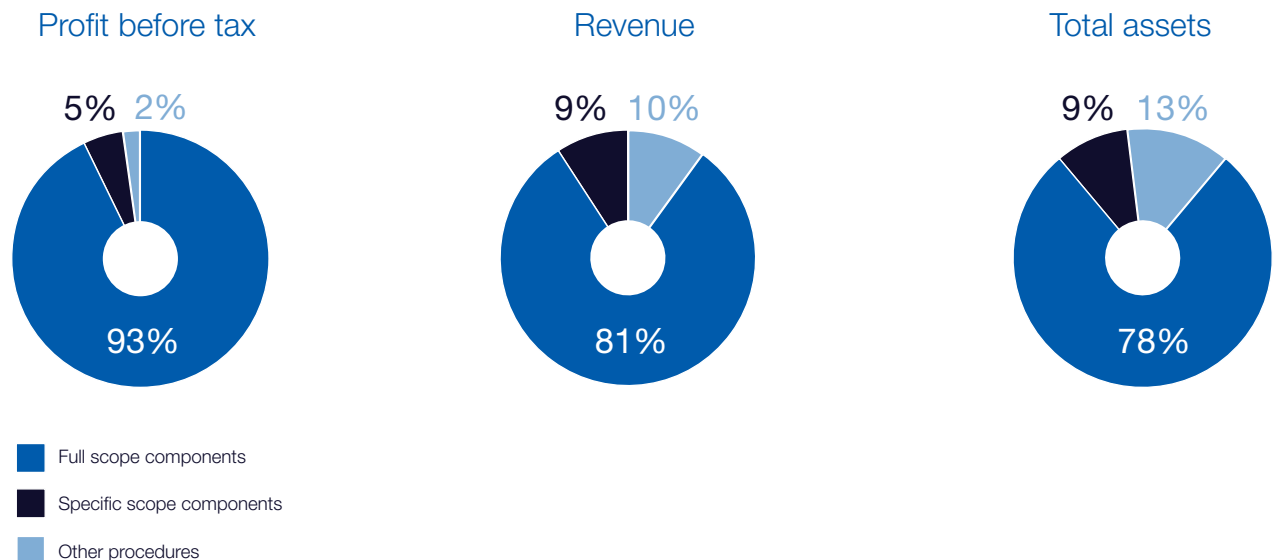
The reporting components where we performed audit procedures accounted for 98% (2014: 91%) of the Group’s profit before tax, 90% (2014: 86%) of the Group’s revenue and 87% (2014: 87%) of the Group’s total assets.

For the current year, the full scope components contributed 93% (2014: 89%) of the Group’s profit before tax, 81% (2014: 78%) of the Group’s revenue and 78% (2014: 74%) of the Group’s total assets. The specific scope components contributed 5% (2014: 2%)

of the Group’s profit before tax, 9% (2014: 8%) of the Group’s revenue and 9% (2014: 13%) of the Group’s total assets. The audit scope of these components may not have included testing of all significant accounts of the component but will have contributed to the coverage of significant risks tested for the Group.

Of the remaining components, which together represent 2% of the Group’s profit before tax, none is individually greater than 5% of the Group’s profit before tax. For these components, we performed other procedures, including analytical review, testing of consolidation journals and intercompany eliminations and foreign currency translation recalculations to respond to any potential risks of material misstatement to the Group financial statements.

The charts below illustrate the coverage obtained from the work performed by our audit teams.



Independent Auditor's Report | continued

Involvement with component teams

In establishing our overall approach to the Group audit, we determined the type of work that needed to be undertaken at each of the components by us, as the Group audit team, or by component auditors from other EY global network firms operating under our instruction.

We issued detailed instructions to each component auditor in scope for the Group audit, with specific audit requirements and requests across key areas. The Group audit team continued to perform a programme of site visits at key locations across the Group, visiting eight component teams during 2015 and visiting 39 component teams in the past five years. The visits conducted during the year involved discussing with the component team the audit approach and any issues arising from their work, meeting with local management, attending planning and closing meetings and reviewing key audit working papers on risk areas. The Group audit team interacted regularly with the component teams where appropriate during various stages of the audit, reviewed key working papers and were responsible for the scope and direction of the audit process. This, together with the additional procedures performed at Group level, gave us appropriate evidence for our opinion on the Group financial statements.

Our application of materiality

We apply the concept of materiality in planning and performing the audit, in evaluating the effect of identified misstatements on the audit and in forming our audit opinion.

Materiality

We determined materiality for the Group to be €50 million (2014: €36 million), which is approximately 5% (2014: 5%) of profit before tax. Profit before tax is a key performance indicator for the Group and is also a key metric used by the Group in the assessment

of the performance of management. We therefore considered profit before tax to be the most appropriate performance metric on which to base our materiality calculation as we consider it to be the most relevant performance measure to the stakeholders of the Group.

Performance materiality

On the basis of our risk assessments, together with our assessment of the Group's overall control environment, our judgement was that performance materiality should be set at 50% (2014: 50%) of our planning materiality, namely €25 million (2014: €18 million). We have set performance materiality at this percentage due to our past experience of the risk of misstatements, both corrected and uncorrected.

Audit work at component locations for the purpose of obtaining audit coverage over significant financial statement accounts is undertaken based on a percentage of total performance materiality. The performance materiality set for each component is based on the relative scale and risk of the component to the Group as a whole and our assessment of the risk of misstatement at that component. In the current year, the range of performance materiality allocated to components was €4.1 million to €13 million (2014: €3.6 million to €11 million).

Reporting threshold

We agreed with the Audit Committee that we would report to them all uncorrected audit differences in excess of €2.1 million (2014: €1.8 million), which is set at approximately 5% of planning materiality, as well as differences below that threshold that, in our view, warranted reporting on qualitative grounds.

We evaluate any uncorrected misstatements against both the quantitative measures of materiality discussed above and in light of other relevant qualitative considerations in forming our opinion.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the Group's and the Company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the Directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Annual Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Respective responsibilities of Directors and auditor

As explained more fully in the Directors' Responsibilities Statement set out on page 112 the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view and otherwise comply with the Companies Act 2014. Our responsibility is to audit and express an opinion on the financial statements in accordance with Irish law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Independent Auditor's Report | continued

Opinion on other matters prescribed by the Companies Act 2014

- We have obtained all the information and explanations which we consider necessary for the purposes of our audit.
- In our opinion the information given in the Directors' Report is consistent with the financial statements and the description in the Corporate Governance Statement of the main features of the internal control and risk management systems in relation to the process for preparing the Group Financial Statements is consistent with the Group Financial Statements.
- In our opinion the accounting records of the Company were sufficient to permit the Company financial statements to be readily and properly audited.
- The Company Balance Sheet is in agreement with the accounting records.

Matters on which we are required to report by exception

ISAs (UK and Ireland) reporting	<p>We are required to report to you if, in our opinion, financial and non-financial information in the Annual Report is:</p> <ul style="list-style-type: none"> • materially inconsistent with the information in the audited financial statements; or apparently materially incorrect based on, or materially inconsistent with, our knowledge of the Group acquired in the course of performing our audit; or • otherwise misleading. <p>In particular, we are required to report whether we have identified any inconsistencies between our knowledge acquired in the course of performing the audit and the Directors' statement that they consider the Annual Report and accounts taken as a whole is fair, balanced and understandable and provides the information necessary for shareholders to assess the entity's performance, business model and strategy; and whether the Annual Report appropriately addresses those matters that we communicated to the <i>Audit Committee</i> that we consider should have been disclosed.</p>	We have no exceptions to report.
Companies Act 2014 reporting	<p>We are required to report to you if, in our opinion:</p> <p>In respect of Sections 305 to 312 of the Companies Act 2014 we are required to report to you if, in our opinion, the disclosures of Directors' remuneration and transactions specified by law are not made.</p>	We have no exceptions to report.
Listing Rules review requirements	<p>We are required to review:</p> <ul style="list-style-type: none"> • the Directors' statement in relation to going concern, set out on page 110, and longer term viability, set out on page 110; • the part of the Corporate Governance Statement relating to the Company's compliance with the provisions of the UK Corporate Governance Code specified for our review; and • certain elements of the report to shareholders by the Board on Directors' remuneration. 	We have no exceptions to report.

Independent Auditor's Report | continued

Statement on the Directors' Assessment of the Principal Risks that would threaten the Solvency or Liquidity of the Entity

ISAs (UK and Ireland) reporting

We are required to give a statement as to whether we have anything material to add or to draw attention to in relation to:

- the Directors' confirmation in the Annual Report that they have carried out a robust assessment of the principal risks facing the entity, including those that would threaten its business model, future performance, solvency or liquidity;
- the disclosures in the Annual Report that describe those risks and explain how they are being managed or mitigated;
- the Directors' statement in the financial statements about whether they considered it appropriate to adopt the going concern basis of accounting in preparing them, and their identification of any material uncertainties to the entity's ability to continue to do so over a period of at least twelve months from the date of approval of the financial statements; and
- the Directors' explanation in the Annual Report as to how they have assessed the prospects of the entity, over what period they have done so and why they consider that period to be appropriate, and their statement as to whether they have a reasonable expectation that the entity will be able to continue in operation and meet its liabilities as they fall due over the period of their assessment, including any related disclosures drawing attention to any necessary qualifications or assumptions.

We have nothing material to add or to draw attention to.

Breffni Maguire

for and on behalf of Ernst & Young
Chartered Accountants and Statutory Audit Firm
Dublin

2 March 2016

Consolidated Income Statement

for the financial year ended 31 December 2015

		2015 €m	2014 €m
Notes			
1	Revenue	23,635	18,912
2	Cost of sales	(16,394)	(13,427)
	Gross profit	7,241	5,485
2	Operating costs	(5,964)	(4,568)
1,3,5,6	Group operating profit	1,277	917
1,4	Profit on disposals	101	77
	Profit before finance costs	1,378	994
8	Finance costs	(303)	(254)
8	Finance income	8	8
8	Other financial expense	(94)	(42)
9	Share of equity accounted investments' profit	44	55
1	Profit before tax	1,033	761
10	Income tax expense	(304)	(177)
	Group profit for the financial year	729	584
	Profit attributable to:		
	Equity holders of the Company	724	582
	Non-controlling interests	5	2
	Group profit for the financial year	729	584
12	Basic earnings per Ordinary Share	89.1c	78.9c
12	Diluted earnings per Ordinary Share	88.7c	78.8c

All of the results relate to continuing operations.

Consolidated Statement of Comprehensive Income

for the financial year ended 31 December 2015

	2015 €m	2014 €m
Notes		
Group profit for the financial year	729	584
Other comprehensive income		
<i>Items that may be reclassified to profit or loss in subsequent years:</i>		
Currency translation effects	661	599
24 Losses relating to cash flow hedges	(2)	(6)
	659	593
<i>Items that will not be reclassified to profit or loss in subsequent years:</i>		
27 Remeasurement of retirement benefit obligations	203	(414)
10 Tax on items recognised directly within other comprehensive income	(30)	69
	173	(345)
Total other comprehensive income for the financial year	832	248
Total comprehensive income for the financial year	1,561	832
Attributable to:		
Equity holders of the Company	1,538	830
Non-controlling interests	23	2
Total comprehensive income for the financial year	1,561	832

Consolidated Balance Sheet

as at 31 December 2015

		2015	2014
		€m	€m
Notes			
	ASSETS		
	Non-current assets		
13	Property, plant and equipment	13,062	7,422
14	Intangible assets	7,820	4,173
15	Investments accounted for using the equity method	1,317	1,329
15	Other financial assets	28	23
17	Other receivables	149	85
24	Derivative financial instruments	85	87
26	Deferred income tax assets	149	171
	Total non-current assets	22,610	13,290
	Current assets		
16	Inventories	2,873	2,260
17	Trade and other receivables	3,977	2,644
	Current income tax recoverable	5	15
24	Derivative financial instruments	24	15
22	Cash and cash equivalents	2,518	3,262
	Assets held for sale	-	531
	Total current assets	9,397	8,727
	Total assets	32,007	22,017
	EQUITY		
	Capital and reserves attributable to the Company's equity holders		
28	Equity share capital	281	253
28	Preference share capital	1	1
28	Share premium account	6,021	4,324
28	Treasury Shares and own shares	(28)	(76)
	Other reserves	240	213
	Foreign currency translation reserve	700	57
	Retained income	5,800	5,405
		13,015	10,177
31	Non-controlling interests	529	21
	Total equity	13,544	10,198
	LIABILITIES		
	Non-current liabilities		
23	Interest-bearing loans and borrowings	8,465	5,419
24	Derivative financial instruments	5	3
26	Deferred income tax liabilities	2,023	1,305
18	Other payables	410	257
27	Retirement benefit obligations	588	711
25	Provisions for liabilities	603	257
	Total non-current liabilities	12,094	7,952
	Current liabilities		
18	Trade and other payables	4,761	2,894
	Current income tax liabilities	401	154
23	Interest-bearing loans and borrowings	756	447
24	Derivative financial instruments	19	20
25	Provisions for liabilities	432	139
	Liabilities associated with assets classified as held for sale	-	213
	Total current liabilities	6,369	3,867
	Total liabilities	18,463	11,819
	Total equity and liabilities	32,007	22,017

N. Hartery, A. Manifold, Directors

Consolidated Statement of Changes in Equity

for the financial year ended 31 December 2015

Notes	Attributable to the equity holders of the Company							Non-controlling interests	Total equity
	Issued share capital	Share premium account	Treasury Shares/ own shares	Other reserves	Foreign currency translation reserve	Retained income			
	€m	€m	€m	€m	€m	€m	€m		
At 1 January 2015	254	4,324	(76)	213	57	5,405	21	10,198	
Group profit for the financial year	-	-	-	-	-	724	5	729	
Other comprehensive income	-	-	-	-	643	171	18	832	
Total comprehensive income	-	-	-	-	643	895	23	1,561	
28 Issue of share capital (net of expenses)	28	1,697	-	-	-	-	-	1,725	
7 Share-based payment expense	-	-	-	27	-	-	-	27	
28 Treasury/own shares reissued	-	-	51	-	-	(51)	-	-	
28 Shares acquired by Employee Benefit Trust (own shares)	-	-	(3)	-	-	-	-	(3)	
10 Tax relating to share-based payment expense	-	-	-	-	-	5	-	5	
Share option exercises	-	-	-	-	-	57	-	57	
11 Dividends (including shares issued in lieu of dividends)	-	-	-	-	-	(511)	(4)	(515)	
30 Non-controlling interests arising on acquisition of subsidiaries	-	-	-	-	-	-	489	489	
At 31 December 2015	282	6,021	(28)	240	700	5,800	529	13,544	

for the financial year ended 31 December 2014

At 1 January 2014	252	4,219	(118)	197	(542)	5,654	24	9,686
Group profit for the financial year	-	-	-	-	-	582	2	584
Other comprehensive income	-	-	-	-	599	(351)	-	248
Total comprehensive income	-	-	-	-	599	231	2	832
28 Issue of share capital (net of expenses)	2	105	-	-	-	-	-	107
7 Share-based payment expense	-	-	-	16	-	-	-	16
28 Treasury/own shares reissued	-	-	42	-	-	(42)	-	-
Share option exercises	-	-	-	-	-	22	-	22
11 Dividends (including shares issued in lieu of dividends)	-	-	-	-	-	(460)	(4)	(464)
Acquisition of non-controlling interests	-	-	-	-	-	-	(1)	(1)
At 31 December 2014	254	4,324	(76)	213	57	5,405	21	10,198

Consolidated Statement of Cash Flows

for the financial year ended 31 December 2015

	2015	2014
	€m	€m
Notes		
Cash flows from operating activities		
Profit before tax	1,033	761
8 Finance costs (net)	389	288
9 Share of equity accounted investments' profit after tax	(44)	(55)
4 Profit on disposals	(101)	(77)
Group operating profit	1,277	917
2 Depreciation charge	843	631
2 Amortisation of intangible assets	55	44
2 Impairment charge	44	49
7 Share-based payment expense	27	16
Other (primarily pension payments)	(47)	(66)
19 Net movement on working capital and provisions	585	35
Cash generated from operations	2,784	1,626
Interest paid (including finance leases)	(302)	(262)
Corporation tax paid	(235)	(127)
Net cash inflow from operating activities	2,247	1,237
Cash flows from investing activities		
4 Proceeds from disposals (net of cash disposed and deferred proceeds)	889	345
Interest received	8	8
Dividends received from equity accounted investments	53	30
13 Purchase of property, plant and equipment	(882)	(435)
30 Acquisition of subsidiaries (net of cash acquired)	(7,296)	(151)
15 Other investments and advances	(19)	(3)
19 Deferred and contingent acquisition consideration paid	(59)	(26)
Net cash outflow from investing activities	(7,306)	(232)
Cash flows from financing activities		
28 Proceeds from issue of shares (net)	1,593	-
Proceeds from exercise of share options	57	22
Acquisition of non-controlling interests	-	(1)
Increase in interest-bearing loans, borrowings and finance leases	5,633	901
Net cash flow arising from derivative financial instruments	47	(11)
8 Premium paid on early debt redemption	(38)	-
28 Treasury/own shares purchased	(3)	-
Repayment of interest-bearing loans, borrowings and finance leases	(2,744)	(934)
11 Dividends paid to equity holders of the Company	(379)	(353)
11 Dividends paid to non-controlling interests	(4)	(4)
Net cash inflow/(outflow) from financing activities	4,162	(380)
(Decrease)/increase in cash and cash equivalents	(897)	625
Reconciliation of opening to closing cash and cash equivalents		
Cash and cash equivalents at 1 January	3,295	2,540
Translation adjustment	120	130
(Decrease)/increase in cash and cash equivalents	(897)	625
22 Cash and cash equivalents at 31 December	2,518	3,295
Reconciliation of opening to closing net debt		
Net debt at 1 January	(2,492)	(2,973)
30 Debt in acquired companies	(175)	(7)
4 Debt in disposed companies	20	-
Increase in interest-bearing loans, borrowings and finance leases	(5,633)	(901)
Net cash flow arising from derivative financial instruments	(47)	11
Repayment of interest-bearing loans, borrowings and finance leases	2,744	934
(Decrease)/increase in cash and cash equivalents	(897)	625
Mark-to-market adjustment	(1)	(3)
Translation adjustment	(137)	(178)
20 Net debt at 31 December	(6,618)	(2,492)

Accounting Policies

(including key accounting estimates and assumptions)

Basis of Preparation

The Consolidated Financial Statements of CRH plc have been prepared in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union, which comprise standards and interpretations approved by the International Accounting Standards Board (IASB). IFRS as adopted by the European Union differ in certain respects from IFRS as issued by the IASB. However, the Consolidated Financial Statements for the financial years presented would be no different had IFRS as issued by the IASB been applied. The Consolidated Financial Statements are also prepared in compliance with the Companies Act 2014 and Article 4 of the EU IAS Regulation.

CRH plc, the Parent Company, is a publicly traded limited company incorporated and domiciled in the Republic of Ireland.

The Consolidated Financial Statements, which are presented in euro millions, have been prepared under the historical cost convention as modified by the measurement at fair value of share-based payments, retirement benefit obligations and certain financial assets and liabilities including derivative financial instruments.

The accounting policies set out below have been applied consistently by all the Group's subsidiaries, joint ventures and associates to all periods presented in these Consolidated Financial Statements.

In accordance with Section 304 of the Companies Act, 2014, the Company is availing of the exemption from presenting its individual profit and loss account to the Annual General Meeting and from filing it with the Registrar of Companies.

Adoption of IFRS and International Financial Reporting Committee (IFRIC) interpretations

A number of amendments to existing IFRS (principally related to clarifications and refinements of definitions) became effective for, and have been applied in preparing, these Consolidated Financial Statements. The application of these amendments did not result in material changes to the Group's Consolidated Financial Statements.

(i) IFRS and IFRIC interpretations being adopted in subsequent years

IFRS 15 *Revenue from Contracts with Customers* will replace IAS 18 *Revenue*, IAS 11 *Construction Contracts* and related interpretations. The new standard is applicable from 1 January 2018 and is subject to EU endorsement. The new standard will be adopted by the Group on the effective date of 1 January 2018. IFRS 15 provides a new five step model to be applied to revenue arising from contracts with customers. The principles in IFRS 15 provide a more structured approach to measuring and recognising revenue and may impact the timing and amount of revenue recognised from contracts with customers. During 2015, the Group performed a preliminary assessment of IFRS 15, which is subject to changes arising from a more detailed ongoing analysis. It is expected that the application of IFRS 15 may impact accounting for long-term construction contracts in our Americas Materials segment and our new UK and Canadian businesses acquired during the year. The new standard will also result in additional disclosures in future years.

IFRS 9 *Financial Instruments* reflects the final phase of the IASB's work on the replacement of IAS 39 *Financial Instruments: Recognition and Measurement* and applies to the classification and measurement of financial

assets and liabilities as defined in IAS 39, impairment, and the application of hedge accounting. IFRS 9 is effective from 1 January 2018 and is awaiting EU endorsement. The new standard will be adopted by the Group on the effective date of 1 January 2018. The Group is currently performing an assessment of the impact of IFRS 9.

IFRS 16 *Leases* was issued in January 2016 and is effective for periods beginning on or after 1 January 2019. The new standard eliminates the classification of leases as either operating leases or finance leases for a lessee. Leases will be capitalised by recognising the present value of the lease payments, similar to a finance lease under the existing standard. This will have the effect of increased lease assets and financial liabilities for the Group. The standard is yet to be endorsed by the EU. The Group will assess the impact of IFRS 16 during 2016.

There are no other IFRS or IFRIC interpretations that are effective subsequent to the CRH 2015 financial year-end that would have a material impact on the results or financial position of the Group.

Key Accounting Policies which involve Estimates, Assumptions and Judgements

The preparation of the Consolidated Financial Statements in accordance with IFRS requires management to make certain estimates, assumptions and judgements that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Management believes that the estimates, assumptions and judgements upon which it relies are reasonable based on the information available to it at the time that those estimates, assumptions and judgements are made. In some cases, the accounting treatment of a particular transaction is specifically dictated by IFRS and does not require management's judgement in its application.

Accounting Policies | continued

Management consider that their use of estimates, assumptions and judgements in the application of the Group's accounting policies are inter-related and therefore discuss them together below. The critical accounting policies which involve significant estimates, assumptions or judgements, the actual outcome of which could have a material impact on the Group's results and financial position outlined below, are as follows:

Impairment of long-lived assets and goodwill – Notes 13 and 14

Impairment of property, plant and equipment and goodwill

The carrying values of items of property, plant and equipment are reviewed for indicators of impairment at each reporting date and are subject to impairment testing when events or changes in circumstances indicate that the carrying values may not be recoverable. Goodwill is subject to impairment testing on an annual basis and at any time during the year if an indicator of impairment is considered to exist. A decision to dispose of a business unit represents one such indicator and in these circumstances the recoverable amount is assessed on a fair value less costs of disposal basis. In the year in which a business combination is effected and where some or all of the goodwill allocated to a particular cash-generating unit arose in respect of that combination, the cash-generating unit is tested for impairment prior to the end of the relevant annual period.

Property, plant and equipment assets are reviewed for potential impairment by applying a series of external and internal indicators specific to the assets under consideration; these indicators encompass macroeconomic issues including the inherent cyclicality of the building materials sector, actual obsolescence or physical damage, a deterioration in forecast performance in the internal reporting cycle and restructuring and rationalisation programmes.

Where the carrying value exceeds the estimated recoverable amount (being the greater of fair value less costs of disposal and value-in-use), an impairment loss is recognised by writing down the assets to their recoverable amount. In assessing value-in-use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the future cash flow estimates have not been adjusted. The estimates of future cash flows exclude cash inflows or outflows attributable to financing activities and income tax. For an asset that does not generate largely independent cash inflows, the recoverable amount is determined by reference to the cash-generating unit to which the asset belongs. Impairment losses arising in respect of goodwill are not reversed once recognised.

Goodwill relating to associates and joint ventures is included in the carrying amount of the investment and is neither amortised nor individually tested for impairment. Where indicators of impairment of an investment arise in accordance with the requirements of IAS 39 *Financial Instruments: Recognition and Measurement*, the carrying amount is tested for impairment by comparing its recoverable amount with its carrying amount.

The impairment testing process requires management to make significant judgements and estimates regarding the future cash flows expected to be generated by the use of and, if applicable, the eventual disposal of, long-lived assets and goodwill as well as other factors to determine the fair value of the assets. Management periodically evaluates and updates the estimates based on the conditions which influence these variables. A detailed discussion of the impairment methodology applied and key assumptions used by the Group in the context of long-lived assets and goodwill is provided in note 14 to the Consolidated Financial Statements.

The assumptions and conditions for determining impairments of long-lived assets and goodwill reflect management's best assumptions and estimates, but

these items involve inherent uncertainties described above, many of which are not under management's control. As a result, the accounting for such items could result in different estimates or amounts if management used different assumptions or if different conditions occur in future accounting periods.

Retirement benefit obligations – Note 27

Costs arising in respect of the Group's defined contribution pension schemes are charged to the Consolidated Income Statement in the period in which they are incurred. The Group has no legal or constructive obligation to pay further contributions in the event that the fund does not hold sufficient assets to meet its benefit commitments.

The liabilities and costs associated with the Group's defined benefit pension schemes (both funded and unfunded) are assessed on the basis of the projected unit credit method by professionally qualified actuaries and are arrived at using actuarial assumptions based on market expectations at the balance sheet date. The discount rates employed in determining the present value of the schemes' liabilities are determined by reference to market yields at the balance sheet date on high-quality corporate bonds of a currency and term consistent with the currency and term of the associated post-employment benefit obligations.

The net surplus or deficit arising on the Group's defined benefit pension schemes, together with the liabilities associated with the unfunded schemes, are shown either within non-current assets or non-current liabilities in the Consolidated Balance Sheet. The deferred tax impact of pension scheme surpluses and deficits is disclosed separately within deferred tax assets or liabilities as appropriate. Remeasurements, comprising of actuarial gains and losses and the return on plan assets (excluding net interest), are recognised immediately in the Consolidated Balance Sheet with a corresponding debit or credit to retained earnings through other

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comprehensive income in the period in which they occur. Remeasurements are not reclassified to profit or loss in subsequent periods.

The defined benefit pension asset or liability in the Consolidated Balance Sheet comprises the total for each plan of the present value of the defined benefit obligation less the fair value of plan assets out of which the obligations are to be settled directly. Plan assets are assets that are held by a long-term employee benefit fund or qualifying insurance policies. Fair value is based on market price information and, in the case of published securities, it is the published bid price. The value of any defined benefit asset is limited to the present value of any economic benefits available in the form of refunds from the plan and reductions in the future contributions to the plan.

The Group's obligation in respect of post-employment healthcare and life assurance benefits represents the amount of future benefit that employees have earned in return for service in the current and prior periods. The obligation is computed on the basis of the projected unit credit method and is discounted to present value using a discount rate equating to the market yield at the balance sheet date on high-quality corporate bonds of a currency and term consistent with the currency and estimated term of the post-employment obligations.

Assumptions

The assumptions underlying the actuarial valuations from which the amounts recognised in the Consolidated Financial Statements are determined (including discount rates, rates of increase in future compensation levels, mortality rates and healthcare cost trend rates) are updated annually based on current economic conditions 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 corporate bonds; (ii) for future compensation levels, future labour market conditions and (iii) for healthcare cost trend rates, the rate of medical cost

inflation in the relevant regions. The weighted average actuarial assumptions used and sensitivity analysis in relation to the significant assumptions employed in the determination of pension and other post-retirement liabilities are contained in note 27 to the Consolidated Financial Statements.

While management believes that the assumptions used are appropriate, differences in actual experience or changes in assumptions may affect the obligations and expenses recognised in future accounting periods. The assets and liabilities of defined benefit pension schemes may exhibit significant period-on-period volatility attributable primarily to changes in bond yields and longevity. In addition to future service contributions, significant cash contributions may be required to remediate past service deficits.

Provisions for liabilities – Note 25

A provision is recognised when the Group has a present obligation (either legal or constructive) as a result of a past event, it is probable that a transfer of economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Where the Group anticipates that a provision will be reimbursed, the reimbursement is recognised as a separate asset only when it is virtually certain that the reimbursement will arise. The expense relating to any provision is presented in the Consolidated Income Statement net of any reimbursement. Provisions are measured at the present value of the expenditures expected to be required to settle the obligation. The increase in the provision due to passage of time is recognised as an interest expense. Contingent liabilities arising on business combinations are recognised as provisions if the contingent liability can be reliably measured at its acquisition-date fair value. Provisions are not recognised for future operating losses.

Rationalisation and redundancy provisions

Provisions for rationalisation and redundancy are established when a detailed restructuring plan has been drawn up, resolved upon by the responsible decision making level of management and communicated to the employees who are affected by the plan. These provisions are recognised at the present value of future disbursements and cover only expenses that arise directly from restructuring measures and are necessary for restructuring; these provisions exclude costs related to future business operations. Restructuring measures may include the sale or termination of business units, site closures and relocation of business activities, changes in management structure or a fundamental reorganisation of departments or business units.

Environmental and remediation provisions

The measurement of environmental and remediation provisions is based on an evaluation of currently available facts with respect to each individual site and considers factors such as existing technology, currently enacted laws and regulations and prior experience in remediation of sites. Inherent uncertainties exist in such evaluations primarily due to unknown conditions, changing governmental regulations and legal standards regarding liability, the protracted length of the clean-up periods and evolving technologies. The environmental and remediation liabilities provided for in the Consolidated Financial Statements reflect the information available to management at the time of determination of the liability and are adjusted periodically as remediation efforts progress or as additional technical or legal information becomes available. Due to the inherent uncertainties described above, many of which are not under management's control, the accounting for such items could result in different amounts if management used different assumptions or if different conditions occur in future accounting periods.

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Legal contingencies

The status of each significant claim and legal proceeding in which the Group is involved is reviewed by management on a periodic basis and the Group's potential financial exposure is assessed. If the potential loss from any claim or legal proceeding is considered probable, and the amount can be estimated, a liability is recognised for the estimated loss. Because of the uncertainties inherent in such matters, the related provisions are based on the best information available at the time; the issues taken into account by management and factored into the assessment of legal contingencies include, as applicable, the status of settlement negotiations, interpretations of contractual obligations, prior experience with similar contingencies/claims, the availability of insurance to protect against the downside exposure and advice obtained from legal counsel and other third parties. As additional information becomes available on pending claims, the potential liability is reassessed and revisions are made to the amounts accrued where appropriate. Such revisions in the estimates of the potential liabilities could have a material impact on the results of operations and financial position of the Group.

Taxation – current and deferred – Notes 10 and 26

Current tax represents the expected tax payable (or recoverable) on the taxable profit for the year using tax rates enacted for the period. Any interest or penalties arising are included within current tax. Where items are accounted for outside of profit or loss, the related income tax is recognised either in other comprehensive income or directly in equity as appropriate.

Deferred tax is recognised using the liability method on temporary differences arising at the balance sheet date between the tax bases of assets and liabilities and their carrying amounts in the Consolidated Financial Statements. However, deferred tax liabilities are not recognised if they arise from

the initial recognition of goodwill; in addition, deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. For the most part, no provision has been made for temporary differences applicable to investments in subsidiaries and joint ventures as the Group is in a position to control the timing of reversal of the temporary differences and it is probable that the temporary differences will not reverse in the foreseeable future. However, a temporary difference has been recognised to the extent that specific assets have been identified for sale or where there is a specific intention to unwind the temporary difference in the foreseeable future. Due to the absence of control in the context of associates (significant influence only), deferred tax liabilities are recognised where appropriate in respect of CRH's investments in these entities on the basis that the exercise of significant influence would not necessarily prevent earnings being remitted by other shareholders in the undertaking.

Deferred tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the balance sheet date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled. Deferred tax assets and liabilities are not subject to discounting. Deferred tax assets are recognised in respect of all deductible temporary differences, carry-forward of unused tax credits and unused tax losses to the extent that it is probable that taxable profits will be available against which the temporary differences can be utilised. The carrying amounts of deferred tax assets are subject to review at each balance sheet date and are reduced to the extent that future taxable profits are considered to be inadequate to allow all or part of any deferred tax asset to be utilised.

The Group's income tax charge is based on reported profit and expected statutory tax rates, which reflect various allowances and reliefs and tax planning opportunities available to the Group in the multiple tax jurisdictions

in which it operates. The determination of the Group's provision for income tax requires certain judgements and estimates in relation to matters where the ultimate tax outcome may not be certain. The recognition or non-recognition of deferred tax assets as appropriate also requires judgement as it involves an assessment of the future recoverability of those assets. In addition, the Group is subject to tax audits which can involve complex issues that could require extended periods for resolution. Although management believes that the estimates included in the Consolidated Financial Statements and its tax return positions are reasonable, no assurance can be given that the final outcome of these matters will not be different than that which is reflected in the Group's historical income tax provisions and accruals. Any such differences could have a material impact on the income tax provision and profit for the period in which such a determination is made.

Property, plant and equipment – Note 13

The Group's accounting policy for property, plant and equipment is considered critical because the carrying value of €13,062 million at 31 December 2015 represents a significant portion (41%) of total assets at that date. Property, plant and equipment are stated at cost less any accumulated depreciation and any accumulated impairments except for certain items that had been revalued to fair value prior to the date of transition to IFRS (1 January 2004).

Repair and maintenance expenditure is included in an asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other repair and maintenance expenditure is charged to the Consolidated Income Statement during the financial period in which it is incurred.

Borrowing costs incurred in the construction of major assets which take a substantial period of time to complete are capitalised in the financial period in which they are incurred.

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In the application of the Group's accounting policy, judgement is exercised by management in the determination of residual values and useful lives. Depreciation and depletion is calculated to write off the book value of each item of property, plant and equipment over its useful economic life on a straight-line basis at the following rates:

Land and buildings: The book value of mineral-bearing land, less an estimate of its residual value, is depleted over the period of the mineral extraction in the proportion which production for the year bears to the latest estimates of proven and probable mineral reserves. Land other than mineral-bearing land is not depreciated. In general, buildings are depreciated at 2.5% per annum ("p.a.").

Plant and machinery: These are depreciated at rates ranging from 3.3% p.a. to 20% p.a. depending on the type of asset. Plant and machinery includes transport which is, on average, depreciated at 20% p.a.

Depreciation methods, useful lives and residual values are reviewed at each financial year-end. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are accounted for by changing the depreciation period or method as appropriate on a prospective basis. For the Group's accounting policy on impairment of property, plant and equipment please see impairment of long-lived assets and goodwill.

Other Significant Accounting Policies

Basis of consolidation

The Consolidated Financial Statements include the financial statements of the Parent Company and all subsidiaries, joint ventures and associates, drawn up to 31 December each year. The financial year-ends of the Group's subsidiaries, joint ventures and associates are co-terminous.

Subsidiaries

Subsidiaries are all entities over which the Group has control. The Group controls an

entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases. A change in the ownership interest of a subsidiary without a change in control is accounted for as an equity transaction.

When the Group holds less than the majority of voting rights, other facts and circumstances including contractual arrangements that give the Group power over the investee may result in the Group controlling the investee. The Group reassesses whether it controls an investee if, and when, facts and circumstances indicate that there are changes to the elements evidencing control.

Non-controlling interests represent the portion of the equity of a subsidiary not attributable either directly or indirectly to the Parent Company and are presented separately in the Consolidated Income Statement and within equity in the Consolidated Balance Sheet, distinguished from Parent Company shareholders' equity. Acquisitions of non-controlling interests are accounted for as transactions with equity holders in their capacity as equity holders and therefore no goodwill is recognised as a result of such transactions. On an acquisition by acquisition basis, the Group recognises any non-controlling interest in the acquiree either at fair value or at the non-controlling interest's proportionate share of the acquiree's net assets.

Investments in associates and joint ventures – Notes 9 and 15

An associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of an entity, but is not control or joint control over those policies.

A joint venture is a type of joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint venture. Joint control is the contractually agreed sharing of control

of the arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

The Group's investments in its associates and joint ventures are accounted for using the equity method from the date significant influence/joint control is deemed to arise until the date on which significant influence/joint control ceases to exist or when the interest becomes classified as an asset held for sale.

The Consolidated Income Statement reflects the Group's share of profit after tax of the related associates and joint ventures. Investments in associates and joint ventures are carried in the Consolidated Balance Sheet at cost adjusted in respect of post-acquisition changes in the Group's share of net assets, less any impairment in value. Loans advanced to equity accounted investments that have the characteristics of equity financing are also included in the investment held on the Consolidated Balance Sheet. If necessary, impairment losses on the carrying amount of an investment are reported within the Group's share of equity accounted investments' results in the Consolidated Income Statement. If the Group's share of losses exceeds the carrying amount of an associate or joint venture, the carrying amount is reduced to nil and recognition of further losses is discontinued except to the extent that the Group has incurred obligations in respect of the associate or joint venture.

Transactions eliminated on consolidation

Intra-group balances and transactions, income and expenses, and any unrealised gains or losses arising from such transactions, are eliminated in preparing the Consolidated Financial Statements. Unrealised gains arising from transactions with joint ventures and associates are eliminated to the extent of the Group's interest in the entity. Unrealised losses are eliminated in the same manner as unrealised gains, but only to the extent that there is no evidence of impairment in the Group's interest in the entity.

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Revenue recognition

Revenue represents the value of goods and services supplied and is net of trade discounts and value added tax/sales tax. Other than in the case of construction contracts, revenue is recognised to the extent that revenue and related costs incurred or to be incurred are subject to reliable measurement, that it is probable that economic benefits will flow to the Group and that the significant risks and rewards of ownership have passed to the buyer, usually on delivery of the goods.

Construction contracts

The Group engages primarily in the performance of fixed price contracts, as opposed to cost plus contracts. Contract costs are recognised as incurred.

When the outcome of a contract can be estimated reliably the Group recognises revenue in accordance with the percentage-of-completion method. The completion percentage is generally measured based on the proportion of contract costs incurred at the balance sheet date relative to the total estimated costs of the contract. When the outcome of a construction contract cannot be estimated reliably, contract revenue is recognised only to the extent of contract costs incurred where it is probable that these costs will be recoverable.

When it is probable that total contract costs will exceed total contract revenue, the expected loss is recognised immediately as an expense. Revenue and/or costs in respect of variations or contracts claims and incentive payments, to the extent that they arise, are recognised when it is probable that the amount, which can be measured reliably, will be recovered from/paid to the customer.

If circumstances arise that may change the original estimates of revenues, costs or extent of progress towards completion, estimates are revised. These revisions may result in increases or decreases in revenue or costs and are reflected in income in the period in which the circumstances that give rise to the revision became known by management.

Segment reporting – Note 1

Operating segments are reported in a manner consistent with the internal organisational and management structure and the internal reporting information provided to the Chief Operating Decision Maker who is responsible for allocating resources and assessing performance of the operating segments.

Assets and liabilities held for sale – Note 4

Non-current assets and disposal groups classified as held for sale are measured at the lower of carrying amount and fair value less costs to sell.

Non-current assets and disposal groups are classified as held for sale if their carrying amounts will be recovered through a sale transaction rather than through continuing use. This condition is regarded as met only when the sale is highly probable and the asset or disposal group is available for immediate sale in its present condition subject only to terms that are usual and customary for sales of such assets. Management must be committed to the sale, which should be expected to qualify for recognition as a completed sale within one year from the date of classification as held for sale.

Property, plant and equipment and intangible assets are not depreciated or amortised once classified as held for sale. The Group ceases to use the equity method of accounting from the date on which an interest in a joint venture or associate becomes held for sale. Non-current assets classified as held for sale and liabilities directly associated with those assets are presented separately as current items in the Consolidated Balance Sheet.

Share-based payments – Note 7

The Group operates a number of equity-settled share-based payment plans. Its policy in relation to the granting of share options and awards under these plans, together with the nature of the underlying market and non-market performance and other vesting conditions, are addressed in the Directors' Remuneration Report on page 70. The Group has no exposure in respect of cash-settled share-based payment transactions and share-based payment transactions with cash alternatives.

Share options

Fair value is determined on the basis that the services to be rendered by employees as consideration for the granting of share options will be received over the vesting period, which is assessed as at the grant date. The share options granted by the Company are at market value at date of grant and are not subject to market-based vesting conditions within the meaning of IFRS 2 *Share-based Payment*.

The cost is recognised, together with a corresponding increase in equity, over the period in which the performance and/or service conditions are fulfilled. The cumulative expense recognised at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Group's best estimate of the number of equity instruments that will ultimately vest. The Consolidated Income Statement expense/credit for a period represents the movement in cumulative expense recognised at the beginning and end of that period. The cumulative charge to the Consolidated Income Statement is reversed only where the performance condition is not met or where an employee in receipt of share options leaves service prior to completion of the expected vesting period and those options forfeit in consequence.

No expense is recognised for awards that do not ultimately vest, except for share-based payments where vesting is conditional upon a non-vesting condition which is treated as

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vesting irrespective of whether or not it is satisfied, provided that all other performance and/or service conditions are satisfied.

Where an award is cancelled, it is treated as if it is vested on the date of cancellation, and any expense not yet recognised for the award is recognised immediately. This includes any award where non-vesting conditions within the control of either the Company or the employee are not met. All cancellations of awards are treated equally.

The proceeds received net of any directly attributable transaction costs are credited to share capital (nominal value) and share premium when the options are exercised.

The dilutive effect of outstanding options is reflected as additional share dilution in the determination of diluted earnings per share.

To the extent that the Group receives a tax deduction relating to the services paid in shares, deferred tax in respect of share options is provided on the basis of the difference between the market price of the underlying equity as at the date of the financial statements and the exercise price of the option; where the amount of any tax deduction (or estimated future tax deduction) exceeds the amount of the related cumulative remuneration expense, the current or deferred tax associated with the excess is recognised directly in equity.

Awards under the Performance Share Plans

All awards granted under the 2006 Performance Share Plan and 75% of the awards granted under the 2014 Performance Share Plan are subject to a total shareholder return-based (and hence market-based) vesting condition. Accordingly, the fair value assigned to the related equity instruments at the grant date is adjusted so as to reflect the anticipated likelihood as at the grant date of achieving the market-based vesting condition. Awards are treated as vesting irrespective of whether or not the market condition is satisfied, provided that all other performance and/or service conditions are satisfied.

The remaining 25% of awards granted under the 2014 Performance Share Plan are subject to a cumulative cash flow target (non-market-based) vesting condition. The fair value of the awards is calculated as the market price of the shares at the date of grant. No expense is recognised for awards that do not ultimately vest. At the balance sheet date the estimate of the level of vesting is reviewed and any adjustment necessary is recognised in the Consolidated Income Statement.

Awards under the Restricted Share Plan

The fair value of shares granted under the Restricted Share Plan is calculated as the market price of the shares at the date of grant reduced by the present value of dividends expected to be paid over the vesting period. Information on the models used by the Group to estimate the fair value of awards granted is included in note 7.

Business combinations – Note 30

The Group applies the acquisition method in accounting for business combinations. The cost of an acquisition is measured as the aggregate of the consideration transferred (excluding amounts relating to the settlement of pre-existing relationships), the amount of any non-controlling interest in the acquiree and, in a business combination achieved in stages, the acquisition-date fair value of the acquirer's previously held equity interest in the acquiree. Transaction costs that the Group incurs in connection with a business combination are expensed as incurred.

To the extent that settlement of all or any part of consideration for a business combination is deferred, the fair value of the deferred component is determined through discounting the amounts payable to their present value at the date of exchange. The discount component is unwound as an interest charge in the Consolidated Income Statement over the life of the obligation. Any contingent consideration is recognised at fair value at the acquisition date and included in the cost of the acquisition. The fair value

of contingent consideration at acquisition date is arrived at through discounting the expected payment (based on scenario modelling) to present value. In general, in order for contingent consideration to become payable, pre-defined profit and/or profit/net asset ratios must be exceeded. Subsequent changes to the fair value of the contingent consideration will be recognised in profit or loss unless the contingent consideration is classified as equity, in which case it is not remeasured and settlement is accounted for within equity.

The assets and liabilities arising on business combination activity are measured at their acquisition-date fair values. Contingent liabilities assumed in business combination activity are recognised as of the acquisition date, where such contingent liabilities are present obligations arising from past events and their fair value can be measured reliably. In the case of a business combination achieved in stages, the acquisition-date fair value of the acquirer's previously held equity interest in the acquiree is remeasured to fair value as at the acquisition date through profit or loss. When the initial accounting for a business combination is determined provisionally, any adjustments to the provisional values allocated to the consideration, identifiable assets or liabilities (and contingent liabilities, if relevant) are made within the measurement period, a period of no more than one year from the acquisition date.

Goodwill – Note 14

Goodwill arising on a business combination is initially measured at cost, being the excess of the cost of an acquisition over the net identifiable assets and liabilities assumed at the date of acquisition and relates to the future economic benefits arising from assets which are not capable of being individually identified and separately recognised. Following initial recognition, goodwill is measured at cost less any accumulated impairment losses. If the cost of the acquisition is lower than the fair value of the net assets of the subsidiary acquired, the identification and measurement of the related assets and liabilities and contingent liabilities are revisited and the cost

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is reassessed with any remaining balance recognised immediately in the Consolidated Income Statement.

The carrying amount of goodwill in respect of associates and joint ventures is included in investments accounted for using the equity method (i.e. within financial assets) in the Consolidated Balance Sheet.

Where a subsidiary is disposed of or terminated through closure, the carrying value of any goodwill of that subsidiary is included in the determination of the net profit or loss on disposal/termination.

Intangible assets (other than goodwill) arising on business combinations – Note 14

An intangible asset is capitalised separately from goodwill as part of a business combination at cost (fair value at date of acquisition).

Subsequent to initial recognition, intangible assets are carried at cost less any accumulated amortisation and any accumulated impairment losses. The carrying values of definite-lived intangible assets (the Group does not currently have any indefinite-lived intangible assets other than goodwill) are reviewed for indicators of impairment at each reporting date and are subject to impairment testing when events or changes in circumstances indicate that the carrying values may not be recoverable.

Intangible assets are amortised on a straight-line basis. In general, definite-lived intangible assets are amortised over periods ranging from one to ten years, depending on the nature of the intangible asset.

Amortisation periods, useful lives, expected patterns of consumption and residual values are reviewed at each financial year-end. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are accounted for by changing the amortisation period or method as appropriate on a prospective basis.

Leases – Notes 3 and 29

Leases where the lessor retains substantially all the risks and rewards of ownership are classified as operating leases. Operating lease rentals are charged to the Consolidated Income Statement on a straight-line basis over the lease term.

Other financial assets – Note 15

All investments are initially recognised at the fair value of consideration given plus any directly attributable transaction costs. Where equity investments are actively traded in organised financial markets, fair value is determined by reference to stock exchange quoted market bid prices at the close of business on the balance sheet date. Unquoted equity investments are recorded at historical cost given that it is impracticable to determine fair value in accordance with IAS 39 and are included within financial assets in the Consolidated Balance Sheet.

Inventories and construction contracts – Note 16

Inventories are stated at the lower of cost and net realisable value. Cost is based on the first-in, first-out principle (and weighted average, where appropriate) and includes all expenditure incurred in acquiring the inventories and bringing them to their present location and condition. Raw materials are valued on the basis of purchase cost on a first-in, first-out basis. In the case of finished goods and work-in-progress, cost includes direct materials, direct labour and attributable overheads based on normal operating capacity and excludes borrowing costs.

Net realisable value is the estimated proceeds of sale less all further costs to completion, and less all costs to be incurred in marketing, selling and distribution. Estimates of net realisable value are based on the most reliable evidence available at the time the estimates are made, taking into consideration

fluctuations of price or cost directly relating to events occurring after the end of the period, the likelihood of short-term changes in buyer preferences, product obsolescence or perishability (all of which are generally low given the nature of the Group's products) and the purpose for which the inventory is held. Materials and other supplies held for use in the production of inventories are not written down below cost if the finished goods, in which they will be incorporated, are expected to be sold at or above cost.

Amounts recoverable on construction contracts, which are included in receivables, are stated at the net invoiced value of the work done less amounts received as progress payments on account. Cumulative costs incurred, net of amounts transferred to cost of sales, after deducting foreseeable losses, provisions for contingencies and payments on account not matched with revenue, are included as construction contract balances in inventories. Cost includes all expenditure directly related to specific projects and an allocation of fixed and variable overheads incurred in the Group's contract activities based on normal operating capacity.

Trade and other receivables – Note 17

Trade receivables are carried at original invoice amount less an allowance for potentially uncollectible debts. Provision is made when there is objective evidence that the Group will not be in a position to collect the associated debts. Bad debts are written off to the Consolidated Income Statement on identification.

Cash and cash equivalents – Note 22

Cash and cash equivalents comprise cash balances held for the purpose of meeting short-term cash commitments and investments which are readily convertible to a known amount of cash and are subject to an insignificant risk of change in value. Bank overdrafts are included within current interest-bearing loans and borrowings in

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the Consolidated Balance Sheet. Where the overdrafts are repayable on demand and form an integral part of cash management, they are netted against cash and cash equivalents for the purposes of the Consolidated Statement of Cash Flows.

Interest-bearing loans and borrowings – Note 23

All loans and borrowings are initially recorded at the fair value of the consideration received net of directly attributable transaction costs. Subsequent to initial recognition, current and non-current interest-bearing loans and borrowings are, in general, measured at amortised cost employing the effective interest methodology. Fixed rate term loans, which have been hedged to floating rates (using interest rate swaps), are measured at amortised cost adjusted for changes in value attributable to the hedged risks arising from changes in underlying market interest rates. The computation of amortised cost includes any issue costs and any discount or premium materialising on settlement.

Gains and losses are recognised in the Consolidated Income Statement through amortisation on the basis of the period of the loans and borrowings.

Borrowing costs arising on financial instruments are recognised as an expense in the period in which they are incurred (unless capitalised as part of the cost of property, plant and equipment).

Derivative financial instruments and hedging practices – Note 24

In order to manage interest rate, foreign currency and commodity risks and to realise the desired currency profile of borrowings, the Group employs derivative financial instruments (principally interest rate swaps, currency swaps and forward foreign exchange contracts). Derivative financial instruments are recognised initially at fair value on the date on which a derivative contract is entered into and are subsequently remeasured at fair value.

The carrying value of derivatives is fair value based on discounted future cash flows and adjusted for counterparty risk. Future floating rate cash flows are estimated based on future interest rates (from observable yield curves at the end of the reporting period). Fixed and floating rate cash flows are discounted at future interest rates and translated at period-end foreign exchange rates.

At the inception of a derivative transaction, the Group documents the relationship between the hedged item and the hedging instrument together with its risk management objective and the strategy underlying the proposed transaction. The Group also documents its assessment, both at the inception of the hedging relationship and subsequently on an ongoing basis, of the effectiveness of the hedging instrument in offsetting movements in the fair values or cash flows of the hedged items. Where derivatives do not fulfil the criteria for hedge accounting, changes in fair values are reported in the Consolidated Income Statement.

Fair value and cash flow hedges

The Group uses fair value hedges and cash flow hedges in its treasury activities. For the purposes of hedge accounting, hedges are classified either as fair value hedges (which entail hedging the exposure to movements in the fair value of a recognised asset or liability or an unrecognised firm commitment that could affect profit or loss) or cash flow hedges (which hedge exposure to fluctuations in future cash flows derived from a particular risk associated with a recognised asset or liability, or a highly probable forecast transaction that could affect profit or loss).

Where the conditions for hedge accounting are satisfied and the hedging instrument concerned is classified as a fair value hedge, any gain or loss stemming from the remeasurement of the hedging instrument to fair value is reported in the Consolidated Income Statement. In addition, any gain or loss on the hedged item which is attributable to the hedged risk is adjusted against the carrying amount of the hedged item and reflected in the Consolidated Income Statement. Where the adjustment is to

the carrying amount of a hedged interest-bearing financial instrument, the adjustment is amortised to the Consolidated Income Statement with the objective of achieving full amortisation by maturity.

Where a derivative financial instrument is designated as a hedge of the variability in cash flows of a recognised asset or liability or a highly probable forecast transaction that could affect profit or loss, the effective part of any gain or loss on the derivative financial instrument is recognised as other comprehensive income, net of the income tax effect, with the ineffective portion being reported in the Consolidated Income Statement. The associated gains or losses that had previously been recognised as other comprehensive income are transferred to the Consolidated Income Statement contemporaneously with the materialisation of the hedged transaction. Any gain or loss arising in respect of changes in the time value of the derivative financial instrument is excluded from the measurement of hedge effectiveness and is recognised immediately in the Consolidated Income Statement.

Hedge accounting is discontinued when the hedging instrument expires or is sold, terminated or exercised, or no longer qualifies for hedge accounting. At that point in time, any cumulative gain or loss on the hedging instrument recognised as other comprehensive income remains there until the forecast transaction occurs. If a hedged transaction is no longer anticipated to occur, the net cumulative gain or loss previously recognised as other comprehensive income is transferred to the Consolidated Income Statement in the period.

Accounting Policies | continued

Net investment hedges

Where foreign currency borrowings provide a hedge against a net investment in a foreign operation, and the hedge is deemed to be effective, foreign exchange differences are taken directly to a foreign currency translation reserve. The ineffective portion of any gain or loss on the hedging instrument is recognised immediately in the Consolidated Income Statement. Cumulative gains and losses remain in equity until disposal of the net investment in the foreign operation at which point the related differences are transferred to the Consolidated Income Statement as part of the overall gain or loss on sale.

Fair value hierarchy – Note 24

For financial reporting purposes, fair value measurements are categorised into Level 1, 2 or 3 based on the degree to which inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities;

Level 2: valuation techniques for which the lowest level of inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly; and

Level 3: valuation techniques for which the lowest level of inputs that have a significant effect on the recorded fair value are not based on observable market data.

Share capital and dividends – Notes 11 and 28

Treasury Shares and own shares

Ordinary Shares acquired by the Parent Company or purchased by the Employee Benefit Trust on behalf of the Parent Company under the terms of the Performance Share Plans and the Restricted Share Plan are deducted from equity and presented on the face of the Consolidated Balance Sheet. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the Parent Company's Ordinary Shares.

Dividends

Dividends on Ordinary Shares are recognised as a liability in the Consolidated Financial Statements in the period in which they are declared by the Parent Company.

Emission rights

Emission rights are accounted for such that a liability is recognised only in circumstances where emission rights have been exceeded from the perspective of the Group as a whole and the differential between actual and permitted emissions will have to be remedied through the purchase of the required additional rights at fair value. Assets and liabilities arising in respect of under and over-utilisation of emission credits respectively are accordingly netted against one another in the preparation of the Consolidated Financial Statements. To the extent that excess emission rights are disposed of during a financial period, the profit or loss materialising thereon is recognised immediately within cost of sales in the Consolidated Income Statement.

Foreign currency translation

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates ("the functional currency"). The Consolidated Financial Statements are presented in euro, which is the presentation currency of the Group and the functional currency of the Parent Company.

Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the rate of exchange ruling at the balance sheet date. All currency translation differences are taken to the Consolidated Income Statement with the exception of all monetary items that provide an effective hedge for a net investment in a foreign operation. These are recognised in other comprehensive income until the disposal of the net investment, at which time they are recognised in the Consolidated Income Statement.

Results and cash flows of subsidiaries, joint ventures and associates with non-euro functional currencies have been translated into euro at average exchange rates for the year, and the related balance sheets have been translated at the rates of exchange ruling at the balance sheet date. Adjustments arising on translation of the results and net assets of non-euro subsidiaries, joint ventures and associates are recognised in a separate translation reserve within equity, net of differences on related currency borrowings. All other translation differences are taken to the Consolidated Income Statement. Goodwill and fair value adjustments arising on acquisition of a foreign operation are regarded as assets and liabilities of the foreign operation and are translated accordingly.

Accounting Policies | continued

The principal exchange rates used for the translation of results, cash flows and balance sheets into euro were as follows:

euro 1 =	Average		Year-end	
	2015	2014	2015	2014
US Dollar	1.1095	1.3290	1.0887	1.2141
Pound Sterling	0.7258	0.8062	0.7340	0.7789
Polish Zloty	4.1841	4.1839	4.2639	4.2732
Ukrainian Hryvnia	24.3693	15.8908	26.1434	19.1814
Swiss Franc	1.0679	1.2147	1.0835	1.2024
Canadian Dollar	1.4186	1.4664	1.5116	1.4063
Argentine Peso	10.2803	10.7785	14.0824	10.2645
Turkish Lira	3.0255	2.9068	3.1765	2.8320
Indian Rupee	71.1956	81.0576	72.0215	76.7190
Chinese Renminbi	6.9733	8.1883	7.0608	7.5358
Brazilian Real	3.7004	-	4.3117	-
Romanian Leu	4.4454	-	4.5240	-
Hungarian Forint	309.9956	-	315.9800	-
Serbian Dinar	120.7168	-	121.5612	-
Philippine Peso	50.5217	-	50.9990	-

Notes on Consolidated Financial Statements

1. Segment Information

CRH is a diversified international building materials group which manufactures and distributes a range of building materials products from the fundamentals of heavy materials and elements to construct the frame, through value-added products that complete the building envelope, to distribution channels which service construction fit-out and renewal. During 2015 the Group was organised into the following segments: Europe Heavyside, Europe Lightside, Europe Distribution, Americas Materials, Americas Products and Americas Distribution. In addition, the businesses acquired from Lafarge S.A. and Holcim Limited during the second half of 2015 (LH Assets) are reported as a separate segment in 2015. No operating segments have been aggregated to form these segments.

Europe Heavyside businesses are predominantly engaged in the manufacturing and supply of cement, aggregates, readymixed and precast concrete, concrete landscaping and asphalt products.

Europe Lightside businesses are predominantly engaged in the production and supply of construction accessories, shutters & awnings, fencing and composite access chambers.

Europe Distribution businesses are predominantly engaged in supplying Do-It-Yourself (DIY), General Merchants and Sanitary, Heating and Plumbing ("SHAP") businesses catering to the general public and small and medium-sized builders, selling a range of bricks, cement, sanitary, heating, plumbing and other building products.

Americas Materials businesses are predominantly engaged in the production and sale of aggregates, asphalt and readymixed concrete products and provide asphalt paving services.

Americas Products businesses are predominantly engaged in the production and sale of concrete masonry and hardscapes, packaged lawn and garden products, packaged cement mixes, fencing, utility, drainage and structural precast products, construction accessories and glass and aluminium glazing systems.

Americas Distribution businesses are predominantly engaged in supplying Exterior Products such as roofing and siding and Interior Products such as gypsum wallboard, metal studs and acoustical ceiling systems.

LH Assets the businesses are located in 11 countries: Brazil, Canada, France (including La Reunion), Germany, Hungary, the Philippines, Romania, Serbia, Slovakia, the United Kingdom and the United States. They are predominantly engaged in the manufacturing and supply of cement and aggregates products. Given the size, complexity and timing of this acquisition, the Chief Operating Decision Maker reviewed the performance of the acquired businesses as a separate segment during the post-acquisition period in 2015. The acquired businesses have their own divisional management team which report to the Chief Operating Decision Maker.

The principal factors employed in the identification of the seven segments reflected in this note include the Group's organisational structure in 2015, the nature of the reporting lines to the Chief Operating Decision Maker (as defined in IFRS 8 *Operating Segments*), the structure of internal reporting documentation such as management accounts and budgets, and the degree of homogeneity of products, services and geographical areas within each of the segments from which revenue is derived.

The Chief Operating Decision Maker monitors the operating results of segments separately in order to allocate resources between segments

and to assess performance. Segment performance is predominantly evaluated based on operating profit. As performance is also evaluated using operating profit before depreciation and amortisation (EBITDA (as defined)*), supplemental information based on EBITDA (as defined)* is also provided below. Given that net finance costs and income tax are managed on a centralised basis, these items are not allocated between operating segments for the purposes of the information presented to the Chief Operating Decision Maker and are accordingly omitted from the detailed segmental analysis below. There are no asymmetrical allocations to reporting segments which would require disclosure.

* EBITDA is defined as earnings before interest, taxes, depreciation, amortisation, asset impairment charges, profit on disposals and the Group's share of equity accounted investments' profit after tax.

1. Segment Information | continued

B. Operating segments disclosures - Consolidated Balance Sheet data

	As at 31 December			
	Total assets		Total liabilities	
	2015	2014	2015	2014
	€m	€m	€m	€m
Europe Heavyside	3,802	3,864	1,260	1,468
Europe Lightside	767	761	261	215
Europe Distribution	2,238	2,221	647	644
Europe	6,807	6,846	2,168	2,327
Americas Materials	6,933	6,245	1,195	969
Americas Products	4,146	2,542	952	679
Americas Distribution	1,095	951	364	283
Americas	12,174	9,738	2,511	1,931
LH Assets	8,900	-	2,115	-
Total Group	27,881	16,584	6,794	4,258
Reconciliation to total assets as reported in the Consolidated Balance Sheet:				
Investments accounted for using the equity method	1,317	1,329		
Other financial assets	28	23		
Derivative financial instruments (current and non-current)	109	102		
Income tax assets (current and deferred)	154	186		
Cash and cash equivalents	2,518	3,262		
Assets held for sale	-	531		
Total assets as reported in the Consolidated Balance Sheet	32,007	22,017		
Reconciliation to total liabilities as reported in the Consolidated Balance Sheet:				
Interest-bearing loans and borrowings (current and non-current)			9,221	5,866
Derivative financial instruments (current and non-current)			24	23
Income tax liabilities (current and deferred)			2,424	1,459
Liabilities associated with assets classified as held for sale			-	213
Total liabilities as reported in the Consolidated Balance Sheet			18,463	11,819

1. Segment Information | continued

C. Operating segments disclosures - other items

Additions to non-current assets

	Year ended 31 December					
	Property, plant and equipment (note 13)		Financial assets (note 15)		Total Group	
	2015	2014	2015	2014	2015	2014
	€m	€m	€m	€m	€m	€m
Europe Heavyside	153	113	2	-	155	113
Europe Lightside	15	14	-	-	15	14
Europe Distribution	46	36	1	-	47	36
Europe	214	163	3	-	217	163
Americas Materials	319	173	10	3	329	176
Americas Products	153	81	-	-	153	81
Americas Distribution	41	18	-	-	41	18
Americas	513	272	10	3	523	275
LH Assets (i)	155	-	6	-	161	-
Total Group	882	435	19	3	901	438

(i) Additions for the LH Assets are reported from the date of acquisition.

D. Entity-wide disclosures

Section 1: Information about products and services

The Group's revenue from external customers in respect of its principal products and services is analysed in the disclosures above. Segment revenue includes €4,523 million (2014: €3,351 million) in respect of revenue applicable to construction contracts. The bulk of our construction activities are performed by our Americas Materials reportable segment, are for the most part short-term in nature and are generally completed within the same financial reporting period.

Neither revenue derived through the supply of services nor intersegment revenue is material to the Group. The transfer pricing policy implemented by the Group between operating segments and across its constituent entities is described in greater detail in note 32. In addition, due to the nature of building materials, which exhibit a low value-to-weight ratio, the Group's revenue streams include a low level of cross-border transactions.

Section 2: Information about geographical areas and customers

CRH has a presence in 31 countries worldwide. The revenues from external customers and non-current assets (as defined in IFRS 8) attributable to the country of domicile and all foreign countries of operation are as follows; individual foreign countries which exceed 10% of total external Group revenue have been highlighted separately on the basis of materiality.

	Year ended 31 December		As at 31 December	
	Revenue by destination		Non-current assets	
	2015	2014	2015	2014
	€m	€m	€m	€m
Country of domicile - Republic of Ireland	349	306	609	477
Benelux (mainly the Netherlands)	2,478	2,350	1,209	1,231
United States of America	12,048	9,650	8,911	6,948
Other	8,760	6,606	11,470	4,268
Total Group	23,635	18,912	22,199	12,924

While the United Kingdom does not exceed 10% of total external Group revenue, at 31 December 2015 it represented 13% of the Group's non-current assets.

There are no material dependencies or concentrations on individual customers which would warrant disclosure under IFRS 8. The individual entities within the Group have a large number of customers spread across various activities, end-uses and geographies.

2. Cost Analysis

	2015	2014
	€m	€m
Cost of sales analysis		
Raw materials and goods for resale	8,629	7,527
Employment costs (note 5)	2,446	1,985
Energy conversion costs	789	655
Repairs and maintenance	630	452
Depreciation, amortisation and impairment(i)	697	532
Change in inventory (note 19)	29	34
Other production expenses (primarily sub-contractor costs and equipment rental)	3,174	2,242
Total	16,394	13,427
Operating costs analysis		
Selling and distribution costs	3,878	3,143
Administrative expenses	2,086	1,425
Total	5,964	4,568

(i) Depreciation, amortisation and impairment analysis

	Cost of sales		Operating costs		Total	
	2015	2014	2015	2014	2015	2014
	€m	€m	€m	€m	€m	€m
Depreciation and depletion (note 13)	667	485	176	146	843	631
Amortisation of intangible assets (note 14)	-	-	55	44	55	44
Impairment of property, plant and equipment (note 13)	30	47	11	2	41	49
Impairment of intangible assets (note 14)	-	-	1	-	1	-
Impairment of financial assets (note 15)	-	-	2	-	2	-
Total	697	532	245	192	942	724

3. Operating Profit Disclosures

	2015 €m	2014 €m
Operating lease rentals		
- hire of plant and machinery	204	149
- land and buildings	263	216
- other operating leases	50	48
Total	517	413

Auditor's remuneration

In accordance with statutory requirements in Ireland, fees for professional services provided by the Group's independent auditor in respect of each of the following categories were:

	Audit of the Group accounts (i)		Other assurance services (ii)		Tax advisory services		Total	
	2015 €m	2014 €m	2015 €m	2014 €m	2015 €m	2014 €m	2015 €m	2014 €m
EY Ireland (statutory auditor)	3	2	1	-	-	-	4	2
EY (network firms)	16	12	4	1	2	1	22	14
Total	19	14	5	1	2	1	26	16

(i) Audit of the Group accounts includes Sarbanes-Oxley attestation and parent and subsidiary statutory audit fees, but excludes €2 million (2014: €2 million) paid to auditors other than EY.

(ii) Other assurance services includes attestation and due diligence services that are closely related to the performance of the audit.

4. Business and Non-Current Asset Disposals

	Business disposals		Disposal of other non-current assets		Total	
	2015 (i)	2014 (ii)	2015	2014	2015	2014
	€m	€m	€m	€m	€m	€m
Assets/(liabilities) disposed of at net carrying amount:						
- non-current assets (notes 13,14,15)	570	117	103	83	673	200
- cash and cash equivalents	90	-	-	-	90	-
- working capital and provisions (note 19)	246	11	-	-	246	11
- interest-bearing loans and borrowings	(20)	-	-	-	(20)	-
- deferred tax (note 26)	(22)	-	-	-	(22)	-
- retirement benefit obligations (note 27)	(84)	-	-	-	(84)	-
Net assets disposed	780	128	103	83	883	211
Reclassification of currency translation effects on disposal	39	57	-	-	39	57
Total	819	185	103	83	922	268
Proceeds from disposals (net of disposal costs)	875	224	142	121	1,017	345
Profit on step acquisition (note 30)	6	-	-	-	6	-
Profit on disposals	62	39	39	38	101	77
Net cash inflow arising on disposal						
Proceeds from disposals	875	224	142	121	1,017	345
Less: cash and cash equivalents disposed	(90)	-	-	-	(90)	-
Less: deferred proceeds arising on disposal (note 19)	(38)	-	-	-	(38)	-
Total	747	224	142	121	889	345

(i) This relates principally to the divestment of the Group's clay and concrete businesses in the United Kingdom (Europe Heavyside) and its clay business in the United States (Americas Products) on 26 February 2015. The assets and liabilities associated with this transaction, together with those relating to a number of smaller business units, met the "held for sale" criteria set out in IFRS 5 *Non-Current Assets Held for Sale and Discontinued Operations* and were reclassified accordingly as assets or liabilities held for sale as at 31 December 2014. As the vast majority of the assets and liabilities held for sale at 31 December 2014 have been divested prior to 31 December 2015, all opening balances have been reclassified back to the relevant asset and liability categories prior to their divestment for presentation purposes. During the year the Group also sold its businesses in South America (which were part of the Americas Products segment) and our 25% equity stake in our Israeli associates.

Assets and liabilities that met the IFRS 5 criteria at 31 December 2015 have not been separately disclosed as held for sale as they were not considered material in the context of the Group. The businesses divested in 2015 are not considered to be either separate major lines of business or geographical areas of operation and therefore do not constitute discontinued operations as defined in IFRS 5.

(ii) This relates principally to the disposal of our 50% equity stake in our Turkish joint venture, Denizli Çimento (which was part of the Europe Heavyside segment).

5. Employment

The average number of employees is as follows:

	Year ended 31 December	
	2015	2014
Europe Heavyside	16,138	19,096
Europe Lightside	4,787	5,003
Europe Distribution	11,392	11,607
Europe	32,317	35,706
Americas Materials	18,459	18,457
Americas Products (i)	16,712	17,707
Americas Distribution	3,920	3,836
Americas	39,091	40,000
LH Assets (i)	6,698	-
Total Group	78,106	75,706

Employment costs charged in the Consolidated Income Statement are analysed as follows:

	2015	2014
	€m	€m
Wages and salaries	3,690	2,987
Social welfare costs	419	368
Other employment-related costs*	537	448
Share-based payment expense (note 7)	27	16
Total retirement benefits expense (note 27)	288	215
Total	4,961	4,034
Total charge analysed between:		
Cost of sales	2,446	1,985
Operating costs	2,498	2,035
Finance costs (net) - applicable to retirement benefit obligations (note 8)	17	14
Total	4,961	4,034

(i) LH Assets and CRL employee numbers included above are average employee numbers for 2015 (i.e. weighted for the post-acquisition period). The year-end employee numbers were 16,050 for LH Assets and 1,750 for CRL respectively. Total Group employees were 88,650 at year-end.

* Other employment costs relate principally to redundancy, severance and healthcare costs.

6. Directors' Emoluments and Interests

Directors' emoluments (which are included in administrative expenses in note 2) and interests are presented in the Directors' Remuneration Report on pages 70 to 106 of this Annual Report.

7. Share-based Payment Expense

	2015	2014
	€m	€m
Total share-based payment expense	27	16

Share-based payment expense relates primarily to awards granted under the 2006 and 2014 Performance Share Plans. The expense, which also includes charges in relation to the 2013 Restricted Share Plan and to options granted under the Group's savings-related share option schemes, is reflected in operating costs in the Consolidated Income Statement.

In May 2014, shareholders approved the adoption of a new Performance Share Plan (the "2014 Performance Share Plan"), which replaced the 2006 Performance Share Plan (approved by shareholders in May 2006), the 2010 Share Option Scheme (approved by shareholders in May 2010) and the 2013 Restricted Share Plan (together, the "Existing Plans"). Following the introduction of the 2014 Performance Share Plan, no further awards will be made under the Existing Plans. Consequently, the last awards under the Existing Plans were made in 2013. The general terms and conditions applicable to the various plans are set out in the Directors' Remuneration Report on pages 70 to 106.

2014 Performance Share Plan

The structure of the 2014 Performance Share Plan is set out in the Directors' Remuneration Report on page 70. An expense of €20 million was recognised in 2015 (2014: €5 million).

Details of awards granted under the 2014 Performance Share Plan

	Share price at date of award	Period to earliest release date	Number of Shares	
			Initial award	Net outstanding
Granted in 2015	€24.84	3 years	2,989,371	2,949,146
Granted in 2014	€20.49	3 years	2,283,960	2,190,120

75% of vesting is subject to Total Shareholder Return (TSR) performance against sector peers, while the remaining 25% of vesting is subject to a cumulative cash flow target. A number of awards are subject only to a three year service period (i.e. no performance conditions).

The fair value assigned to the portion of awards which are subject to TSR performance was €13.99 (2014: €10.88). The fair value of these awards was calculated using a TSR pricing model taking account of peer group TSR, volatilities and correlations together with the following assumptions:

	2015	2014
Risk-free interest rate (%)	0.25	0.13
Expected volatility (%)	21.4	21.9

The expected volatility was determined using a historical sample of 37 month-end CRH share prices.

The fair value of (i) the portion of awards subject to cash flow performance and (ii) the awards with no performance conditions (which are subject to a three year service period) was €24.84 (2014: €20.49). The fair value was calculated using the closing CRH share price at the date the award was granted. Awards vest only if all performance and service conditions are met. No expense is recognised for awards that do not ultimately vest. At the balance sheet date the estimate of the level of vesting is reviewed and any necessary adjustment to the share-based payment expense is recognised in the Consolidated Income Statement.

7. Share-based Payment Expense | continued

2006 Performance Share Plan

The expense of €4 million (2014: €8 million) reported in the Consolidated Income Statement has been arrived at through applying a Monte Carlo simulation technique to model the combination of market-based and non-market-based performance conditions in the Plan.

Details of awards granted under the 2006 Performance Share Plan

	Share price at date of award	Period to earliest release date	Number of Shares		Fair value
			Initial award	Net outstanding	
Granted in 2012	€15.63	3 years	2,079,000	-	€7.77
Granted in 2013	€16.69	3 years	1,195,500	992,750	€8.54

In April 2015, none of the shares awarded under the Performance Share Plan in 2012 vested and accordingly all remaining awards granted in 2012 lapsed.

2013 Restricted Share Plan

Due to the immateriality of the Restricted Share Plan expense and the level of awards outstanding in this Plan at 31 December 2015 and 31 December 2014, detailed financial disclosures have not been provided in relation to this share-based payment arrangement.

The Group also operates savings-related share option schemes. Due to the immateriality of the savings-related schemes' expense and the level of savings-related share options outstanding, detailed financial disclosures have not been provided in relation to these schemes.

Share option schemes

Details of movement and options outstanding under share option schemes (excluding savings-related share option schemes)

	Weighted average exercise price	Number of options	Weighted average exercise price	Number of options
Outstanding at beginning of year	€19.58	15,481,191	€18.75	21,798,887
Exercised (a)	€19.35	(2,544,141)	€16.58	(919,205)
Lapsed	€16.64	(4,316,360)	€16.77	(5,398,491)
Outstanding at end of year (b)	€21.14	8,620,690	€19.58	15,481,191
Exercisable at end of year	€24.18	5,335,290	€18.79	1,248,698

(a) The weighted average share price at the date of exercise of these options was €25.51 (2014: €20.47).

(b) The level of vesting of options outstanding at the end of the year will be determined by reference to certain performance targets (outlined on page 78 of this Annual Report). If the performance criteria have been met, these options, or portion thereof as appropriate, may be exercised after the expiration of three years from their date of grant. All options granted have a life of ten years.

7. Share-based Payment Expense | continued

	2015	2014
Weighted average remaining contractual life for the share options outstanding at 31 December (years)	3.86	4.89
Euro-denominated options outstanding at the end of the year (number)	8,604,776	15,389,922
Range of exercise prices (€)	16.19-29.86	15.19-29.86
Sterling-denominated options outstanding at the end of the year (number)	15,914	91,269
Range of exercise prices (Stg£)	13.64-18.02	12.80-20.23
The CRH share price at 31 December 2015 was €26.70 (2014: €19.90).		
The following analysis shows the number of outstanding share options with exercise prices lower/higher than the year-end share price:		
Number of options with exercise prices lower than year-end price:		
Exercisable	3,667,056	1,248,698
Not exercisable	3,285,400	8,789,200
	6,952,456	10,037,898
Number of options with exercise prices higher than year-end price:		
Exercisable	1,668,234	-
Not exercisable	-	5,443,293
	1,668,234	5,443,293
Total options outstanding	8,620,690	15,481,191

8. Finance Costs and Finance Income

	2015	2014
	€m	€m
Finance costs		
Interest payable on borrowings	334	308
Net income on interest rate and currency swaps	(32)	(42)
Mark-to-market of derivatives and related fixed rate debt:		
- interest rate swaps (i)	12	(15)
- currency swaps and forward contracts	4	-
- fixed rate debt (i)	(22)	8
Net loss/(gain) on interest rate swaps not designated as hedges	7	(5)
Net finance cost on gross debt including related derivatives	303	254
Finance income		
Interest receivable on loans to joint ventures and associates	(4)	(3)
Interest receivable on cash and cash equivalents and other	(4)	(5)
Finance income	(8)	(8)
Finance costs less income	295	246
Other financial expense		
Premium paid on early debt redemption	38	-
Unwinding of discount element of provisions for liabilities (note 25)	19	16
Unwinding of discount applicable to deferred and contingent acquisition consideration (note 18)	20	12
Pension-related finance cost (net) (note 27)	17	14
Total	94	42

(i) The Group uses interest rate swaps to convert fixed rate debt to floating rate. Fixed rate debt, which has been converted to floating rate through the use of interest rate swaps, is stated in the Consolidated Balance Sheet at adjusted value to reflect movements in underlying fixed rates. The movement on this adjustment, together with the offsetting movement in the fair value of the related interest rate swaps, is included in finance costs in each reporting period.

9. Share of Equity Accounted Investments' Profit

The Group's share of joint ventures' and associates' profit after tax is equity accounted and is presented as a single line item in the Consolidated Income Statement; it is analysed as follows between the principal Consolidated Income Statement captions:

	Joint Ventures		Associates		Total	
	2015	2014	2015	2014	2015	2014
	€m	€m	€m	€m	€m	€m
Group share of:						
Revenue	496	488	961	953	1,457	1,441
EBITDA (as defined)*	79	62	84	106	163	168
Depreciation and amortisation	(27)	(27)	(55)	(45)	(82)	(72)
Operating profit	52	35	29	61	81	96
Finance costs (net)	(6)	(6)	(17)	(21)	(23)	(27)
Profit before tax	46	29	12	40	58	69
Income tax expense	(5)	(3)	(9)	(11)	(14)	(14)
Profit after tax	41	26	3	29	44	55

An analysis of the profit after tax by operating segment is presented in note 1. The aggregated balance sheet data (analysed between current and non-current assets and liabilities) in respect of the Group's investment in joint ventures and associates is presented in note 15.

* EBITDA is defined as earnings before interest, taxes, depreciation, amortisation, asset impairment charges and profit on disposals.

10. Income Tax Expense

Recognised within the Consolidated Income Statement	2015	2014
	€m	€m
<i>(a) Current tax</i>		
Republic of Ireland	-	-
Overseas	339	141
Total current tax expense	339	141
<i>(b) Deferred tax</i>		
Origination and reversal of temporary differences:		
Retirement benefit obligations	7	7
Share-based payment expense	(8)	-
Derivative financial instruments	1	6
Other items	(35)	23
Total deferred tax (income)/expense	(35)	36
Income tax expense reported in the Consolidated Income Statement	304	177

10. Income Tax Expense | continued

Recognised within equity	2015	2014
	€m	€m
<i>(a) Within the Consolidated Statement of Comprehensive Income:</i>		
Deferred tax - retirement benefit obligations	(30)	69
	(30)	69
<i>(b) Within the Consolidated Statement of Changes in Equity:</i>		
Deferred tax - share-based payment expense	5	-
	5	-
Income tax expense recognised directly within equity	(25)	69
Reconciliation of applicable tax rate to effective tax rate		
Profit before tax (€m)	1,033	761
<i>Tax charge expressed as a percentage of profit before tax (effective tax rate):</i>		
- current tax expense only	32.8%	18.5%
- total income tax expense (current and deferred)	29.4%	23.2%
<i>The following table reconciles the applicable Republic of Ireland statutory tax rate to the effective tax rate (current and deferred) of the Group:</i>		
	% of profit before tax	
Irish corporation tax rate	12.5	12.5
Higher tax rates on overseas earnings	13.8	9.6
Other items (primarily comprising items not chargeable to tax/expenses not deductible for tax)	3.1	1.1
Total effective tax rate	29.4	23.2

Other disclosures

Effective tax rate

The 2015 Consolidated Income Statement includes one-off charges related to the LH Assets transaction of €197 million (€144 million of acquisition-related costs as detailed in note 30 and a €53 million inventory-related adjustment) which are substantially non-deductible for income tax purposes. The 2015 effective tax rate excluding the impact of these costs is 25.8%.

Changes in tax rates

The total tax charge in future periods will be affected by any changes to the tax rates in force in the countries in which the Group operates.

Excess of capital allowances over depreciation

The current tax charge will also be impacted by changes in the excess of tax depreciation (capital allowances) over accounting depreciation. Based on current capital investment plans, the Group expects to continue to be in a position to claim capital allowances in excess of depreciation in future years.

Investments in subsidiaries

Given management's intention not to unwind temporary differences in respect of its investment in subsidiaries or tax exemptions and credits being available in the majority of jurisdictions in which the Group operates, the aggregate amount of deferred tax liabilities on temporary differences which have not been recognised would be immaterial.

Proposed dividends

There are no income tax consequences for the Company in respect of dividends proposed prior to issuance of the Consolidated Financial Statements and for which a liability has not been recognised.

11. Dividends

The dividends paid and proposed in respect of each class of share capital are as follows:

	2015 €m	2014 €m
Dividends to shareholders		
<i>Preference</i>		
5% Cumulative Preference Shares €3,175 (2014: €3,175)	-	-
7% 'A' Cumulative Preference Shares €77,521 (2014: €77,521)	-	-
<i>Equity</i>		
Final - paid 44.00c per Ordinary Share (2014: 44.00c)	359	323
Interim - paid 18.50c per Ordinary Share (2014: 18.50c)	152	137
Total	511	460
Dividends proposed (memorandum disclosure)		
<i>Equity</i>		
Final 2015 - proposed 44.00c per Ordinary Share (2014: 44.00c)	362	359
Reconciliation to Consolidated Statement of Cash Flows		
Dividends to shareholders	511	460
Less: issue of scrip shares in lieu of cash dividends (note 28)	(132)	(107)
Dividends paid to equity holders of the Company	379	353
Dividends paid by subsidiaries to non-controlling interests	4	4
Total dividends paid	383	357

12. Earnings per Ordinary Share

The computation of basic and diluted earnings per Ordinary Share is set out below:

	2015 €m	2014 €m
Numerator computations		
Group profit for the financial year	729	584
Profit attributable to non-controlling interests	(5)	(2)
Profit attributable to equity holders of the Company	724	582
Preference dividends	-	-
<i>Profit attributable to ordinary equity holders of the Company - numerator for basic/diluted earnings per Ordinary Share</i>	724	582
Depreciation charge	843	631
Amortisation of intangible assets	55	44
Impairment of property, plant and equipment and intangible assets	42	49
Impairment of financial assets	2	-
<i>Numerator for "cash" earnings per Ordinary Share (i)</i>	1,666	1,306
Denominator computations		
<i>Denominator for basic earnings per Ordinary Share</i>		
Weighted average number of Ordinary Shares (millions) outstanding for the year (ii)	812.3	737.6
Effect of dilutive potential Ordinary Shares (employee share options) (millions) (ii) and (iii)	3.6	0.7
<i>Denominator for diluted earnings per Ordinary Share</i>	815.9	738.3
Basic earnings per Ordinary Share	89.1c	78.9c
Diluted earnings per Ordinary Share	88.7c	78.8c
"Cash" earnings per Ordinary Share (i)	205.1c	177.1c

(i) This measure is presented here for information as management believes it is a useful indicator of the Group's ability to generate cash from operations. "Cash" earnings per Ordinary Share on a diluted earnings basis amounted to 204.2c (2014: 176.9c). This is not a recognised measure under generally accepted accounting principles.

(ii) The weighted average number of Ordinary Shares included in the computation of basic and diluted earnings per Ordinary Share has been adjusted to exclude shares held by the Employee Benefit Trust and Ordinary Shares repurchased and held by the Company (CRH plc) as Treasury Shares given that these shares do not rank for dividend. The number of Ordinary Shares so held at the balance sheet date is detailed in note 28.

(iii) Contingently issuable Ordinary Shares (totalling 8,630,786 at 31 December 2015 and 19,062,236 at 31 December 2014) are excluded from the computation of diluted earnings per Ordinary Share where the conditions governing exercisability have not been satisfied as at the end of the reporting period or they are antidilutive for the periods presented.

13. Property, Plant and Equipment

	Land and buildings (i) €m	Plant and machinery €m	Assets in course of construction €m	Total €m
At 31 December 2015				
Cost/deemed cost	8,471	12,583	582	21,636
Accumulated depreciation (and impairment charges)	(2,075)	(6,496)	(3)	(8,574)
Net carrying amount	6,396	6,087	579	13,062
At 1 January 2015, net carrying amount	4,176	3,026	220	7,422
Translation adjustment	292	115	6	413
Reclassifications	145	46	(191)	-
Additions at cost	96	514	272	882
Arising on acquisition (note 30)	1,999	3,138	276	5,413
Reclassified from held for sale	173	88	1	262
Disposals at net carrying amount	(283)	(161)	(2)	(446)
Depreciation charge for year	(175)	(665)	(3)	(843)
Impairment charge for year (ii)	(27)	(14)	-	(41)
At 31 December 2015, net carrying amount	6,396	6,087	579	13,062

The equivalent disclosure for the prior year is as follows:

At 31 December 2014				
Cost/deemed cost	6,068	8,940	220	15,228
Accumulated depreciation (and impairment charges)	(1,892)	(5,914)	-	(7,806)
Net carrying amount	4,176	3,026	220	7,422
At 1 January 2014, net carrying amount	4,096	3,214	229	7,539
Translation adjustment	329	64	1	394
Reclassifications	66	34	(100)	-
Additions at cost	45	264	126	435
Arising on acquisition (note 30)	20	71	-	91
Reclassified as held for sale	(173)	(88)	(1)	(262)
Disposals at net carrying amount	(68)	(27)	-	(95)
Depreciation charge for year	(132)	(499)	-	(631)
Impairment charge for year	(7)	(7)	(35)	(49)
At 31 December 2014, net carrying amount	4,176	3,026	220	7,422

At 1 January 2014				
Cost/deemed cost	5,912	8,847	229	14,988
Accumulated depreciation (and impairment charges)	(1,816)	(5,633)	-	(7,449)
Net carrying amount	4,096	3,214	229	7,539

(i) The carrying value of mineral-bearing land included in the land and buildings category above amounted to €2,855 million at the balance sheet date (2014: €1,997 million).

(ii) The impairment charge of €41 million in 2015 (2014: €49 million), principally relates to the write down of property, plant and equipment in Europe Heavyside and Americas Products of €24 million and €15 million respectively (2014: €35 million and €14 million respectively).

Future purchase commitments for property, plant and equipment

	2015 €m	2014 €m
Contracted for but not provided in the financial statements	311	211
Authorised by the Directors but not contracted for	118	70

14. Intangible Assets

	Other intangible assets				Total €m
	Goodwill €m	Marketing- related €m	Customer- related (i) €m	Contract- based €m	
At 31 December 2015					
Cost/deemed cost	7,699	137	639	85	8,560
Accumulated amortisation (and impairment charges)	(293)	(46)	(375)	(26)	(740)
Net carrying amount	7,406	91	264	59	7,820
At 1 January 2015, net carrying amount					
Translation adjustment	247	3	11	2	263
Arising on acquisition (note 30)	3,187	84	167	47	3,485
Reclassifications	-	(2)	1	1	-
Reclassified from held for sale	16	-	1	-	17
Disposals	(61)	-	-	(1)	(62)
Amortisation charge for year	-	(6)	(42)	(7)	(55)
Impairment charge for year	(1)	-	-	-	(1)
At 31 December 2015, net carrying amount	7,406	91	264	59	7,820
The equivalent disclosure for the prior year is as follows:					
At 31 December 2014					
Cost/deemed cost	4,362	52	448	37	4,899
Accumulated amortisation (and impairment charges)	(344)	(40)	(322)	(20)	(726)
Net carrying amount	4,018	12	126	17	4,173
At 1 January 2014, net carrying amount					
Translation adjustment	279	3	6	1	289
Arising on acquisition (note 30)	31	2	10	4	47
Reclassified as held for sale	(16)	-	(1)	-	(17)
Disposals	(10)	(1)	(2)	-	(13)
Amortisation charge for year	-	(4)	(38)	(2)	(44)
At 31 December 2014, net carrying amount	4,018	12	126	17	4,173
At 1 January 2014					
Cost/deemed cost	4,158	48	420	31	4,657
Accumulated amortisation (and impairment charges)	(424)	(36)	(269)	(17)	(746)
Net carrying amount	3,734	12	151	14	3,911

(i) The customer-related intangible assets relate predominantly to non-contractual customer relationships.

14. Intangible Assets | continued

(a) Annual goodwill testing

The net book value of goodwill capitalised under previous GAAP (Irish GAAP) as at the transition date to IFRS (1 January 2004) has been treated as deemed cost. Goodwill arising on acquisition since that date is capitalised at cost.

Cash-generating units

Goodwill acquired through business combination activity has been allocated to cash-generating units (CGUs) that are expected to benefit from synergies in that combination. The cash-generating units represent the lowest level within the Group at which the associated goodwill is monitored for internal management purposes, and are not larger than the operating segments determined in accordance with IFRS 8 *Operating Segments*. A total of 21 (2014: 20) cash-generating units have been identified and these are analysed between the six business segments below, excluding the newly acquired LH Assets and CRL. Given the size and timing of these acquisitions in the second half of 2015, the related goodwill has not yet been allocated to CGUs; the allocation will be completed during 2016. The increase in the number of CGUs in 2015 relates to a reorganisation in the Americas Materials segment. All businesses within the various cash-generating units exhibit similar and/or consistent profit margin and asset intensity characteristics. Assets, liabilities, deferred tax and goodwill have been assigned to the CGUs on a reasonable and consistent basis.

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.

	Cash-generating units		Goodwill (€m)	
	2015	2014	2015	2014
Europe Heavyside*	8	8	648	650
Europe Lightside*	1	1	347	346
Europe Distribution	1	1	662	649
Europe	10	10	1,657	1,645
Americas Materials	8	7	1,484	1,313
Americas Products	2	2	758	703
Americas Distribution	1	1	398	357
Americas	11	10	2,640	2,373
Unallocated Goodwill				
LH Assets	-	-	2,252	-
CRL	-	-	857	-
Total Group	21	20	7,406	4,018

* Included in the goodwill numbers of Europe Heavyside and Europe Lightside at 31 December 2015 are amounts of €52 million and €8 million respectively (2014: €54 million and €9 million respectively) relating to businesses identified for divestment as part of the portfolio review, which have been tested separately (see section (b) on page 168).

14. Intangible Assets | continued

Impairment testing methodology and results

Goodwill is subject to impairment testing on an annual basis. The recoverable amount of each of the 21 CGUs is determined based on a value-in-use computation, using Level 3 inputs in accordance with the fair value hierarchy (as described in the “fair value hierarchy” section of the accounting policies on page 146). The cash flow forecasts are primarily based on a five-year strategic plan document formally approved by senior management and the Board of Directors and specifically exclude the impact of future development activity. These cash flows are projected forward for an additional five years to determine the basis for an annuity-based terminal value, calculated on the same basis as the Group’s acquisition modelling methodology. As in prior years, the terminal value is based on a 20-year annuity. The projected cash flows assume zero growth in real cash flows beyond the initial evaluation period. The value-in-use represents the present value of the future cash flows, including the terminal value, discounted at a rate appropriate to each CGU. The real pre-tax discount rates used range from 7.0% to 11.7% (2014: 7.5% to 12.2%); these rates are in line with the Group’s estimated weighted average cost of capital, arrived at using the Capital Asset Pricing Model.

The 2015 and 2014 annual goodwill impairment testing processes have resulted in no intangible asset impairments.

Key sources of estimation uncertainty

The cash flows have been arrived at taking account of the Group’s strong financial position, its established history of earnings and cash flow generation and the nature of the building materials industry, where product obsolescence is very low. However, expected future cash flows are inherently uncertain and are therefore liable to material change over time. The key assumptions employed in arriving at the estimates of future cash flows factored into impairment testing are subjective and include projected EBITDA (as defined)* margins, net cash flows, discount rates used and the duration of the discounted cash flow model.

Significant goodwill amounts

The goodwill allocated to the Europe Distribution and the Oldcastle Building Products (Americas Products segment) CGUs each account for approximately 10% of the total carrying amount of €7,406 million. The goodwill allocated to each of the remaining CGUs is less than 10% of the total carrying value in all other cases, except for the goodwill arising on the acquisitions of LH Assets and CRL which account for 30% and 12% of the total carrying amount of goodwill respectively. No additional disclosures are presented for the acquired goodwill as the initial allocation of the goodwill to CGUs has not been completed and therefore the goodwill has been assessed for impairment indicators as at 31 December 2015. The additional disclosures required for the two CGUs with significant goodwill are as follows:

	Europe Distribution		Oldcastle Building Products	
	2015	2014	2015	2014
Goodwill allocated to the cash-generating unit at balance sheet date	€662m	€649m	€756m	€699m
Discount rate applied to the cash flow projections (real pre-tax)	9.0%	9.4%	11.7%	11.9%
Average EBITDA (as defined)* margin over the initial 5-year period	6.1%	5.9%	12.0%	11.0%
Value-in-use (present value of future cash flows)	€2,153m	€2,015m	€2,726m	€2,588m
Excess of value-in-use over carrying amount	€472m	€336m	€566m	€509m

The key assumptions and methodology used in respect of these two CGUs are consistent with those described above. The values applied to each of the key estimates and assumptions are specific to the individual CGUs and were derived from a combination of internal and external factors based on historical experience and took into account the cash flows specifically associated with these businesses. The cash flows and 20-year annuity-based terminal value were projected in line with the methodology disclosed above.

Europe Distribution and Oldcastle Building Products are not included in the CGUs referred to in the “Sensitivity analysis” section below. Given the magnitude of the excess of value-in-use over carrying amount, and our belief that the key assumptions are reasonable, management believe that it is not reasonably possible that there would be a change in the key assumptions such that the carrying amount would exceed the value-in-use. Consequently no further disclosures relating to sensitivity of the value-in-use computations for the Europe Distribution or Oldcastle Building Products CGUs are considered to be warranted.

* EBITDA is defined as earnings before interest, taxes, depreciation, amortisation, asset impairment charges, profit on disposals and the Group’s share of equity accounted investments’ profit after tax.

14. Intangible Assets | continued

Sensitivity analysis

Sensitivity analysis has been performed and results in additional disclosures in respect of 4 of the 21 CGUs including the Ukraine. The key assumptions, methodology used and values applied to each of the key assumptions for the 4 CGUs are in line with those outlined above. The 4 CGUs had aggregate goodwill of €216 million at the date of testing. The table below identifies the amounts by which each of the following assumptions may either decline or increase to arrive at a zero excess of the present value of future cash flows over the book value of net assets in the 4 CGUs selected for sensitivity analysis disclosures:

	4 CGUs
Reduction in EBITDA (as defined)* margin	0.6 to 3.6 percentage points
Reduction in profit before tax	9.1% to 16.2%
Reduction in net cash flow	8.0% to 17.1%
Increase in pre-tax discount rate	0.8 to 1.8 percentage points

The average EBITDA (as defined)* margin for the aggregate of these 4 CGUs over the initial five-year period was 11.1%. The value-in-use (being the present value of the future net cash flows) was €1,024 million and the carrying amount was €895 million, resulting in an excess of value-in-use over carrying amount of €129 million.

(b) Portfolio review update

In November 2013, a Group-wide portfolio review was initiated to identify and focus on those businesses within our portfolio which offer the most attractive future returns, and to prioritise capital allocation to ensure profitable growth across our network of businesses. This review was completed during 2014 and a multi-year divestment programme is well under way with proceeds of €1.4 billion realised on business and non-current asset disposals in 2015 and 2014 (see note 4).

The decision to sell these business units resulted in the need to assess them for impairment, either individually or on a combined basis where they form a new group for disposal purposes. Excluding business units divested during 2014 and 2015, the remainder were assessed for impairment or reversal of previous impairments and also assessed from the perspective of the held for sale criteria set out in IFRS 5 *Non-Current Assets Held for Sale and Discontinued Operations*.

A valuation was prepared based on the estimated fair value less costs of disposal (FVLCD) for each business unit. The valuations were then compared to the carrying value of each business and where that valuation fell below the carrying value an impairment charge was taken.

Impairments of €33 million (€1 million relating to goodwill) were recorded during the year in the Europe Heavyside and Americas Products segments. No reversal of previous impairments were recorded during the year.

* EBITDA is defined as earnings before interest, taxes, depreciation, amortisation, asset impairment charges, profit on disposals and the Group's share of equity accounted investments' profit after tax.

15. Financial Assets

	Investments accounted for using the equity method (i.e. joint ventures and associates)			
	Share of net assets	Loans	Total	Other (i)
	€m	€m	€m	€m
At 1 January 2015	1,193	136	1,329	23
Translation adjustment	103	14	117	1
Investments and advances	7	11	18	1
Joint Ventures becoming subsidiaries (note 30)	(25)	-	(25)	-
Reclassified from held for sale	34	-	34	-
Disposals and repayments	(159)	(6)	(165)	-
Return of Share Capital	(6)	-	(6)	-
Arising on acquisition (note 30)	23	1	24	5
Impairment charge for year	-	-	-	(2)
Retained loss	(9)	-	(9)	-
At 31 December 2015	1,161	156	1,317	28

The equivalent disclosure for the prior year is as follows:

At 1 January 2014	1,211	129	1,340	23
Translation adjustment	73	14	87	-
Investments and advances	-	3	3	-
Reclassified as held for sale	(34)	-	(34)	-
Disposals and repayments	(82)	(10)	(92)	-
Retained profit	25	-	25	-
At 31 December 2014	1,193	136	1,329	23

(i) Other financial assets primarily comprise trade investments carried at historical cost.

Summarised financial information for the Group's investment in joint ventures and associates which are accounted for using the equity method is as follows:

	Joint Ventures		Associates		Total	
	2015 €m	2014 €m	2015 €m	2014 €m	2015 €m	2014 €m
Non-current assets	696	548	880	955	1,576	1,503
Current assets	173	121	444	538	617	659
Non-current liabilities	(194)	(161)	(140)	(209)	(334)	(370)
Current liabilities	(187)	(73)	(511)	(526)	(698)	(599)
Net assets	488	435	673	758	1,161	1,193

A listing of the principal equity accounted investments is contained on page 231.

The Group holds a 21.13% stake (2014: 21.13%) in Samse S.A., a publicly-listed distributor in France which is accounted for as an associate investment above. The fair value of this investment at the balance sheet date, calculated based on the number of shares held multiplied by the closing share price at 31 December 2015 (Level 1 input in the fair value hierarchy), was €82 million (2014: €75 million).

16. Inventories

	2015 €m	2014 €m
Raw materials	836	612
Work-in-progress (i)	106	80
Finished goods	1,931	1,568
Total inventories at the lower of cost and net realisable value	2,873	2,260

(i) Work-in-progress includes €9 million (2014: €8 million) in respect of the cumulative costs incurred, net of amounts transferred to cost of sales under percentage-of-completion accounting, for construction contracts in progress at the balance sheet date.

An analysis of the Group's cost of sales expense is provided in note 2 to the financial statements.

Write-downs of inventories recognised as an expense within cost of sales amounted to €12 million (2014: €29 million).

17. Trade and Other Receivables

	2015 €m	2014 €m
Current		
Trade receivables	2,752	1,810
Amounts receivable in respect of construction contracts (i)	720	476
Total trade receivables, gross	3,472	2,286
Provision for impairment	(161)	(106)
Total trade receivables, net	3,311	2,180
Amounts receivable from equity accounted investments	11	6
Prepayments and other receivables	655	458
Total	3,977	2,644
Non-current		
Other receivables	149	85

The carrying amounts of current and non-current trade and other receivables approximate their fair value largely due to the short-term maturities and nature of these instruments.

(i) Includes unbilled revenue and retentions held by customers in respect of construction contracts at the balance sheet date amounting to €155 million and €145 million respectively (2014: €119 million and €82 million respectively).

17. Trade and Other Receivables | continued

Provision for impairment

The movements in the provision for impairment of receivables during the financial year were as follows:

At 1 January	106	118
Translation adjustment	5	4
Provided during year	40	28
Reclassified from/(as) held for sale	2	(2)
Disposed of during year	(4)	-
Written-off during year	(36)	(36)
Arising on acquisitions during year (note 30)	55	-
Recovered during year	(7)	(6)
At 31 December	161	106

Information in relation to the Group's credit risk management is provided in note 21 to the financial statements.

Aged analysis

The aged analysis of trade receivables and amounts receivable in respect of construction contracts at the balance sheet date was as follows:

Neither past due nor impaired	2,385	1,638
Past due but not impaired:		
- less than 60 days	608	373
- 60 days or greater but less than 120 days	211	117
- 120 days or greater	107	45
Past due and impaired (partial or full provision)	161	113
Total	3,472	2,286

Trade receivables and amounts receivable in respect of construction contracts are in general receivable within 90 days of the balance sheet date.

18. Trade and Other Payables

	2015 €m	2014 €m
Current		
Trade payables	2,521	1,506
Construction contract-related payables (i)	240	129
Deferred and contingent acquisition consideration (ii)	46	59
Accruals and other payables	1,911	1,148
Amounts payable to equity accounted investments	43	52
Total	4,761	2,894
Non-current		
Other payables	168	109
Deferred and contingent acquisition consideration (ii)	242	148
Total	410	257

(i) Construction contract-related payables include billings in excess of revenue, together with advances received from customers in respect of work to be performed under construction contracts and foreseeable losses thereon.

Other than deferred and contingent consideration, the carrying amounts of trade and other payables approximate their fair value largely due to the short-term maturities and nature of these instruments.

(ii) **Deferred and contingent acquisition consideration:**

The fair value of total contingent consideration is €111 million (2014: €122 million), (Level 3 input in the fair value hierarchy) and deferred consideration is €177 million (2014: €85 million). On an undiscounted basis, the corresponding basis for which the Group may be liable for contingent consideration ranges from nil to a maximum of €117 million. The movement in deferred and contingent consideration during the financial year was as follows:

	2015 €m	2014 €m
At 1 January	207	208
Translation adjustment	21	16
Arising on acquisitions and investments during the year (note 30)	97	3
Changes in estimate	2	(6)
Paid during the year	(59)	(26)
Discount unwinding	20	12
At 31 December	288	207

19. Movement in Working Capital and Provisions for Liabilities

	Inventories €m	Trade and other receivables €m	Trade and other payables €m	Provisions for liabilities €m	Total €m
At 1 January 2015	2,260	2,729	(3,151)	(396)	1,442
Translation adjustment	130	147	(151)	(5)	121
Arising on acquisition (note 30)	621	1,533	(1,549)	(581)	24
Reclassified from held for sale	102	79	(98)	(7)	76
Disposals	(211)	(178)	137	6	(246)
Deferred and contingent acquisition consideration:					
- arising on acquisitions during year (note 30)	-	-	(97)	-	(97)
- paid during year	-	-	59	-	59
Deferred proceeds arising on disposals during year	-	38	-	-	38
Interest accruals and discount unwinding	-	-	(20)	(19)	(39)
Decrease in working capital and provisions for liabilities	(29)	(222)	(301)	(33)	(585)
At 31 December 2015	2,873	4,126	(5,171)	(1,035)	793

The equivalent disclosure for the prior year is as follows:

At 1 January 2014	2,254	2,609	(3,043)	(380)	1,440
Translation adjustment	128	165	(173)	(27)	93
Arising on acquisition (note 30)	23	20	(17)	(1)	25
Reclassified as held for sale	(102)	(79)	98	7	(76)
Disposals	(9)	(4)	2	-	(11)
Deferred and contingent acquisition consideration:					
- arising on acquisitions during year (note 30)	-	-	(3)	-	(3)
- paid during year	-	-	26	-	26
Interest accruals and discount unwinding	-	-	(1)	(16)	(17)
Decrease/(increase) in working capital and provisions for liabilities	(34)	18	(40)	21	(35)
At 31 December 2014	2,260	2,729	(3,151)	(396)	1,442

20. Analysis of Net Debt

Components of net debt

Net debt is a non-GAAP measure which we provide to investors as we believe they find it useful. Net debt comprises cash and cash equivalents, derivative financial instrument assets and liabilities and interest-bearing loans and borrowings and enables investors to see the economic effects of these in total (see note 21 for details of the capital and risk management policies employed by the Group). Net debt is commonly used in computations such as net debt as a % of total equity and net debt as a % of market capitalisation.

	As at 31 December 2015		As at 31 December 2014	
	Fair value (i)	Book value	Fair value (i)	Book value
	€m	€m	€m	€m
Cash and cash equivalents (note 22)	2,518	2,518	3,295	3,295
Interest-bearing loans and borrowings (note 23)	(9,526)	(9,221)	(6,302)	(5,866)
Derivative financial instruments (net) (note 24)	85	85	79	79
Group net debt	(6,923)	(6,618)	(2,928)	(2,492)

(i) All interest-bearing loans and borrowings are Level 2 fair value measurements.

The following table shows the effective interest rates on period-end fixed and gross debt:

	As at 31 December 2015			As at 31 December 2014		
	€m	Interest rate	Weighted average	€m	Interest rate	Weighted average
			fixed period Years			fixed period Years
Interest-bearing loans and borrowings nominal - fixed rate (i)	(7,431)			(5,657)		
Derivative financial instruments - fixed rate	2,270			1,227		
Net fixed rate debt including derivatives	(5,161)	4.0%	9.4	(4,430)	4.5%	5.2
Interest-bearing loans and borrowings nominal - floating rate (ii)	(1,668)			(63)		
Adjustment of debt from nominal to book value (i)	(122)			(146)		
Derivative financial instruments - currency floating rate	(2,185)			(1,148)		
Gross debt including derivative financial instruments	(9,136)	3.3%		(5,787)	4.1%	
Cash and cash equivalents - floating rate	2,518			3,295		
Group net debt	(6,618)			(2,492)		
Cash at bank and in hand reclassified as held for sale (note 22)	-			(33)		
Group net debt excluding cash reclassified as held for sale	(6,618)			(2,525)		

(i) Of the Group's nominal fixed rate debt at 31 December 2015, €2,270 million (2014: €1,227 million) is hedged to floating rate using interest rate swaps.

(ii) Floating rate debt comprises bank borrowings and finance leases bearing interest at rates set in advance for periods ranging from overnight to less than one year largely by reference to inter-bank interest rates.

20. Analysis of Net Debt | continued

Currency profile

The currency profile of the Group's net debt and net worth (capital and reserves attributable to the Company's equity holders) as at 31 December 2015 and 31 December 2014 is as follows:

	euro €m	US Dollar €m	Pound Sterling €m	Canadian Dollar €m	Philippine Peso €m	Polish Zloty €m	Swiss Franc €m	Other (i) €m	Total €m
Cash and cash equivalents (note 22)	1,062	791	99	131	10	120	182	123	2,518
Interest-bearing loans and borrowings (note 23)	(4,533)	(3,503)	(540)	(29)	(226)	(64)	(304)	(22)	(9,221)
Derivative financial instruments (net) (note 24)	2,449	(918)	(413)	(536)	-	(50)	(232)	(215)	85
Net debt by major currency including derivative financial instruments	(1,022)	(3,630)	(854)	(434)	(216)	6	(354)	(114)	(6,618)
Non-debt assets and liabilities analysed as follows:									
Non-current assets	4,487	9,111	2,845	1,403	1,459	365	821	2,034	22,525
Current assets	1,855	2,934	818	393	121	158	331	245	6,855
Non-current liabilities	(643)	(1,837)	(254)	(228)	(193)	(8)	(377)	(84)	(3,624)
Current liabilities	(1,547)	(1,956)	(1,091)	(272)	(150)	(121)	(200)	(257)	(5,594)
Non-controlling interests	(39)	(12)	-	-	(467)	2	(13)	-	(529)
Capital and reserves attributable to the Company's equity holders	3,091	4,610	1,464	862	554	402	208	1,824	13,015

The equivalent disclosure for the prior year is as follows:

Cash and cash equivalents (note 22)	1,776	1,092	68	7	-	43	212	64	3,262
Interest-bearing loans and borrowings (note 23)	(2,648)	(2,573)	(310)	(1)	-	(24)	(274)	(36)	(5,866)
Derivative financial instruments (net) (note 24)	1	364	174	(109)	-	(112)	(188)	(51)	79
Net debt* by major currency including derivative financial instruments	(871)	(1,117)	(68)	(103)	-	(93)	(250)	(23)	(2,525)
Non-debt assets (including cash reclassified as held for sale) and liabilities analysed as follows:									
Non-current assets	3,061	7,003	346	221	-	395	778	1,399	13,203
Current assets	1,611	2,558	489	113	-	171	326	182	5,450
Non-current liabilities	(616)	(1,481)	(92)	(9)	-	(35)	(270)	(27)	(2,530)
Current liabilities	(1,117)	(1,436)	(368)	(65)	-	(88)	(191)	(135)	(3,400)
Non-controlling interests	(5)	(4)	-	-	-	-	(12)	-	(21)
Capital and reserves attributable to the Company's equity holders	2,063	5,523	307	157	-	350	381	1,396	10,177

(i) The principal currencies included in this category are the Chinese Renminbi, the Romanian new leu, the Indian Rupee, the Ukrainian Hryvnia and the Serbian Dinar.

* Excluding €33 million cash reclassified as held for sale which is analysed by major currency in current assets above.

20. Analysis of Net Debt | continued

Liquidity and capital resources

The following table provides certain information related to our cash generation and changes in our cash and cash equivalents position:

	2015 €m	2014 €m
Net cash inflow from operating activities	2,247	1,237
Net cash outflow from investing activities	(7,306)	(232)
Net cash inflow/(outflow) from financing activities	4,162	(380)
(Decrease)/increase in cash and cash equivalents	(897)	625
Cash and cash equivalents at the beginning of year, excluding overdrafts (note 22)	3,295	2,540
Effect of exchange rate changes	120	130
Cash and cash equivalents at the end of year, excluding overdrafts (note 22)	2,518	3,295
Bank overdrafts	(117)	(70)
Borrowings	(9,104)	(5,796)
Derivative financial instruments	85	79
Net debt at end of year	(6,618)	(2,492)

The Group's financing strategy includes maintenance of adequate financial resources and liquidity. During 2015 the Group's total net cash outflow from investing activities amounted to €7.3 billion which was funded by €2.2 billion of operating cash flow, €4.2 billion of net financing and a €0.9 billion reduction in cash and cash equivalents.

The Group believes that its financial resources (operating cash together with cash and cash equivalents of €2.5 billion and undrawn committed loan facilities of €3.1 billion) will be sufficient to cover the Group's cash requirements.

At 31 December 2015, euro and US Dollar denominated cash and cash equivalents represented 42% (2014: 54%) and 31% (2014: 33%) of total cash and cash equivalents respectively.

Significant borrowings

The main sources of Group debt funding are public bond markets in Europe and North America.

The following bonds were outstanding as at 31 December 2015:

	Annual coupons	Outstanding millions	Final maturity
US Dollar bonds	4.125%	\$114	2016
US Dollar bonds	6.00%	\$518	2016
US Dollar bonds	8.125%	\$650	2018
euro bonds	5.00%	€500	2019
euro bonds	2.75%	€750	2020
US Dollar bonds	5.75%	\$400	2021
euro bonds	1.75%	€600	2021
Swiss Franc bonds	1.375%	CHF 330	2022
euro bonds	3.125%	€750	2023
euro bonds	1.875%	€600	2024
US Dollar bonds	3.875%	\$1,250	2025
Sterling bonds	4.125%	£400	2029
US Dollar bonds	6.40%	\$213	2033
US Dollar bonds	5.125%	\$500	2045

21. Capital and Financial Risk Management

Capital management

Overall summary

The primary objectives of CRH's capital management strategy are to ensure that the Group maintains a strong credit rating to support its business and to create shareholder value by managing the debt and equity balance and the cost of capital. No changes were made in the objectives, policies or processes for managing capital during 2015.

The Board periodically reviews the capital structure of the Group, including the cost of capital and the risks associated with each class of capital. The Group manages and, if necessary, adjusts its capital structure taking account of underlying economic conditions; any material adjustments to the Group's capital structure in terms of the relative proportions of debt and equity are approved by the Board. In order to maintain or adjust the capital structure, the Group may issue new shares, dispose of assets, amend investment plans, alter dividend policy or return capital to shareholders.

The Group is committed to optimising the use of its balance sheet within the confines of the overall objective to maintain an investment grade credit rating. Dividend cover for the year ended 31 December 2015 amounted to 1.43 times (2014: 1.26 times).

The capital structure of the Group, which comprises net debt and capital and reserves attributable to the Company's equity holders, may be summarised as follows:

	2015	2014
	€m	€m
Capital and reserves attributable to the Company's equity holders	13,015	10,177
Net debt	6,618	2,492
Capital and net debt	19,633	12,669

21. Capital and Financial Risk Management | continued

Financial risk management objectives and policies

The Group uses financial instruments throughout its businesses: interest-bearing loans and borrowings, cash and cash equivalents and finance leases are used to finance the Group's operations; trade receivables and trade payables arise directly from operations; and derivatives, principally interest rate and currency swaps and forward foreign exchange contracts, are used to manage interest rate risks and currency exposures and to achieve the desired profile of borrowings. The Group does not trade in financial instruments nor does it enter into any leveraged derivative transactions.

The Group's corporate treasury function provides services to the business units, co-ordinates access to domestic and international financial markets, and monitors and manages the financial risks relating to the operations of the Group. The Head of Group Financial Operations reports to the General Manager of Finance and the activities of the corporate treasury function are subject to regular internal audit. Systems are in place to monitor and control the Group's liquidity risks. The Group's net debt position forms part of the monthly documentation presented to the Board of Directors.

The main risks attaching to the Group's financial instruments are interest rate risk, foreign currency risk, credit risk and liquidity risk. Commodity price risk arising from financial instruments is of minimal relevance given that exposure is confined to a small number of contracts entered into for the purpose of hedging future movements in energy costs. The Board reviews and agrees policies for the prudent management of each of these risks as documented below.

Interest rate risk

The Group's exposure to market risk for changes in interest rates stems predominantly from its long-term debt obligations. Interest cost is managed using a mix of fixed and floating rate debt. With the objective of managing this mix in a cost-efficient manner, the Group enters into interest rate swaps, under which the Group contracts to exchange, at predetermined intervals, the difference between fixed and variable interest amounts calculated by reference to a pre-agreed notional principal. Such contracts enable the Group to mitigate the risk of changing interest rates on the fair value of issued fixed rate debt and the cash flow exposures of issued floating rate debt.

The majority of these swaps are designated under IAS 39 *Financial Instruments; Recognition and Measurement* to hedge underlying debt obligations and qualify for hedge accounting; undesignated financial instruments are termed "not designated as hedges" in the analysis of derivative financial instruments presented in note 24. The following table demonstrates the impact on profit before tax and total equity of a range of possible changes in the interest rates applicable to net floating rate borrowings, with all other variables held constant. These impacts are calculated based on the closing balance sheet for the relevant period and assume all floating interest rates and interest curves change by the same amount. For profit before tax, the impact shown is the impact on closing balance sheet floating rate net debt for a full year while for total equity the impact shown is the impact on the value of financial instruments.

Percentage change in cost of borrowings		+/- 1%	+/- 0.5%
Impact on profit before tax	2015	-/+ €14m	-/+ €7m
	2014	+/- €21m	+/- €10m
Impact on total equity	2015	-/+ €7m	-/+ €4m
	2014	-/+ €5m	-/+ €2m

21. Capital and Financial Risk Management | continued

Foreign currency risk

Due to the nature of building materials, which in general exhibit a low value-to-weight ratio, CRH's activities are conducted primarily in the local currency of the country of operation resulting in low levels of foreign currency transaction risk; variances arising in this regard are reflected in operating costs or cost of sales in the Consolidated Income Statement in the period in which they arise.

Given the Group's presence in 31 countries worldwide, the principal foreign exchange risk arises from fluctuations in the euro value of the Group's net investment in a wide basket of currencies other than the euro; such changes are reported separately within the Consolidated Statement of Comprehensive Income. A currency profile of the Group's net debt and net worth is presented in note 20. The Group's established policy is to spread its net worth across the currencies of its various operations with the objective of limiting its exposure to individual currencies and thus promoting consistency with the geographical balance of its operations. In order to achieve this objective, the Group manages its borrowings, where practicable and cost effective, to hedge a portion of its foreign currency assets. Hedging is done using currency borrowings in the same currency as the assets being hedged or through the use of other hedging methods such as currency swaps.

The following table demonstrates the sensitivity of profit before tax and equity to selected movements in the relevant €/US\$ exchange rate (with all other variables held constant); the US Dollar has been selected as the appropriate currency for this analysis given the materiality of the Group's activities in the United States. The impact on profit before tax is based on changing the €/US\$ exchange rate used in calculating profit before tax for the period. The impact on total equity and financial instruments is calculated by changing the €/US\$ exchange rate used in measuring the closing balance sheet.

Percentage change in relevant €/US\$ exchange rate		+/- 5%	+/- 2.5%
Impact on profit before tax	2015	-/+ €33m	-/+ €17m
	2014	-/+ €26m	-/+ €13m
Impact on total equity*	2015	-/+ €230m	-/+ €115m
	2014	-/+ €263m	-/+ €135m
* Includes the impact on financial instruments which is as follows:	2015	+/- €181m	+/- €90m
	2014	+/- €53m	+/- €27m

Financial instruments include deposits, money market funds, bank loans, medium term notes and other fixed term debt, interest rate swaps, commodity swaps and foreign exchange contracts. They exclude trade receivables and trade payables.

21. Capital and Financial Risk Management | continued

Credit/counterparty risk

In addition to cash at bank and in hand, the Group holds significant cash balances which are invested on a short-term basis and are classified as cash equivalents (see note 22). These deposits and other financial instruments (principally certain derivatives and loans and receivables included within financial assets) give rise to credit risk on amounts due from counterparty financial institutions (stemming from their insolvency or a downgrade in their credit ratings). Credit risk is managed by limiting the aggregate amount and duration of exposure to any one counterparty primarily depending on its credit rating and by regular review of these ratings. Acceptable credit ratings are high investment-grade ratings - generally counterparties have ratings of A2/A or higher from Moody's/Standard & Poor's ratings agencies. The maximum exposure arising in the event of default on the part of the counterparty (including insolvency) is the carrying value of the relevant financial instrument.

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.

Credit risk arising in the context of the Group's operations is not significant with the total bad debt provision at the balance sheet date amounting to 4.6% of gross trade receivables (2014: 4.6%). Customer credit risk is managed at appropriate Group locations according to established policies, procedures and controls. Customer credit quality is assessed in line with strict credit rating criteria and credit limits are established where appropriate. Outstanding customer balances are regularly monitored and a review for indicators of impairment (evidence of financial difficulty of the customer, payment default, breach of contract etc.) is carried out at each reporting date. Significant balances are reviewed individually while smaller balances are grouped and assessed collectively. Receivables balances are in general unsecured and non-interest-bearing. The trade receivables balances disclosed in note 17 comprise a large number of customers spread across the Group's activities and geographies with balances classified as neither past due nor impaired representing 69% of the total trade receivables balance at the balance sheet date (2014: 72%); amounts receivable from related parties (notes 17 and 32) are immaterial. Factoring and credit guarantee arrangements are employed in certain of the Group's operations where deemed to be of benefit by operational management.

Liquidity risk

The principal liquidity risks faced by the Group stem from the maturation of debt obligations and derivative transactions. 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. The Group's corporate treasury function ensures that sufficient resources are available to meet such liabilities as they fall due through a combination of cash and cash equivalents, cash flows and undrawn committed bank facilities. Flexibility in funding sources is achieved through a variety of means including (i) maintaining cash and cash equivalents only with a diversity of highly-rated counterparties; (ii) limiting the maturity of such balances; (iii) borrowing the bulk of the Group's debt requirements under committed bank lines or other term financing; and (iv) having surplus committed lines of credit.

The undrawn committed facilities available to the Group as at the balance sheet date are quantified in note 23; these facilities span a wide number of highly-rated financial institutions thus minimising any potential exposure arising from concentrations in borrowing sources. The repayment schedule (analysed by maturity date) applicable to the Group's outstanding interest-bearing loans and borrowings as at the balance sheet date is also presented in note 23.

21. Capital and Financial Risk Management | continued

The tables below show the projected contractual undiscounted total cash outflows (principal and interest) arising from the Group's trade and other payables, gross debt and derivative financial instruments. The tables also include the gross cash inflows projected to arise from derivative financial instruments. These projections are based on the interest and foreign exchange rates applying at the end of the relevant financial year.

	Within 1 year €m	Between 1 and 2 years €m	Between 2 and 3 years €m	Between 3 and 4 years €m	Between 4 and 5 years €m	After 5 years €m	Total €m
At 31 December 2015							
<i>Financial liabilities - cash outflows</i>							
Trade and other payables	4,761	231	80	37	48	65	5,222
Finance leases	2	2	2	2	2	5	15
Other interest-bearing loans and borrowings	760	800	1,361	500	750	4,971	9,142
Interest payments on other interest-bearing loans and borrowings (i)	315	277	270	196	190	1,271	2,519
Cross-currency swaps - gross cash outflows	2,716	146	-	-	-	-	2,862
Gross projected cash outflows	8,554	1,456	1,713	735	990	6,312	19,760
<i>Derivative financial instruments - cash inflows</i>							
Interest rate swaps - net cash inflows (ii)	(53)	(35)	(35)	(21)	(21)	(87)	(252)
Cross-currency swaps - gross cash inflows	(2,707)	(162)	-	-	-	-	(2,869)
Gross projected cash inflows	(2,760)	(197)	(35)	(21)	(21)	(87)	(3,121)

The equivalent disclosure for the prior year is as follows:

At 31 December 2014

Financial liabilities - cash outflows

Trade and other payables	2,894	178	25	16	11	56	3,180
Finance leases	2	2	2	1	2	4	13
Other interest-bearing loans and borrowings	452	1,371	1	536	500	2,882	5,742
Interest payments on other interest-bearing loans and borrowings (i)	253	207	157	137	90	305	1,149
Cross-currency swaps - gross cash outflows	1,729	-	-	-	-	-	1,729
Gross projected cash outflows	5,330	1,758	185	690	603	3,247	11,813

Derivative financial instruments - cash inflows

Interest rate swaps - net cash inflows (ii)	(34)	(28)	(19)	(14)	(6)	(18)	(119)
Cross-currency swaps - gross cash inflows	(1,738)	-	-	-	-	-	(1,738)
Gross projected cash inflows	(1,772)	(28)	(19)	(14)	(6)	(18)	(1,857)

Commodity price risk

The fair value of derivatives used to hedge future energy costs was €17 million unfavourable as at the balance sheet date (2014: €19 million unfavourable).

- (i) At 31 December 2015 and 31 December 2014, a portion of the Group's long-term debt carried variable interest rates. The Group uses the interest rates in effect on 31 December to calculate the interest payments on the long-term debt for the periods indicated.
- (ii) The Group uses interest rate swaps to help manage its interest cost. Under these contracts the Group has agreed to exchange at predetermined intervals, the difference between fixed and variable interest amounts calculated by reference to a pre-agreed notional principal. The Group uses the interest rates in effect on 31 December to calculate the net interest receipts or payments on these contracts.

22. Cash and Cash Equivalents

Cash and cash equivalents balances are spread across a wide number of highly-rated financial institutions. The credit risk attaching to these items is documented in note 21.

Cash and cash equivalents are included in the Consolidated Balance Sheet at fair value and are analysed as follows:

	2015	2014
	€m	€m
Cash at bank and in hand	938	689
Investments (short-term deposits)	1,580	2,573
Total	2,518	3,262

Cash at bank earns interest at floating rates based on daily deposit bank rates. Short-term deposits, which include bank and money market deposits, are made for varying periods of between one day and three months depending on the immediate cash requirements of the Group, and earn interest at the respective short-term deposit rates.

Cash and cash equivalents at fair value include the following for the purposes of the Consolidated Statement of Cash Flows:

	2015	2014
	€m	€m
Cash at bank and in hand	938	689
Investments (short-term deposits)	1,580	2,573
Cash at bank and in hand reclassified as held for sale	-	33
Total	2,518	3,295

23. Interest-bearing Loans and Borrowings

Loans and borrowings outstanding

	2015	2014
	€m	€m
Bank overdrafts	117	70
Bank loans	1,564	16
Finance leases	15	13
Bonds and private placements	7,508	5,750
Other	17	17
Interest-bearing loans and borrowings*	9,221	5,866

* Including loans of €1 million (2014: €1 million) secured on specific items of property, plant and equipment; these figures do not include finance leases.

Maturity profile of loans and borrowings and undrawn committed facilities

	As at 31 December 2015		As at 31 December 2014	
	Loans and borrowings	Undrawn committed facilities**	Loans and borrowings	Undrawn committed facilities**
	€m	€m	€m	€m
Within one year	756	31	447	22
Between one and two years	794	220	1,395	-
Between two and three years	1,382	-	-	-
Between three and four years	501	-	562	-
Between four and five years	747	2,837	505	2,641
After five years	5,041	-	2,957	-
Total	9,221	3,088	5,866	2,663

** The Group manages its borrowing ability by entering into committed borrowing agreements. Revolving committed bank facilities are generally available to the Group for periods of up to five years from the date of inception. The figures shown above are the undrawn committed facilities available to be drawn by the Group at 31 December 2015.

23. Interest-bearing Loans and Borrowings | continued

Guarantees

The Company has given letters of guarantee to secure obligations of subsidiary undertakings as follows: €8.9 billion in respect of loans, bank advances, derivative obligations and future lease obligations (2014: €5.8 billion), €308 million in respect of letters of credit (2014: €288 million) and €10 million in respect of other obligations (2014: €5 million).

Pursuant to the provisions of Section 357(1)(b) of the Companies Act 2014, the Company has guaranteed all amounts shown as liabilities in the statutory financial statements of its wholly-owned subsidiary undertakings and the Oldcastle Finance Company general partnership in the Republic of Ireland for the financial year ended 31 December 2015 and as a result, such subsidiary undertakings and the general partnership have been exempted from the filing provisions of Sections 347 and 348 of the Companies Act 2014 and Regulation 20 of the European Communities (Accounts) Regulations, 1993 respectively.

Lender covenants

The Group's major bank facilities and debt issued pursuant to Note Purchase Agreements in private placements require the Group to maintain certain financial covenants. Non-compliance with financial covenants would give the relevant lenders the right to terminate facilities and demand early repayment of any sums drawn thereunder thus altering the maturity profile of the Group's debt and the Group's liquidity. Calculations for financial covenants are completed for twelve-month periods half-yearly on 30 June and 31 December. The Group was in full compliance with its financial covenants throughout each of the periods presented. The Group is not aware of any stated events of default as defined in the Agreements.

The financial covenants are:

- (1) *Minimum interest cover* defined as PBITDA/net interest (all as defined in the relevant agreement) cover at no lower than 4.5 times (2014: 4.5 times). As at 31 December 2015 the ratio was 8.5 times (2014: 7.0 times);
- (2) *Minimum net worth* defined as total equity plus deferred tax liabilities and capital grants less repayable capital grants being in aggregate no lower than €5.6 billion (2014: €5.0 billion) (such minimum being adjusted for foreign exchange translation impacts). As at 31 December 2015 net worth (as defined in the relevant agreement) was €15.6 billion (2014: €11.5 billion).

24. Derivative Financial Instruments

The fair values of derivative financial instruments are analysed by year of maturity and by accounting designation as follows:

	Fair value hedges €m	Cash flow hedges €m	Net investment hedges €m	Not designated as hedges €m	Total €m
At 31 December 2015					
Derivative assets					
Within one year - current assets	4	-	15	5	24
Between one and two years	21	-	-	-	21
Between two and three years	22	-	-	-	22
Between three and four years	-	-	-	8	8
After five years	34	-	-	-	34
Non-current assets	77	-	-	8	85
Total derivative assets	81	-	15	13	109
Derivative liabilities					
Within one year - current liabilities	-	(7)	(7)	(5)	(19)
Between one and two years - non-current liabilities	-	(4)	-	(1)	(5)
Total derivative liabilities	-	(11)	(7)	(6)	(24)
Net asset arising on derivative financial instruments	81	(11)	8	7	85

The equivalent disclosure for the prior year is as follows:

At 31 December 2014

Derivative assets					
Within one year - current assets	-	2	13	-	15
Between one and two years	22	-	-	-	22
Between three and four years	26	-	-	-	26
Between four and five years	-	-	-	9	9
After five years	30	-	-	-	30
Non-current assets	78	-	-	9	87
Total derivative assets	78	2	13	9	102
Derivative liabilities					
Within one year - current liabilities	-	(7)	(4)	(9)	(20)
Between one and two years	-	(1)	-	-	(1)
Between two and three years	-	(1)	-	-	(1)
Between three and four years	-	(1)	-	-	(1)
Non-current liabilities	-	(3)	-	-	(3)
Total derivative liabilities	-	(10)	(4)	(9)	(23)
Net asset arising on derivative financial instruments	78	(8)	9	-	79

24. Derivative Financial Instruments | continued

At 31 December 2015 and 2014, the Group had no master netting or similar arrangements, collateral posting requirements, and enforceable right of set-off agreements with any of its derivative counterparts.

Fair value hedges consist of interest rate swaps and currency swaps. These instruments hedge risks arising from changes in asset/liability fair values due to interest rate and foreign exchange rate movements.

Cash flow hedges consist of forward foreign exchange and commodity contracts and interest rate and currency swaps. These instruments hedge risks arising to future cash flows from movements in foreign exchange rates, commodity prices and interest rates. Cash flow hedges are expected to affect profit and loss over the period to maturity.

Net investment hedges comprise cross-currency swaps and hedge changes in the value of net investments due to currency movements.

The (loss)/profit arising on fair value, cash flow, net investment hedges and related hedged items reflected in the Consolidated Income Statement is shown below:

	2015 €m	2014 €m
Fair value of hedge instruments	(16)	15
Fair value of the hedged items	13	(16)

Components of other comprehensive income - cash flow hedges

Losses arising during the year:

- commodity forward contracts	(2)	(6)
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Fair value hierarchy

	2015 Level 2 €m	2014 Level 2 €m
<i>Assets measured at fair value</i>		
Fair value hedges - cross-currency and interest rate swaps	81	78
Net investment hedges - cross-currency swaps	15	13
Not designated as hedges (held-for-trading) - interest rate swaps	13	9
Cash flow hedges - cross-currency, interest rate swaps and commodity forwards	-	2
Total	109	102
<i>Liabilities measured at fair value</i>		
Cash flow hedges - cross-currency, interest rate swaps and commodity forwards	(11)	(10)
Net investment hedges - cross-currency swaps	(7)	(4)
Not designated as hedges (held-for-trading) - interest rate swaps	(6)	(9)
Total	(24)	(23)

At 31 December 2015 and 2014 there were no derivatives valued using Level 1 or Level 3 fair value techniques. Valuation methods for Levels 1, 2 and 3 are described in the "fair value hierarchy" section of the accounting policies on page 146.

25. Provisions for Liabilities

	At 1 January	Translation adjustment	Arising on acquisition (note 30)	Provided during year	Utilised during year	Reclassified from/(as) held for sale	Disposed during year	Reversed unused	Discount unwinding	At 31 December
	€m	€m	€m	€m	€m	€m	€m	€m	€m	€m
31 December 2015										
Insurance (i)	208	18	8	61	(49)	-	-	(12)	10	244
Environment and remediation (ii)	96	(5)	348	20	(10)	4	(5)	(4)	6	450
Rationalisation and redundancy (iii)	24	1	2	23	(23)	-	-	(2)	1	26
Other (iv)	68	(9)	223	62	(21)	3	(1)	(12)	2	315
Total	396	5	581	166	(103)	7	(6)	(30)	19	1,035
Analysed as:										
Non-current liabilities	257									603
Current liabilities	139									432
Total	396									1,035

The equivalent disclosure for the prior year is as follows:

31 December 2014										
Insurance (i)	181	20	-	52	(50)	-	-	(3)	8	208
Environment and remediation (ii)	87	5	-	12	(4)	(4)	-	(4)	4	96
Rationalisation and redundancy (iii)	43	1	-	30	(48)	-	-	(3)	1	24
Other (iv)	69	1	1	14	(8)	(3)	-	(9)	3	68
Total	380	27	1	108	(110)	(7)	-	(19)	16	396
Analysed as:										
Non-current liabilities	231									257
Current liabilities	149									139
Total	380									396

25. Provisions for Liabilities | continued

- (i) This provision relates to actual and potential obligations arising under the self-insurance components of the Group's insurance arrangements which comprise employers' liability (workers' compensation in the United States), public and products liability (general liability in the United States), automobile liability, property damage, business interruption and various other insurances; a substantial proportion of the total provision pertains to claims which are classified as "incurred but not reported". Due to the extended timeframe associated with many of the insurances, a significant proportion of the total provision is subject to periodic actuarial valuation. The projected cash flows underlying the discounting process are established through the application of actuarial triangulations, which are extrapolated from historical claims experience. The triangulations applied in the discounting process indicate that the Group's insurance provisions have an average life of six years (2014: six years).
- (ii) This provision comprises obligations governing site remediation, restoration and environmental works to be incurred in compliance with either local or national environmental regulations together with constructive obligations stemming from established best practice. Whilst a significant element of the total provision will reverse in the medium-term (two to ten years), the majority of the legal and constructive obligations applicable to long-lived assets (principally mineral-bearing land) will unwind over a 30-year timeframe. In discounting the related obligations, expected future cash outflows have been determined with due regard to extraction status and anticipated remaining life.
- (iii) These provisions relate to irrevocable commitments under various rationalisation and redundancy programmes, none of which is individually material to the Group. In 2015, €23 million (2014: €30 million) was provided in respect of rationalisation and redundancy activities as a consequence of undertaking various cost reduction initiatives across all operations. These initiatives included removing excess capacity from manufacturing and distribution networks and scaling operations to match market supply and demand; implementation of these initiatives resulted in a reduction in staffing levels in all business segments over recent years. The Group expects that these provisions will be utilised within one to two years of the balance sheet date (2014: one to two years).
- (iv) Other provisions primarily relate to legal claims (only one of which is individually material to the Group, see below for further details), onerous contracts, guarantees and warranties and employee related provisions. The Group expects these provisions will be utilised within two to five years of the balance sheet date (2014: two years).

Swiss Competition Commission Investigation

In July 2015, the Swiss Competition Commission ("ComCo") announced its decision to impose fines of approximately CHF 80 million on the Association of Swiss Wholesalers of the Sanitary Industry (the "Association") and on major Swiss wholesalers including certain subsidiaries of CRH in Switzerland. The full decision of ComCo, setting out the basis of its findings, is expected to be available in March 2016 at which time CRH has the option to appeal the decision to the Federal Administrative Tribunal, and ultimately to the Federal Supreme Court. While the Group is of the view that the position of ComCo is fundamentally ill-founded and that the fine imposed on CRH is unjustified, a provision of €32 million (CHF 34 million), representing the full amount of the fine attributed to the Group's subsidiaries, has been recorded in the 2015 Consolidated Financial Statements.

Discount rate sensitivity analysis

All non-current provisions are discounted at a rate of 5% (2014: 5%), consistent with the average effective interest rate for the Group's borrowings. The impact on profit before tax of a 1% change in the discount rate applicable to provisions, with all other variables held constant, is approximately €2 million (2014: €nil million).

26. Deferred Income Tax

The deductible and taxable temporary differences in respect of which deferred tax has been recognised are as follows:

	2015 €m	2014 €m
Reported in balance sheet after offset		
Deferred tax liabilities	2,023	1,305
Deferred tax assets	(149)	(171)
Net deferred income tax liability	1,874	1,134

Deferred income tax assets (deductible temporary differences)

Deficits on Group retirement benefit obligations (note 27)	126	140
Revaluation of derivative financial instruments to fair value	13	14
Tax loss carryforwards	158	97
Share-based payment expense	15	2
Provisions for liabilities and working capital-related items	326	187
Other deductible temporary differences	46	37
Total	684	477

Deferred income tax assets have been recognised in respect of all deductible temporary differences, with the exception of some tax loss carryforwards. The amount of tax losses where recovery is not probable and is therefore not recognised in the Consolidated Balance Sheet is €959 million (2014: €937 million). The vast majority will expire post 2020 (2014: 2019).

Deferred income tax liabilities (taxable temporary differences)

Taxable temporary differences principally attributable to accelerated tax depreciation and fair value adjustments arising on acquisition (i)	2,521	1,575
Revaluation of derivative financial instruments to fair value	18	18
Rolled-over capital gains	19	18
Total	2,558	1,611

(i) Fair value adjustments arising on acquisition principally relate to property, plant and equipment.

Movement in net deferred income tax liability

At 1 January	1,134	1,059
Translation adjustment	126	125
Net (income)/expense for the year (note 10)	(35)	36
Arising on acquisition (note 30)	627	2
Reclassified from/(as) held for sale	19	(19)
Disposal (note 4)	(22)	-
Movement in deferred tax asset on Group retirement benefit obligations	30	(69)
Movement in deferred tax asset on share-based payment expense	(5)	-
At 31 December	1,874	1,134

27. Retirement Benefit Obligations

The Group operates either defined benefit or defined contribution pension schemes in all of its principal operating areas. The disclosures included below relate to all pension schemes in the Group.

The Group operates defined benefit pension schemes in the Republic of Ireland, Britain and Northern Ireland, the Netherlands, Belgium, France, Germany, Switzerland, the United States, Romania, Serbia, Slovakia, Brazil, the Philippines and Canada; for the purposes of the disclosures which follow, the schemes in the Republic of Ireland, the Netherlands, Belgium, France, Germany and Slovakia have been aggregated into a "Eurozone" category on the basis of common currency and financial assumptions. The majority of the defined benefit pension schemes operated by the Group are funded as disclosed in the analysis of the defined benefit obligation presented on page 193 with unfunded schemes restricted to a number of schemes in Germany, Canada, the Philippines and one scheme in each of the Netherlands and the United States.

All funded defined benefit schemes are administered by separate funds that are legally separate from the Group under the jurisdiction of Trustees. Each of the Group's schemes operate under broadly similar regulatory frameworks. The Trustees of the various pension funds in existence across the Group are required by law and by their articles of association to act in the best interests of the scheme participants and are responsible for the definition of investment strategy and for scheme administration. The level of benefits available to members depends on length of service and either their average salary over their period of employment or their salary in the final years leading up to retirement. The Group's pension schemes in Switzerland are contribution-based schemes with guarantees to provide further contributions in the event that certain targets are not met largely in relation to investment return and the annuity conversion factor on retirement.

Provision has been made in the financial statements for post-retirement healthcare obligations in respect of certain current and former employees in the United States and Canada and for long-term service commitments in respect of certain employees in the Netherlands and Switzerland. These obligations are unfunded in nature and the required disclosures form part of this note.

Defined benefit pension schemes - principal risks

Through its defined benefit pension schemes and post-retirement healthcare plans, the Group is exposed to a number of risks, the most significant of which are detailed below:

Asset volatility: Under IAS 19 *Employee Benefits*, the assets of the Group's defined benefit pension schemes are reported at fair value (using bid prices, where relevant). The majority of the schemes' assets comprise of equities, bonds and property all of which may fluctuate significantly in value from period to period. Given that liabilities are discounted to present value based on bond yields and that bond prices are inversely related to yields, an increase in the liability discount rate (which would reduce liabilities) would reduce bond values though not necessarily by an equal magnitude.

Given the maturity of certain of the Group's funded defined benefit pension schemes, de-risking frameworks have been introduced to mitigate deficit volatility and enable better matching of investment returns with the cash outflows related to benefit obligations. These frameworks entail the usage of asset-liability matching techniques whereby triggers are set for the conversion of equity holdings into bonds of similar average duration to the relevant liabilities.

Discount rates: The discount rates employed in determining the present value of the schemes' liabilities are determined by reference to market yields at the balance sheet date on high-quality corporate bonds of a currency and term consistent with the currency and term of the associated post-employment benefit obligations. Changes in discount rates impact the quantum of liabilities as discussed above.

Inflation risk: A significant amount of the Group's pension obligations have an inflation linkage; higher inflation will lead to higher liabilities (although in most cases, caps on the level of inflationary increases are in place to protect the scheme against extreme inflation).

Longevity risk: In the majority of cases, the Group's defined benefit pension schemes provide benefits for life with spousal and dependent child reversionary provisions; increases in life expectancy will therefore give rise to higher liabilities.

27. Retirement Benefit Obligations | continued

Financial assumptions - scheme liabilities

The major long-term assumptions used by the Group's actuaries in the computation of scheme liabilities as at 31 December 2015 and 31 December 2014 are as follows:

	Eurozone*		Britain and Northern Ireland		Switzerland		United States and Canada	
	2015	2014	2015	2014	2015	2014	2015	2014
	%	%	%	%	%	%	%	%
Rate of increase in:								
- salaries	3.64	3.75	4.00	4.00	1.75	2.25	3.29	3.50
- pensions in payment	1.75	1.75	3.00-3.20	3.00-3.20	-	-	-	-
Inflation	1.75	1.75	3.00	3.00	0.75	1.25	2.00	2.00
Discount rate	2.61	2.00	3.95	3.50	0.85	1.15	4.22	3.80
Medical cost trend rate	n/a	n/a	n/a	n/a	n/a	n/a	6.21	16.70

The mortality assumptions employed in determining the present value of scheme liabilities under IAS 19 are in accordance with the underlying funding valuations and represent actuarial best practice in the relevant jurisdictions taking account of mortality experience and industry circumstances. For the Group's most material schemes, the future life expectations factored into the relevant valuations, based on retirement at 65 years of age for current and future retirees, are as follows:

	Republic of Ireland		United States and Canada		Switzerland	
	2015	2014	2015	2014	2015	2014
Current retirees						
- male	22.8	22.8	21.2	22.0	21.5	21.3
- female	24.9	24.9	23.4	24.0	24.0	23.8
Future retirees						
- male	25.8	25.8	23.0	24.0	23.6	23.5
- female	26.9	26.8	25.1	26.0	26.0	25.9

The above data allows for future improvements in life expectancy.

* 2015 is calculated based on the weighted average of the assumptions for Republic of Ireland, the Netherlands, Belgium, France, Germany and Slovakia.

27. Retirement Benefit Obligations | continued

Impact on Consolidated Income Statement

The total retirement benefit expense in the Consolidated Income Statement is as follows:

	2015 €m	2014 €m
Total defined contribution expense	211	152
Total defined benefit expense	77	63
Total expense in Consolidated Income Statement	288	215

At 31 December 2015, €79 million (2014: €44 million) was included in other payables in respect of defined contribution pension liabilities.

Analysis of defined benefit expense

	Eurozone 2015 €m	Britain and Northern Ireland 2015 €m	Switzerland 2015 €m	United States and Canada 2015 €m	Other 2015 €m	Total Group 2015 €m
Charged in arriving at Group profit before finance costs:						
Current service cost	19	7	34	2	1	63
Administration expenses	1	-	1	-	-	2
Past service costs	(1)	-	-	-	-	(1)
Gain on settlements	-	(4)	-	-	-	(4)
Subtotal	19	3	35	2	1	60
Included in finance income and finance costs respectively:						
Interest income on scheme assets	(19)	(10)	(9)	(12)	-	(50)
Interest cost on scheme liabilities	27	12	11	16	1	67
Net interest expense	8	2	2	4	1	17
Net charge to Consolidated Income Statement	27	5	37	6	2	77

Reconciliation of scheme assets (bid value)

At 1 January	935	155	745	211	-	2,046
<i>Movement in year</i>						
Administration expenses	(1)	-	(1)	-	-	(2)
Interest income on scheme assets	19	10	9	12	-	50
Arising on acquisition (note 30)	10	-	-	216	28	254
Reclassified from held for sale	-	633	-	-	-	633
Disposals	-	(705)	(39)	-	-	(744)
Remeasurement adjustments						
- return on scheme assets excluding interest income	19	14	(6)	(20)	(2)	5
Employer contributions paid	74	11	19	6	3	113
Contributions paid by plan participants	3	-	11	-	-	14
Benefit and settlement payments	(43)	(11)	(47)	(21)	-	(122)
Translation adjustment	-	56	83	12	1	152
At 31 December	1,016	163	774	416	30	2,399

27. Retirement Benefit Obligations | continued

	Eurozone 2015 €m	Britain and Northern Ireland 2015 €m	Switzerland 2015 €m	United States and Canada 2015 €m	Other 2015 €m	Total Group 2015 €m
Reconciliation of actuarial value of liabilities						
At 1 January	(1,332)	(216)	(900)	(309)	-	(2,757)
<i>Movement in year</i>						
Current service cost	(19)	(7)	(34)	(2)	(1)	(63)
Past service costs	1	-	-	-	-	1
Gain on settlements	-	4	-	-	-	4
Interest cost on scheme liabilities	(27)	(12)	(11)	(16)	(1)	(67)
Arising on acquisition (note 30)	(67)	-	-	(235)	(39)	(341)
Reclassified from held for sale	-	(714)	-	-	-	(714)
Disposals	-	781	47	-	-	828
Remeasurement adjustments						
- <i>experience variations</i>	28	11	15	-	(1)	53
- <i>actuarial gain/(loss) from changes in financial assumptions</i>	144	(9)	(43)	26	3	121
- <i>actuarial gain from changes in demographic assumptions</i>	-	19	-	5	-	24
Contributions paid by plan participants	(3)	-	(11)	-	-	(14)
Benefit and settlement payments	43	11	47	21	-	122
Translation adjustment	-	(65)	(99)	(20)	-	(184)
At 31 December	(1,232)	(197)	(989)	(530)	(39)	(2,987)
Recoverable deficit in schemes	(216)	(34)	(215)	(114)	(9)	(588)
Related deferred income tax asset	34	3	42	43	4	126
Net pension liability	(182)	(31)	(173)	(71)	(5)	(462)
Split of scheme liabilities - funded and unfunded						
Funded defined benefit pension schemes	(1,135)	(197)	(984)	(496)	(36)	(2,848)
Unfunded defined benefit pension schemes	(91)	-	-	(30)	(3)	(124)
Total - defined benefit pension schemes	(1,226)	(197)	(984)	(526)	(39)	(2,972)
Post-retirement healthcare obligations (unfunded)	-	-	-	(4)	-	(4)
Long-term service commitments (unfunded)	(6)	-	(5)	-	-	(11)
Actuarial value of liabilities (present value)	(1,232)	(197)	(989)	(530)	(39)	(2,987)

27. Retirement Benefit Obligations | continued

The equivalent disclosure for the prior year is as follows:

Analysis of defined benefit expense

	Eurozone	Britain and Northern Ireland	Switzerland	United States	Total Group
	2014	2014	2014	2014	2014
	€m	€m	€m	€m	€m
Charged in arriving at Group profit before finance costs:					
Current service cost	11	14	24	2	51
Administration expenses	1	2	-	-	3
Past service costs	(5)	-	-	-	(5)
Subtotal	7	16	24	2	49
Included in finance income and finance costs respectively:					
Interest income on scheme assets	(29)	(31)	(16)	(9)	(85)
Interest cost on scheme liabilities	37	34	17	11	99
Net interest expense	8	3	1	2	14
Net charge to Consolidated Income Statement	15	19	25	4	63
Reconciliation of scheme assets (bid value)					
At 1 January	790	662	683	179	2,314
<i>Movement in year</i>					
Administration expenses	(1)	(2)	-	-	(3)
Interest income on scheme assets	29	31	16	9	85
Remeasurement adjustments					
- return on scheme assets excluding interest income	87	54	34	4	179
Employer contributions paid	72	19	17	7	115
Contributions paid by plan participants	3	-	10	-	13
Benefit and settlement payments	(45)	(25)	(30)	(14)	(114)
Reclassified as held for sale	-	(633)	-	-	(633)
Translation adjustment	-	49	15	26	90
At 31 December	935	155	745	211	2,046

27. Retirement Benefit Obligations | continued

	Eurozone	Britain and Northern Ireland	Switzerland	United States	Total Group
	2014	2014	2014	2014	2014
	€m	€m	€m	€m	€m
Reconciliation of actuarial value of liabilities					
At 1 January	(1,045)	(723)	(727)	(229)	(2,724)
<i>Movement in year</i>					
Current service cost	(11)	(14)	(24)	(2)	(51)
Past service costs	5	-	-	-	5
Interest cost on scheme liabilities	(37)	(34)	(17)	(11)	(99)
Remeasurement adjustments					
- <i>experience variations</i>	20	1	7	-	28
- <i>actuarial loss from changes in financial assumptions</i>	(306)	(129)	(142)	(27)	(604)
- <i>actuarial loss from changes in demographic assumptions</i>	-	-	-	(17)	(17)
Contributions paid by plan participants	(3)	-	(10)	-	(13)
Benefit and settlement payments	45	25	30	14	114
Reclassified as held for sale	-	714	-	-	714
Translation adjustment	-	(56)	(17)	(37)	(110)
At 31 December	(1,332)	(216)	(900)	(309)	(2,757)
Recoverable deficit in schemes	(397)	(61)	(155)	(98)	(711)
Related deferred income tax asset	59	12	30	39	140
Net pension liability	(338)	(49)	(125)	(59)	(571)
Split of scheme liabilities - funded and unfunded					
Funded defined benefit pension schemes	(1,274)	(930)	(894)	(297)	(3,395)
Unfunded defined benefit pension schemes	(52)	-	-	(8)	(60)
Total - defined benefit pension schemes	(1,326)	(930)	(894)	(305)	(3,455)
Post-retirement healthcare obligations (unfunded)	-	-	-	(4)	(4)
Long-term service commitments (unfunded)	(6)	-	(6)	-	(12)
Actuarial value of liabilities (present value)	(1,332)	(930)	(900)	(309)	(3,471)
Reclassified as held for sale	-	714	-	-	714
Actuarial value of liabilities (present value) excluding schemes reclassified as held for sale	(1,332)	(216)	(900)	(309)	(2,757)

27. Retirement Benefit Obligations | continued

Sensitivity analysis

The impact of a movement (as indicated below) in the principal actuarial assumptions would be as follows:

		Eurozone	Britain and Northern Ireland	Switzerland	United States and Canada	Other	Total Group
		2015	2015	2015	2015	2015	2015
		€m	€m	€m	€m	€m	€m
Scheme liabilities at 31 December 2015		(1,232)	(197)	(989)	(530)	(39)	(2,987)
<i>Revised liabilities</i>							
Discount rate	Decrease by 0.25%	(1,284)	(210)	(1,035)	(549)	(39)	(3,117)
Inflation rate	Increase by 0.25%	(1,280)	(204)	(989)	(530)	(39)	(3,042)
Life expectancy	Increase by 1 year	(1,236)	(205)	(1,014)	(545)	(39)	(3,039)

The above sensitivity analysis are derived through changing the individual assumption while holding all other assumptions constant.

Split of scheme assets

Investments quoted in active markets

Equity instruments:

- Developed markets	290	90	282	108	-	770
- Emerging markets	9	1	-	-	-	10

Debt instruments:

- Non Government debt instruments	297	29	262	139	-	727
- Government debt instruments	294	8	70	38	23	433

Property

Property	45	12	35	-	-	92
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Cash and cash equivalents

Cash and cash equivalents	31	-	-	115	7	153
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Investment funds

Investment funds	15	18	-	15	-	48
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Unquoted investments

Equity instruments:

- Developed markets	10	-	-	-	-	10
- Emerging markets	-	5	-	-	-	5

Debt instruments:

- Non Government debt instruments	1	-	-	-	-	1
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Property

Property	3	-	98	-	-	101
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Cash and cash equivalents

Cash and cash equivalents	18	-	11	1	-	30
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Assets held by insurance company

Assets held by insurance company	3	-	16	-	-	19
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Total assets	1,016	163	774	416	30	2,399
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27. Retirement Benefit Obligations | continued

The equivalent disclosure for the prior year is as follows:

Split of scheme assets

	Eurozone	Britain and Northern Ireland	Switzerland	United States	Total Group
	2014	2014	2014	2014	2014
	€m	€m	€m	€m	€m
<i>Investments quoted in active markets</i>					
Equity instruments:					
- Developed markets	281	329	260	69	939
- Emerging markets	10	55	-	-	65
Debt instruments:					
- Non Government debt instruments	279	166	226	59	730
- Government debt instruments	265	165	65	67	562
Property	37	41	31	-	109
Cash and cash equivalents	16	2	-	16	34
Investment funds	24	17	-	-	41
<i>Unquoted investments</i>					
Equity instruments:					
- Developed markets	-	-	1	-	1
- Emerging markets	-	6	-	-	6
Debt instruments:					
- Non Government debt instruments	-	-	2	-	2
Property	3	-	97	-	100
Cash and cash equivalents	17	7	44	-	68
Assets held by insurance company	3	-	19	-	22
Total assets	935	788	745	211	2,679
Reclassified as held for sale	-	(633)	-	-	(633)
Total excluding schemes reclassified as held for sale	935	155	745	211	2,046

27. Retirement Benefit Obligations | continued

Actuarial valuations - funding requirements and future cash flows

In accordance with statutory requirements in Ireland and Britain (minimum funding requirements), additional annual contributions and lump-sum payments are required to certain of the schemes in place in those jurisdictions. The funding requirements in relation to the Group's defined benefit schemes are assessed in accordance with the advice of independent and qualified actuaries and valuations are prepared in this regard either annually, where local requirements mandate that this be done, or at triennial intervals at a maximum in all other cases. In Ireland and Britain, either the attained age or projected unit credit methods are used in the valuations. In the Netherlands and Switzerland, the actuarial valuations reflect the current unit method, while the valuations are performed in accordance with the projected unit credit methodology in Germany. In the United States, valuations are performed using a variety of actuarial cost methodologies - current unit, projected unit and aggregate cost. In Canada, the projected unit credit method is used in valuations. The dates of the actuarial valuations range from January 2013 to December 2015.

In general, actuarial valuations are not available for public inspection; however, the results of valuations are advised to the members of the various schemes on request.

The maturity profile of the Group's contracted payments (on a discounted basis) to certain schemes in the Eurozone (Ireland) and Britain and Northern Ireland is as follows:

	Eurozone		Britain and Northern Ireland		Total	
	2015 €m	2014 €m	2015 €m	2014 €m	2015 €m	2014 €m
Within one year	18	18	2	8	20	26
Between one and two years	17	17	2	8	19	25
Between two and three years	17	17	2	7	19	24
Between three and four years	-	17	2	7	2	24
Between four and five years	-	-	2	7	2	7
After five years	-	-	11	48	11	48
	52	69	21	85	73	154

Employer contributions payable in the 2016 financial year including minimum funding payments (expressed using year-end exchange rates for 2015) are estimated at €105 million.

Average duration and scheme composition

	Eurozone		Britain and Northern Ireland		Switzerland		United States and Canada	
	2015	2014	2015	2014	2015	2014	2015	2014
Average duration of defined benefit obligation (years)	14.7	16.0	19.9	17.5	18.0	16.0	14.0	12.0
Allocation of defined benefit obligation by participant:								
Active plan participants	64%	37%	30%	27%	85%	85%	45%	35%
Deferred plan participants	12%	21%	38%	34%	-	-	17%	30%
Retirees	24%	42%	32%	39%	15%	15%	38%	35%

28. Share Capital and Reserves

	2015		2014	
	Ordinary Shares of €0.32 each (i)	Income Shares of €0.02 each (ii)	Ordinary Shares of €0.32 each (i)	Income Shares of €0.02 each (ii)
Equity Share Capital				
<i>Authorised</i>				
At 1 January (€m)	320	20	320	20
Increase in authorised share capital	80	5	-	-
At 31 December (€m)	400	25	320	20
Number of Shares at 1 January ('000s)	1,000,000	1,000,000	1,000,000	1,000,000
Increase in number of Shares ('000s)	250,000	250,000	-	-
Number of Shares at 31 December ('000s)	1,250,000	1,250,000	1,000,000	1,000,000
<i>Allotted, called-up and fully paid</i>				
At 1 January (€m)	239	14	237	14
Issue of share capital - equity placing	25	1	-	-
Issue of scrip shares in lieu of cash dividends (iii)	2	-	2	-
At 31 December (€m)	266	15	239	14

The movement in the number of shares (expressed in '000s) during the financial year was as follows:

At 1 January	744,525	744,525	739,231	739,231
Issue of share capital - equity placing	74,040	74,040	-	-
Issue of scrip shares in lieu of cash dividends (iii)	5,345	5,345	5,294	5,294
At 31 December	823,910	823,910	744,525	744,525

(i) The Ordinary Shares represent 93.73% of the total issued share capital.

(ii) The Income Shares, which represent 5.86% of the total issued share capital, were created on 29 August 1988 for the express purpose of giving shareholders the choice of receiving dividends on either their Ordinary Shares or on their Income Shares (by notice of election to the Company). The Income Shares carried a different tax credit to the Ordinary Shares. The creation of the Income Shares was achieved by the allotment of fully paid Income Shares to each shareholder equal to his/her holding of Ordinary Shares but the shareholder is not entitled to an Income Share certificate, as a certificate for Ordinary Shares is deemed to include an equal number of Income Shares and a shareholder may only sell, transfer or transmit Income Shares with an equivalent number of Ordinary Shares. Income Shares carry no voting rights. Due to changes in Irish tax legislation since the creation of the Income Shares, dividends on the Company's shares no longer carry a tax credit. As elections made by shareholders to receive dividends on their holding of Income Shares were no longer relevant, the Articles of Association were amended on 8 May 2002 to cancel such elections.

28. Share Capital and Reserves | continued

Share schemes

The aggregate number of shares which may be committed for issue in respect of any share option scheme, savings-related share option scheme, share participation scheme, performance share plan or any subsequent option scheme or share plan, may not exceed 10% of the issued ordinary share capital from time to time.

Share option schemes

Details of share options granted under the Company's share option schemes and the terms attaching thereto are provided in note 7 to the financial statements and on page 86 of the Directors' Remuneration Report.

	Number of Shares	
	2015	2014
Options exercised during the year (satisfied by the reissue of Treasury Shares)	2,876,066	1,307,406

Share participation schemes

As at 31 December 2015, 7,613,252 (2014: 7,509,125) Ordinary Shares had been appropriated to participation schemes. In the financial year ended 31 December 2015, the appropriation of 104,127 shares was satisfied by the reissue of Treasury Shares (2014: 123,078). The Ordinary Shares appropriated pursuant to these schemes were issued at market value on the dates of appropriation. The shares issued pursuant to these schemes are excluded from the scope of IFRS 2 *Share-based Payment* and are hence not factored into the expense computation and the associated disclosures in note 7.

(iii) Issue of scrip shares in lieu of cash dividends:

	Number of Shares		Price per Share	
	2015	2014	2015	2014
May 2015 - Final 2014 dividend (2014: Final 2013 dividend)	5,056,633	4,081,636	€24.60	€20.99
October 2015 - Interim 2015 dividend (2014: Interim 2014 dividend)	288,769	1,212,700	€26.16	€17.81
Total	5,345,402	5,294,336		

28. Share Capital and Reserves | continued

Preference Share Capital	5% Cumulative Preference Shares of €1.27 each (iv)		7% 'A' Cumulative Preference Shares of €1.27 each (v)	
	Number of Shares '000s	€m	Number of Shares '000s	€m
<i>Authorised</i>				
At 1 January 2015 and 31 December 2015	150	-	872	1
<i>Allotted, called-up and fully paid</i>				
At 1 January 2015 and 31 December 2015	50	-	872	1

There was no movement in the number of cumulative preference shares in either the current or the prior year.

(iv) The holders of the 5% Cumulative Preference Shares are entitled to a fixed cumulative preference dividend at a rate of 5% per annum and priority in a winding-up to repayment of capital, but have no further right to participate in profits or assets and are not entitled to be present or vote at general meetings unless their dividend is in arrears. Dividends on the 5% Cumulative Preference Shares are payable half-yearly on 15 April and 15 October in each year. The 5% Cumulative Preference Shares represent 0.02% of the total issued share capital.

(v) The holders of the 7% 'A' Cumulative Preference Shares are entitled to a fixed cumulative preference dividend at a rate of 7% per annum, and subject to the rights of the holders of the 5% Cumulative Preference Shares, priority in a winding-up to repayment of capital, but have no further right to participate in profits or assets and are not entitled to be present or vote at general meetings unless their dividend is in arrears or unless the business of the meeting includes certain matters, which are specified in the Articles of Association. Dividends on the 7% 'A' Cumulative Preference Shares are payable half-yearly on 5 April and 5 October in each year. The 7% 'A' Cumulative Preference Shares represent 0.39% of the total issued share capital.

Treasury Shares/own shares

	2015 €m	2014 €m
At 1 January	(76)	(118)
Treasury Shares/own shares reissued	51	42
Shares acquired by Employee Benefit Trust (own shares)	(3)	-
At 31 December	(28)	(76)

As at the balance sheet date, the total number of Treasury Shares held was 795,262 (2014: 3,775,455); the nominal value of these shares was €0.3 million (2014: €1 million). During the year ended 31 December 2015, 2,980,193 (2014: 1,430,484) shares were reissued to satisfy exercises and appropriations under the Group's share option and share participation schemes. These reissued Treasury Shares were previously purchased at an average price of €17.12 (2014: €19.40). No Treasury Shares were purchased during 2015 or 2014.

During 2015, the Employee Benefit Trust purchased 95,843 shares on behalf of CRH plc in respect of awards under the 2014 Deferred Share Bonus Plan. These shares were purchased at a price of £19.79 (€26.74) per share. As at 31 December 2015, the Employee Benefit Trust held 489,654 Ordinary Shares on behalf of CRH plc in respect of awards made under the 2013 Restricted Share Plan and the 2014 Deferred Share Bonus Plan. The nominal value of own shares, on which dividends have been waived by the Trustees in respect of the 2013 Restricted Share Plan and the 2014 Deferred Share Bonus Plan amounted to €0.2 million at 31 December 2015 (2014: €0.1 million).

28. Share Capital and Reserves | continued

Reconciliation of shares issued to net proceeds

	2015 €m	2014 €m
Shares issued at nominal amount:		
- share capital issued - equity placing	26	-
- scrip shares issued in lieu of cash dividends	2	2
Premium on shares issued	1,722	105
Total value of shares issued	1,750	107
Issue of scrip shares in lieu of cash dividends (note 11)	(132)	(107)
Proceeds from issue of shares	1,618	-
Expenses paid in respect of share issues	(25)	-
Net proceeds from issue of shares	1,593	-

In connection with the acquisition of LH Assets, CRH completed a placing of 74,039,915 new ordinary shares in February 2015, raising gross proceeds of approximately €1.6 billion, and representing approximately 9.99% of CRH's issued ordinary share capital before the placing.

Share Premium

At 1 January	4,324	4,219
Premium arising on shares issued	1,722	105
Expenses paid in respect of shares issued	(25)	-
At 31 December	6,021	4,324

29. Commitments under Operating and Finance Leases

Operating leases

Future minimum rentals payable under non-cancellable operating leases at 31 December are as follows:

	2015 €m	2014 €m
Within one year	370	310
After one year but not more than five years	915	663
More than five years	831	417
	2,116	1,390

Finance leases

Future minimum lease payments under finance leases are not material for the Group.

30. Business Combinations

The acquisitions completed during the year ended 31 December 2015 by reportable segment, together with the completion dates, are detailed below; these transactions entailed the acquisition of an effective 100% stake except where indicated to the contrary:

Europe Heavyside:

Poland: selected assets of Stal-Bruk Sp. z o.o. (1 December).

Europe Lightside:

Australia: BVCI Pty Limited (5 June), *Netherlands:* increased stake in Handelsmaatschappij Caralu B.V. from 50% to 100% (30 November).

Europe Distribution:

Switzerland: Kiener & Wittlin (1 August).

Americas Materials:

Idaho: assets formerly of Gordon Paving (25 March); *Iowa:* selected assets of McAlister Aggregates (23 February); *Michigan and North Carolina:* Colas' Barrett and Larco assets (27 March); *New York:* assets of Hudson River Construction Company and Albany Asphalt & Aggregates (3 April); *Ohio:* increased stake in Scioto Materials LLC from 50% to 51% (1 July); *Texas:* selected assets of State Development Corporation (11 May), selected assets of Martin Marietta (23 October); *Utah:* selected assets of Kunkler Trust (15 October); *Virginia:* increased stake in Boxley Aggregates from 50% to 100% and the selected assets of the Boxley Corporation (31 December); *Canada:* selected assets of Promix Beton (30 October).

Americas Products:

C.R. Laurence ("CRL") (3 September), headquartered in Los Angeles, California with operations in 33 sites in North America in addition to the United Kingdom, Germany, Denmark and Australia; *Arizona:* Western Block Company (17 December); *Minnesota:* Anchor Wall Systems, Inc. and Anchor Block Company (8 June); *Tennessee:* Red River Concrete Products (17 December).

LH Assets:

On 31 July 2015 (and 15 September 2015 for the Philippines) CRH acquired certain assets of Lafarge S.A. and Holcim Limited. The acquired assets consist of over 700 locations in 11 countries: *Brazil, Canada, France (including La Reunion), Germany, Hungary, the Philippines (55%), Romania, Serbia, Slovakia, the United Kingdom and the United States.*

30. Business Combinations | continued

	LH Assets	CRL	Other	Total	Total
	2015	2015	acquisitions	2015	2014
Assets	€m	€m	2015	€m	€m
Non-current assets					
Property, plant and equipment	5,288	26	99	5,413	91
Intangible assets	26	252	20	298	16
Equity accounted investments	24	-	-	24	-
Other financial assets	5	-	-	5	-
Total non-current assets	5,343	278	119	5,740	107
Current assets					
Inventories	492	105	24	621	23
Trade and other receivables (i)	1,445	69	19	1,533	20
Cash and cash equivalents	463	29	2	494	1
Total current assets	2,400	203	45	2,648	44
Liabilities					
Trade and other payables	(1,500)	(31)	(18)	(1,549)	(17)
Provisions for liabilities	(580)	-	(1)	(581)	(1)
Retirement benefit obligations	(87)	-	-	(87)	-
Interest-bearing loans and borrowings and finance leases	(169)	(6)	-	(175)	(7)
Current income tax liabilities	(147)	(2)	-	(149)	-
Deferred income tax liabilities	(520)	(106)	(1)	(627)	(2)
Total liabilities	(3,003)	(145)	(20)	(3,168)	(27)
Total identifiable net assets at fair value	4,740	336	144	5,220	124
Goodwill arising on acquisition (ii)	2,307	833	47	3,187	31
Joint Ventures becoming subsidiaries	-	-	(25)	(25)	-
Non-controlling interests*	(486)	-	(3)	(489)	-
Total consideration	6,561	1,169	163	7,893	155
<i>Consideration satisfied by:</i>					
Cash payments	6,561	1,072	157	7,790	152
Deferred consideration (stated at net present cost)	-	97	-	97	1
Contingent consideration	-	-	-	-	2
Profit on step acquisition	-	-	6	6	-
Total consideration	6,561	1,169	163	7,893	155
Net cash outflow arising on acquisition					
Cash consideration	6,561	1,072	157	7,790	152
Less: cash and cash equivalents acquired	(463)	(29)	(2)	(494)	(1)
Total outflow in the Consolidated Statement of Cash Flows	6,098	1,043	155	7,296	151

* Measured at fair value.

30. Business Combinations | continued

The acquisitions of LH Assets and CRL have been deemed to be material acquisitions. None of the remaining acquisitions completed during the financial year were considered sufficiently material to warrant separate disclosure. The acquisition of LH Assets was completed in the second half of 2015 and spanned 11 countries. The fair value of the identifiable net assets acquired was €4.2 billion (after deducting non-controlling interests of €0.5 billion) and the transaction resulted in the recognition of €2.3 billion of goodwill. Due to both the timing of when the acquisition was completed and the size and scale of the acquisition, the allocation of the purchase price and the determination of the fair values of identifiable assets acquired and liabilities assumed as disclosed above are only provisional (principally PP&E, provisions and the associated goodwill and deferred tax impacts). The fair value assigned to identifiable assets and liabilities acquired is based on estimates and assumptions made by management at the time of acquisition. CRH may revise its preliminary purchase price allocation during the 12 month window as permitted under IFRS 3 *Business Combinations*. Where the impact of these revisions is sufficiently material, it may result in the restatement of the 2015 Consolidated Balance Sheet to take account of these valuation updates; where the impact is not material, CRH will provide additional disclosures to outline the adjustments made.

The balance sheet as disclosed above for CRL should also be considered provisional (principally intangible assets and the related deferred tax impacts) and will be subject to the same requirements as outlined above for LH Assets.

(i) Trade and other receivables

	Gross contractual		Allowance		Fair value	
	amounts due		for impairment			
	2015	2014	2015	2014	2015	2014
	€m	€m	€m	€m	€m	€m
LH Assets	1,499	-	(54)	-	1,445	-
CRL	70	-	(1)	-	69	-
Other acquisitions	19	22	-	(2)	19	20
	1,588	22	(55)	(2)	1,533	20

(ii) The principal factor contributing to the recognition of goodwill on acquisitions entered into by the Group is the realisation of cost savings and other synergies with existing entities in the Group which do not qualify for separate recognition as intangible assets. Due to the asset-intensive nature of operations in the Europe Heavyside and Americas Materials business segments, no significant intangible assets are recognised on business combinations in these segments. €254 million of the goodwill recognised in respect of acquisitions completed in 2015 is expected to be deductible for tax purposes (2014: €18 million).

Acquisition-related costs

	2015	2014
	€m	€m
LH Assets	144	-
CRL	6	-
Other acquisitions	2	2
	152	2

Acquisition-related costs amounting to €152 million (2014: €2 million) have been included in operating costs in the Consolidated Income Statement (note 2).

30. Business Combinations | continued

The following table analyses the 19 acquisitions (2014: 21 acquisitions) by reportable segment and provides details of the goodwill and consideration figures arising in each of those segments:

Reportable segments	Number of acquisitions		Goodwill		Consideration	
	2015	2014	2015	2014	2015	2014
			€m	€m	€m	€m
Europe Heavyside	1	2	-	2	5	7
Europe Lightside	2	-	6	-	12	-
Europe Distribution	1	6	-	9	1	20
Europe	4	8	6	11	18	27
Americas Materials	10	8	32	5	80	71
Americas Products	3	5	9	17	65	59
Americas	13	13	41	22	145	130
Unallocated goodwill (note 14)						
LH Assets	1	-	2,307	-	6,561	-
CRL	1	-	833	-	1,169	-
Total Group	19	21	3,187	33	7,893	157
Adjustments to provisional fair values of prior year acquisitions			-	(2)	-	(2)
Total			3,187	31	7,893	155

30. Business Combinations | continued

The post-acquisition impact of acquisitions completed during the year on the Group's profit for the financial year was as follows:

	LH Assets 2015 €m	CRL 2015 €m	Other acquisitions 2015 €m	Total 2015 €m	Total 2014 €m
Revenue	2,418	162	99	2,679	122
(Loss)/profit before tax for the financial year	(26)	13	6	(7)	7

The revenue and profit of the Group for the financial year determined in accordance with IFRS as though the acquisitions effected during the year had been at the beginning of the year would have been as follows:

	Pro-forma 2015			Pro-forma 2014 €m
	2015 acquisitions €m	CRH Group excluding 2015 acquisitions €m	Pro-forma consolidated Group €m	
Revenue	6,261	20,956	27,217	18,972
Profit before tax for the financial year	201	1,040	1,241	764

In accordance with the terms of the acquisition agreements, CRH and LafargeHolcim are currently engaged in a process to finalise the post-completion consideration for the acquisition of the LH Assets as detailed above. That process is not sufficiently advanced to make a financial adjustment in respect of the final purchase price. CRH will continue to monitor the situation and will reflect any financial adjustments when there is sufficient evidence.

There have been no acquisitions completed subsequent to the balance sheet date which would be individually material to the Group, thereby requiring disclosure under either IFRS 3 or IAS 10 *Events after the Balance Sheet Date*. Development updates, giving details of acquisitions which do not require separate disclosure on the grounds of materiality, are typically published in January and July each year.

31. Non-controlling Interests

The total non-controlling interest at 31 December 2015 is €529 million (2014: €21 million) of which €467 million relates to Republic Cement & Building Materials (RCBM), Inc. and Luzon Continental Land Corporation (LCLC). The non-controlling interests in respect of the Group's other subsidiaries are not considered to be material.

Name	Principal activity	Country of incorporation	Economic ownership interest held by non-controlling interest
Republic Cement & Building Materials, Inc. and Luzon Continental Land Corporation	Manufacture, development and sale of cement and building materials	Philippines	45%

The following is summarised financial information for Republic Cement & Building Materials, Inc. and Luzon Continental Land Corporation prepared in accordance with IFRS 12 *Disclosure of Interests in Other Entities*. This information is before intragroup eliminations with other Group companies.

Summarised financial information

	2015 €m
Loss for the period since acquisition	(5)
Current assets	141
Non-current assets	1,459
Current liabilities	(150)
Non-current liabilities	(675)
Net assets	775
Cash flows from operating activities	(2)
Dividends paid to non-controlling interests during the period	(1)

CRH holds 40% of the equity share capital in RCBM and LCLC and has an economic interest of 55% of the combined Philippines business. Non-controlling interest relates to another party who holds 60% of the equity share capital in RCBM and LCLC and has an economic interest of 45% of the combined Philippines business. CRH has obtained control (as defined under IFRS 10 *Consolidated Financial Statements*) by virtue of contractual arrangements which give CRH power to direct the relevant non-nationalised activities of the business, in compliance with Philippine law.

32. Related Party Transactions

The principal related party relationships requiring disclosure in the Consolidated Financial Statements of the Group under IAS 24 *Related Party Disclosures* pertain to: the existence of subsidiaries, joint ventures and associates; transactions with these entities entered into by the Group; the identification and compensation of key management personnel; and lease arrangements.

Subsidiaries, joint ventures and associates

The Consolidated Financial Statements include the financial statements of the Company (CRH plc, the ultimate parent) and its subsidiaries, joint ventures and associates as documented in the accounting policies on pages 137 to 147. The Group's principal subsidiaries, joint ventures and associates are disclosed on pages 224 to 231.

Sales to and purchases from joint ventures are immaterial in 2015 and 2014. Loans extended by the Group to joint ventures and associates (see note 15) are included in financial assets. Sales to and purchases from associates during the financial year ended 31 December 2015 amounted to €48 million (2014: €33 million) and €422 million (2014: €411 million) respectively. Amounts receivable from and payable to equity accounted investments (arising from the aforementioned sales and purchases transactions) as at the balance sheet date are included as separate line items in notes 17 and 18 to the Consolidated Financial Statements.

Terms and conditions of transactions with subsidiaries, joint ventures and associates

In general, the transfer pricing policy implemented by the Group across its subsidiaries is market-based. Sales to and purchases from joint ventures and associates are conducted in the ordinary course of business and on terms equivalent to those that prevail in arm's-length transactions. The outstanding balances included in receivables and payables as at the balance sheet date in respect of transactions with joint ventures and associates are unsecured and settlement arises in cash. No guarantees have been either requested or provided in relation to related party receivables and payables. Loans to joint ventures and associates (as disclosed in note 15) are extended on normal commercial terms in the ordinary course of business with interest accruing and, in general, paid to the Group at predetermined intervals.

Key management personnel

For the purposes of the disclosure requirements of IAS 24, the term "key management personnel" (i.e. those persons having authority and responsibility for planning, directing and controlling the activities of the Company) comprises the Board of Directors which manages the business and affairs of the Company.

Key management remuneration amounted to:

	2015	2014
	€m	€m
Short-term benefits	10	9
Post-employment benefits	1	1
Share-based payments - calculated in accordance with the principles disclosed in note 7	2	2
Total	13	12

Other than these compensation entitlements, there were no other transactions involving key management personnel.

Lease arrangements

CRH has a number of lease arrangements in place with related parties across the Group, which have been negotiated on an arm's-length basis at market rates. We do not consider these arrangements to be material either individually or collectively in the context of the 2015 or 2014 Consolidated Financial Statements.

33. Board Approval

The Board of Directors approved and authorised for issue the financial statements on pages 132 to 209 in respect of the year ended 31 December 2015 on 2 March 2016.

Company Balance Sheet

as at 31 December 2015

		2015 €m	2014 €m
Notes			
	Fixed assets		
3	Financial assets	2,205	595
	Current assets		
4	Debtors	7,784	5,532
	Cash at bank and in hand	408	1,411
	Total current assets	8,192	6,943
	Creditors (amounts falling due within one year)		
5	Trade and other creditors	1,091	1,003
	Bank loans and overdrafts	11	2
	Total current liabilities	1,102	1,005
	Net current assets	7,090	5,938
	Net assets	9,295	6,533
	Capital and reserves		
8	Called-up share capital	281	253
8	Preference share capital	1	1
	Share premium account	6,025	4,328
8	Treasury Shares and own shares	(28)	(76)
9	Revaluation reserve	42	42
	Other reserves	230	203
9	Profit and loss account	2,744	1,782
	Total equity	9,295	6,533

N. Hartery, A. Manifold, Directors

Company Statement of Changes in Equity

for the financial year ended 31 December 2015

	Issued share capital €m	Share premium account €m	Treasury Shares/ own shares €m	Revaluation reserve €m	Other reserves €m	Profit and loss account €m	Total equity €m
At 1 January 2015	254	4,328	(76)	42	203	1,782	6,533
Profit for the financial year	-	-	-	-	-	1,467	1,467
Total comprehensive income	-	-	-	-	-	1,467	1,467
Issue of share capital (net of expenses)	28	1,697	-	-	-	-	1,725
Share-based payment expense	-	-	-	-	27	-	27
Treasury/own shares reissued	-	-	51	-	-	(51)	-
Shares acquired by Employee Trust (own shares)	-	-	(3)	-	-	-	(3)
Share option exercises	-	-	-	-	-	57	57
Dividends (including shares issued in lieu of dividends)	-	-	-	-	-	(511)	(511)
At 31 December 2015	282	6,025	(28)	42	230	2,744	9,295
At 1 January 2014	252	4,223	(118)	42	187	1,054	5,640
Profit for the financial year	-	-	-	-	-	1,208	1,208
Total comprehensive income	-	-	-	-	-	1,208	1,208
Issue of share capital (net of expenses)	2	105	-	-	-	-	107
Share-based payment expense	-	-	-	-	16	-	16
Treasury/own shares reissued	-	-	42	-	-	(42)	-
Share option exercises	-	-	-	-	-	22	22
Dividends (including shares issued in lieu of dividends)	-	-	-	-	-	(460)	(460)
At 31 December 2014	254	4,328	(76)	42	203	1,782	6,533

Company Statement of Cash Flows

for the financial year ended 31 December 2015

	2015 €m	2014 €m
Cash flows from operating activities		
Profit before tax	1,467	1,208
Amounts due from subsidiary undertakings	(1,460)	-
Finance income	(1)	-
Share-based payment	(2)	-
Loss on disposals	7	-
Dividends received from subsidiaries - reclassified to investing activities	(2)	(1,203)
Net cash inflow from operating activities	9	5
Cash flows from investing activities		
Interest received	1	-
Dividends received from subsidiaries	2	1,203
Net cash inflow from investing activities	3	1,203
Cash flows from financing activities		
Advances (to)/from subsidiary undertakings	(699)	413
Treasury/own shares purchased	(3)	-
Proceeds from exercise of share options	57	22
Dividends paid to equity holders of the Company	(379)	(353)
Increase in/(repayment of) bank loans and overdrafts	9	(55)
Net cash (outflow)/inflow from financing activities	(1,015)	27
(Decrease)/increase in cash and cash equivalents	(1,003)	1,235
Reconciliation of opening to closing cash and cash equivalents		
Cash and cash equivalents at 1 January	1,411	175
Translation adjustment	-	1
(Decrease)/increase in cash and cash equivalents	(1,003)	1,235
Cash and cash equivalents at 31 December	408	1,411

Notes to the Company Balance Sheet

1. Basis of Preparation

The financial statements have been prepared on a going concern basis under the historical cost convention in accordance with the Companies Act 2014 and Generally Accepted Accounting Practice in the Republic of Ireland ("FRS 102"). Note 2 below describes the principal accounting policies under FRS 102, which have been applied consistently.

Following the publication of FRS 100, 'Application of financial reporting requirements', by the Financial Reporting Council, the Company was required to change its accounting framework for its financial year commencing 1 January 2015. This is the first year that the Company has presented financial statements complying with FRS 102. The last financial statements under Irish GAAP were for the financial year ended 31 December 2014.

The Company's date of transition to FRS 102 is 1 January 2014. There were no adjustments to the total equity of the Company as at 1 January 2014 or 31 December 2014 and profit for the financial year ending 31 December 2014 between Irish GAAP as previously reported and FRS 102.

The Company has availed of an exemption under Section 35 of FRS 102 to measure its investments in subsidiaries on transition at the carrying amount at the date of transition as determined under previous GAAP.

The Company's investment in shares in its subsidiaries was revalued at 31 December 1980 to reflect the surplus on revaluation of certain property, plant and equipment (land and buildings) of subsidiaries. The original historical cost of the shares equated to approximately €9 million. The analysis of the closing balance between amounts carried at valuation and at cost is as follows:

	2015 €m	2014 €m
At valuation 31 December 1980	47	47
At cost post 31 December 1980	1,946	353
Total	1,993	400

Deemed cost in respect of the investment in these subsidiaries amounted to €400 million at the date of transition.

FRS 101 Reduced Disclosure Framework

For the financial year ending 31 December 2016, the Company intends to transition to and adopt FRS 101 *Reduced Disclosure Framework*. The main area of reduced disclosures is the exemption available to the Company from preparing a statement of cash flows. A shareholder or shareholders holding in aggregate 5% or more of the total allocated shares in CRH plc may serve objections to the use of the FRS 101 disclosure exemptions on CRH plc, in writing, to its registered office (42 Fitzwilliam Square, Dublin 2, Ireland) not later than 26 April 2016.

Notes to the Company Balance Sheet | continued

2. Accounting Policies

Key accounting policies which involve estimates, assumptions and judgements

Preparation of the financial statements requires management to make significant judgements and estimates. The items in the financial statements where these judgements and estimates have been made include:

Financial assets

Investments in subsidiaries, are stated at cost less any accumulated impairment and are reviewed for impairment if there are indications that the carrying value may not be recoverable. Impairment assessment is considered as part of the Group's overall impairment assessment.

Loans receivable and payable

Intercompany loans receivable and payable are initially recognised at transaction price. These are subsequently measured at amortised cost, less any provision for impairment.

Other significant accounting policies

Operating income and expense

Operating income and expense arises from the Company's principal activities as a holding and financing company for the Group and are accounted for on an accruals basis.

Foreign currencies

The functional and presentation currency of the Company is euro. Transactions in foreign currencies are translated at the rates of exchange ruling at the transaction date. Monetary assets and liabilities denominated in foreign currencies are translated into euro

at the rates of exchange ruling at the balance sheet date, with a corresponding charge or credit to the profit and loss account.

Share issue expenses and share premium account

Costs of share issues are written off against the premium arising on issues of share capital.

Share-based payments

The Company has applied the requirements of Section 26 of FRS 102.

The accounting policy applicable to share-based payments is consistent with that applied under IFRS and is accordingly addressed in detail on pages 156 to 158 of the Consolidated Financial Statements.

Treasury Shares and own shares

Treasury Shares

Own equity instruments (i.e. Ordinary Shares) acquired by the Company are deducted from equity and presented on the face of the Company Balance Sheet. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the Company's Ordinary Shares.

Own shares

Ordinary Shares purchased by the Employee Benefit Trust on behalf of the Company under the terms of the Performance Share Plan are recorded as a deduction from equity on the face of the Company Balance Sheet.

Dividends

Dividends on Ordinary Shares are recognised as a liability in the Company's Financial Statements in the period in which they are declared by the Company.

Dividend income

Dividend income is recognised when the right to receive payment is established.

Cash and cash equivalents

Cash and cash equivalents comprise cash balances held for the purpose of meeting short-term cash commitments and investments which are readily convertible to a known amount of cash and are subject to an insignificant risk of change in value. Bank overdrafts are included within creditors falling due within one year in the Company Balance Sheet.

Notes to the Company Balance Sheet | continued

3. Financial Assets

The Company's investment in its subsidiaries is as follows:

	Shares €m	Other €m	Total €m
At 1 January 2015 at cost	400	195	595
Capital contribution in respect of share-based payments	-	24	24
Additions	1,593	-	1,593
Disposals	-	(7)	(7)
At 31 December 2015 at cost	1,993	212	2,205

The equivalent disclosure for the prior year is as follows:

At 1 January 2014 at cost	400	181	581
Capital contribution in respect of share-based payments	-	14	14
At 31 December 2014 at cost	400	195	595

The additions in the year relate to the Company's investment in its subsidiary CRH Finance Jersey Limited.

The Company's principal subsidiaries, joint ventures and associates are disclosed on pages 224 to 231.

Pursuant to Section 348(4) of the Companies Act 2014, a full list of subsidiaries, joint ventures and associated undertakings will be annexed to the Company's annual return to be filed in the Companies Registration Office in Ireland.

4. Debtors

	2015 €m	2014 €m
Amounts owed by subsidiary undertakings	7,784	5,532

Amounts owed by subsidiary undertakings are repayable on demand.

5. Creditors

	2015 €m	2014 €m
<i>Amounts falling due within one year</i>		
Amounts owed by subsidiary undertakings	1,091	1,003

Amounts owed by subsidiary undertakings are repayable on demand.

6. Auditor's Remuneration (Memorandum Disclosure)

In accordance with Section 322 of the Companies Act 2014, the fees paid in 2015 to the statutory auditor for work engaged by the Parent Company comprised audit fees of €20,000 (2014: €20,000) and other assurance services of nil (2014: €118,000).

Notes to the Company Balance Sheet | continued

7. Dividends Proposed (Memorandum Disclosure)

Details in respect of dividends proposed of €362 million (2014: €359 million) and dividends paid during the year are presented in the dividends note (note 11) on page 162 of the notes to the Consolidated Financial Statements.

8. Called-up Share Capital

Details in respect of called-up share capital, preference share capital, Treasury Shares and own shares are presented in the share capital and reserves note (note 28) on pages 199 to 202 of the notes to the Consolidated Financial Statements.

9. Reserves

Revaluation reserve

The Company's revaluation reserve arose on the revaluation of certain investments prior to the transition to FRS 102.

In accordance with Section 304 of the Companies Act 2014, the Company is availing of the exemption from presenting its individual profit and loss account to the Annual General Meeting and from filing it with the Registrar of Companies. The profit for the financial year dealt with in the Company Financial Statements amounted to €1,467 million (2014: €1,208 million).

10. Share-based Payments

The total expense of €27 million (2014: €16 million) reflected in note 7 to the Consolidated Financial Statements attributable to employee share options and the Performance Share Plan has been included as a capital contribution in financial assets (note 3) in addition to any payments to/from subsidiaries.

11. Section 357 Guarantees

Pursuant to the provisions of Section 357(1)(b) of the Companies Act 2014, the Company has guaranteed all amounts shown as liabilities in the statutory financial statements of its wholly-owned subsidiary undertakings and the Oldcastle Finance Company general partnership in the Republic of Ireland for the financial year ended 31 December 2015 and as a result, such subsidiary undertakings and the general partnership have been exempted from the filing provisions of Sections 347 and 348 of the Companies Act 2014 and Regulation 20 of the European Communities (Accounts) Regulations, 1993 respectively.

Details in relation to other guarantees provided by the Company are provided in the interest-bearing loans and borrowings note (note 23) on page 183 of the notes to the Consolidated Financial Statements.

12. Related Party Transactions

The Company is exempt under Section 33 of FRS 102, from disclosing related party transactions with wholly-owned members within the CRH Group.

13. Directors' Emoluments

Directors' emoluments and interests are presented in the Directors' Remuneration Report on pages 70 to 106 of this Annual Report.

14. Board Approval

The Board of Directors approved and authorised for issue the Company Financial Statements on pages 210 to 216 in respect of the year ended 31 December 2015 on 2 March 2016.



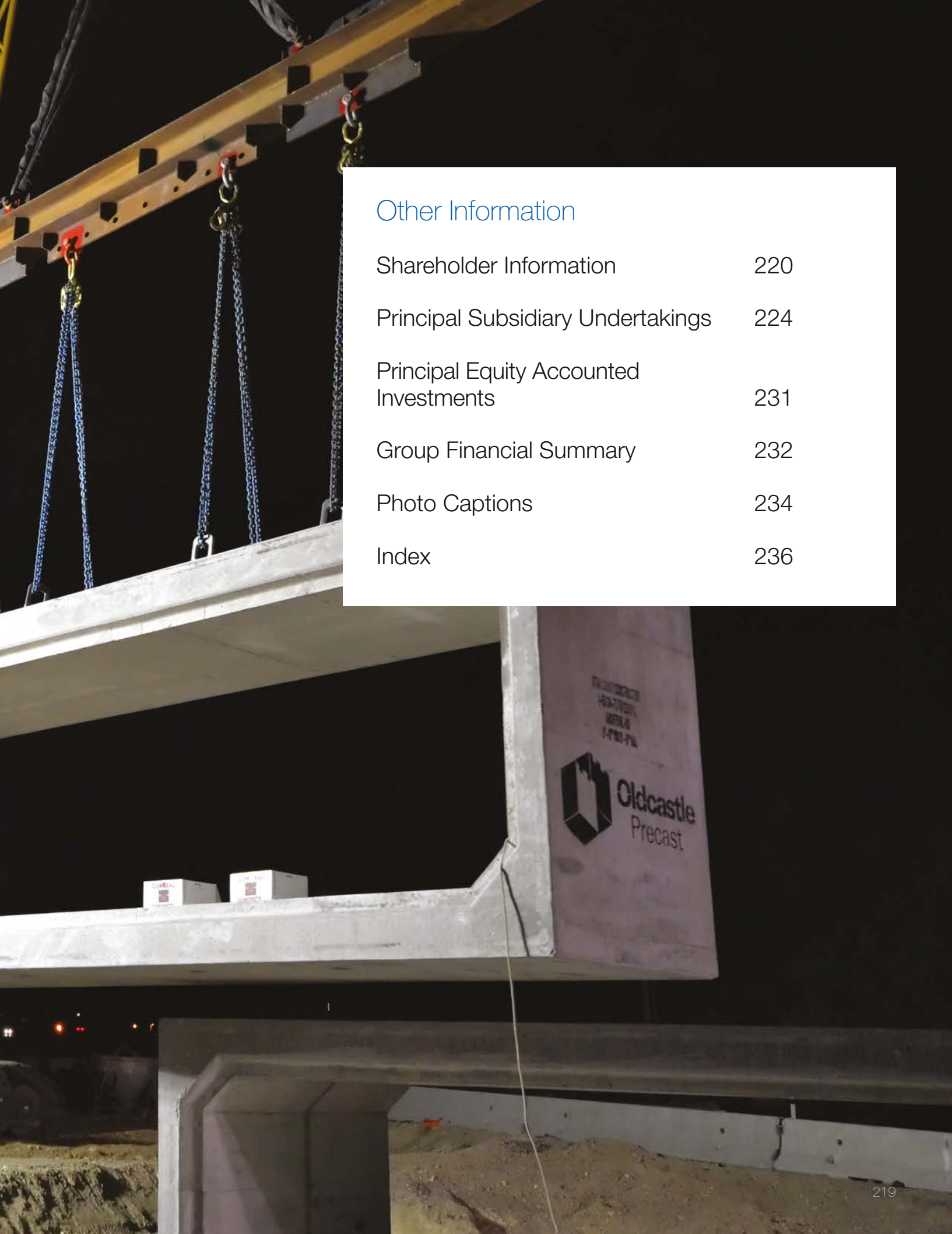
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Other Information





Other Information

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Shareholder Information

Dividend payments

An interim dividend of 18.5c was paid in respect of Ordinary Shares on 6 November 2015.

A final dividend of 44c, if approved at the 2016 Annual General Meeting, will be paid in respect of Ordinary Shares on 6 May 2016 to shareholders on the Register of Members as at the close of business on 11 March 2016.

Dividend Withholding Tax (DWT) must be deducted from dividends paid by an Irish resident company, unless a shareholder is entitled to an exemption and has submitted a properly completed exemption form to the Company's Registrars, Capita Asset Services (the "Registrars"). DWT applies to dividends paid by way of cash or by way of shares under a scrip dividend scheme and is deducted at the standard rate of Income Tax (currently 20%). Non-resident shareholders and certain Irish companies, trusts, pension schemes, investment undertakings and charities may be entitled to claim exemption from DWT. Copies of the exemption form may be obtained from the Registrars. Shareholders should note that DWT will be deducted from dividends in cases where a properly completed form has not been received by the record date for a dividend. Individuals who are resident in the Republic of Ireland for tax purposes are not entitled to an exemption.

Shareholders who wish to have their dividend paid direct to their bank account, by electronic funds transfer, can do so by logging on to www.capitashareportal.com, selecting CRH and registering for the share portal (the "Share Portal"). Shareholders should note that they will need to have their Investor Code (found on the share certificate), and follow the instructions online to register. Alternatively shareholders can complete a paper dividend mandate form and submit it to the Registrars. A copy of the form can be obtained from the shareholder services section of the CRH website, www.crh.com, under "Equity Investors". Tax vouchers will continue to be sent to the shareholder's registered address under this arrangement.

Dividends are generally paid in euro. However, in order to avoid costs to shareholders, dividends are paid in Sterling and US Dollars to shareholders whose shares are not held in the CREST system (see below) and whose address, according to the Share Register, is in the UK and the United States respectively, unless they require otherwise.

Dividends in respect of 7% 'A' Cumulative Preference Shares are paid half-yearly on 5 April and 5 October.

Dividends in respect of 5% Cumulative Preference Shares are paid half-yearly on 15 April and 15 October. Shareholders have the option of taking their dividend in the

form of shares under the Company's Scrip Dividend Scheme.

CREST

Transfer of the Company's shares takes place through the CREST system. Shareholders have the choice of holding their shares in electronic form or in the form of share certificates.

Where shares are held in CREST, dividends are automatically paid in euro unless a currency election is made. CREST members should use the facility in CREST to make currency elections. Such elections must be made in respect of entire holdings as partial elections are not permissible.

Stock Exchange listings

CRH has a premium listing on the London Stock Exchange (LSE) and a secondary listing on the Irish Stock Exchange (ISE). The Group's American Depositary Shares (ADSs), each representing one Ordinary Share, are listed on the New York Stock Exchange (NYSE). The ADSs are evidenced by American Depositary Receipts.

Shareholder Information | continued

Share price data

	2015		2014	
	ISE	LSE	ISE	LSE
Share price at 31 December	€26.70	£19.71	€19.90	£15.44
Market capitalisation	€22.0bn	£16.2bn	€14.7bn	£11.4bn
Share price movement during year:				
- high	€28.09	£19.80	€21.82	£17.88
- low	€18.73	£14.71	€15.86	£12.66

Shareholdings as at 31 December 2015

Ownership of Ordinary Shares

Geographic location*	Number of shares held '000s	% of total
North America	274,395	33.30
United Kingdom	265,209	32.19
Europe/Other	136,083	16.52
Retail	119,051	14.45
Ireland	28,377	3.44
Treasury	795	0.10
	823,910	100

* This represents a best estimate of the number of shares controlled by fund managers resident in the geographic regions indicated. Private shareholders are classified as retail above.

Shareholder Information | continued

Holdings

	Number of shareholders	% of total	Number of shares held '000s	% of total
1 - 1,000	14,698	60.50	4,821	0.58
1,001 - 10,000	7,968	32.80	23,294	2.83
10,001 - 100,000	1,175	4.84	33,513	4.07
100,001 - 1,000,000	337	1.39	116,264	14.11
Over 1,000,000	116	0.47	646,018	78.41
	24,294	100	823,910	100

Financial calendar

Announcement of final results for 2015	3 March 2016
Ex-dividend date	10 March 2016
Record date for dividend	11 March 2016
Latest date for receipt of scrip forms	20 April 2016
Annual General Meeting	28 April 2016
Dividend payment date and first day of dealing in scrip dividend shares	6 May 2016

Further updates to the calendar can be found on www.crh.com

Shareholder Information | continued

Website

The Group's website, www.crh.com, provides the full text of the Annual and Interim Reports, the Annual Report on Form 20-F, which is filed annually with the United States Securities and Exchange Commission, interim management statements and copies of presentations to analysts and investors. News releases are made available on the website, immediately after release to the Stock Exchanges.

Electronic communications

Following the introduction of the 2007 Transparency Regulations, and in order to adopt a more environmentally friendly and cost effective approach, the Company provides the Annual Report to shareholders electronically via the CRH website, www.crh.com, and only sends a printed copy to those shareholders who specifically request a copy. Shareholders who choose to do so can receive other shareholder communications, for example, notices of general meetings and shareholder circulars, electronically. However, shareholders will continue to receive printed proxy forms, dividend documentation and, if the Company deems it appropriate, other documentation by post. Shareholders can alter the method by which they receive communications by contacting the Registrars.

Electronic proxy voting

Shareholders may lodge a proxy form for the 2016 Annual General Meeting electronically by accessing the Registrars' website as described below.

CREST members wishing to appoint a proxy via CREST should refer to the CREST Manual and the notes to the Notice of the Annual General Meeting.

Registrars

Enquiries concerning shareholdings should be addressed to the Registrars:

Capita Asset Services,
P.O. Box 7117, Dublin 2, Ireland.
Telephone: +353 (0) 1 553 0050
Fax: +353 (0) 1 224 0700
Website: www.capitaassetservices.com

Shareholders with access to the internet may check their accounts by accessing the Registrars' website and selecting "Shareholder Portal (Ireland)". This facility allows shareholders to check their shareholdings and dividend payments, register e-mail addresses, appoint proxies electronically and download standard forms required to initiate changes in details held by the Registrars. Shareholders will need to register for a User ID before using some of the services.

American Depositary Receipts (ADRs)

The ADR programme is administered by the Bank of New York Mellon and enquiries regarding ADRs should be addressed to:

BNY Mellon Shareowner Services,
P.O. Box 30170, College Station,
TX 77842-3170, U.S.A.
Telephone: Toll Free Number (United States residents): 1-888-269-2377
International: +1 201-680-6825
E-mail: shrrelations@cpushareownerservices.com
Website: www.mybnymdr.com

Frequently Asked Questions (FAQ)

The Group's website contains answers to questions frequently asked by shareholders, including questions regarding shareholdings, dividend payments, electronic communications and shareholder rights. The FAQ can be accessed in the Investors section of the website under "Equity Investors".

Principal Subsidiary Undertakings

as at 31 December 2015

Incorporated and operating in	% held	Products and services	
Europe Heavyside			
Belgium	Douterloigne N.V.	100	Concrete floor elements, pavers and blocks
	Ergon N.V.	100	Precast concrete and structural elements
	Oeterbeton N.V.	100	Precast concrete
	Prefaco N.V.	100	Precast concrete structural elements
	Remacle S.A.	100	Precast concrete products
	Schelfhout N.V.	100	Precast concrete wall elements
	Stradus Infra N.V.	100	Concrete paving and landscaping products
	Stradus Aqua N.V.	100	Concrete paving, sewerage and water treatment
	Marlux N.V.	100	Concrete paving and landscaping products
	VWM N.V.	100	Cement transport and trading, readymixed concrete, clinker grinding
Britain & Northern Ireland	Northstone (NI) Limited (including Farrans Construction Limited and Ready Use Concrete)	100	Aggregates, readymixed concrete, mortar, coated macadam, rooftiles, building and civil engineering contracting
	Premier Cement Limited	100	Marketing and distribution of cement
Denmark	Betongruppen RBR A/S	100	Concrete paving manufacturer
	CRH Concrete A/S	100	Structural concrete products
Finland	Finnsementti Oy	100	Cement
	Rudus Oy	100	Aggregates, readymixed concrete and concrete products
France	L'industrielle du Béton S.A.*	100	Structural concrete products
	Stradal	100	Utility and infrastructural concrete products
	Marlux	100	Concrete paving manufacturer
Germany	EHL AG	100	Concrete paving and landscape walling products
Hungary	Ferrobeton Beton-és Vasbetonelem gyártó Zrt.	100	Precast concrete structural elements
Ireland	Irish Cement Limited	100	Cement
	Clogrennane Lime Limited	100	Burnt and hydrated lime
	Roadstone Limited	100	Aggregates, readymixed concrete, mortar, coated macadam, concrete blocks and pipes, asphalt, agricultural and chemical limestone and contract surfacing

Principal Subsidiary Undertakings | continued

Incorporated and operating in	% held	Products and services	
Europe Heavyside continued			
Netherlands	Cementbouw B.V.	100	Cement transport and trading, readymixed concrete and aggregates
	Calduran Kalkzandsteen B.V.	100	Sand-lime bricks and building elements
	CRH Structural Concrete B.V.	100	Precast concrete structural elements
	Dycore B.V.	100	Concrete flooring elements
	Struyk Verwo Groep B.V.	100	Concrete paving products
Poland	Bosta Beton Sp. z o.o.	90.30	Readymixed concrete
	CRH Klinkier Sp. z o.o.	100	Clay brick manufacturer
	Drogomex Sp. z o.o.*	99.94	Asphalt and contract surfacing
	Grupa Ożarów S.A.	100	Cement
	Grupa Silikaty Sp. z o.o.	100	Sand-lime bricks
	Masfalt Sp. z o.o.*	100	Asphalt and contract surfacing
	Polbruk S.A.	100	Readymixed concrete and concrete paving
	Trzuskawica S.A.	99.95	Production of lime and lime products
Romania	Ferrobeton Romania SRL	100	Structural concrete products
	Elpreco S.A.	100	Architectural concrete products
Slovakia	Premac, spol. s.r.o.	100	Concrete paving and floor elements
Spain	Beton Catalan S.A.	100	Readymixed concrete
	Cementos Lemona S.A.	98.75	Cement
Switzerland	JURA-Holding AG	100	Cement, aggregates and readymixed concrete
Ukraine	LLC Cement*	51	Cement and clinker grinding
	PJSC Mykolaivcement	99.27	Cement
	Podilsky Cement PJSC	99.60	Cement

Principal Subsidiary Undertakings | continued

Incorporated and operating in		% held	Products and services
Europe Lightside			
Australia	Ancon Building Products Pty Ltd	100	Construction accessories
Belgium	Plakabeton N.V.	100	Construction accessories
	Anchor Bay Construction Products*	100	Construction accessories
	Ancon Limited	100	Construction accessories
Britain & Northern Ireland	CRH Fencing & Security Group (UK) Limited	100	Security fencing
	Cubis Industries Limited	100	Supplier of access chambers and ducting products
	Security Windows Shutters Limited	100	Physical security, industrial and garage doors, roofing systems
France	Plaka Group France S.A.S.	100	Construction accessories
	Alulux GmbH*	100	Roller shutter and awning systems
	ERHARDT Markisenbau GmbH*	100	Roller shutter and awning systems
Germany	Halfen GmbH	100	Construction accessories
	Heras-Adronit GmbH	100	Security fencing and access control
	Tenbrink Rolladensysteme GmbH Co KG	100	Roller shutter and awning systems
Netherlands	Aluminium Verkoop Zuid B.V.	100	Roller shutter and awning systems
	Heras B.V.	100	Security fencing and perimeter protection
Sweden	Heras Stängsel AB	100	Security fencing
Switzerland	F.J. Aschwanden AG*	100	Construction accessories
United States	Halfen USA Inc.	100	Construction accessories

Principal Subsidiary Undertakings | continued

Incorporated and operating in		% held	Products and services
Europe Distribution			
Austria	Quester Baustoffhandel GmbH	100	Builders merchants
	Creyms N.V.	100	Builders merchants
	Lambrechts N.V.	100	Builders merchants
	Halschoor N.V.	100	Builders merchants
Belgium	Sax Sanitair N.V.	100	Sanitary ware, heating and plumbing
	Schrauwen Sanitair en Verwarming N.V.	100	Sanitary ware, heating and plumbing
	Van Den Broeck BVBA	100	Builders merchants
	Van Neerbos België N.V.	100	DIY stores
France	CRH Ile de France Distribution*	100	Builders merchants
	CRH TP Distribution	100	Builders merchants
	CRH Normandie Distribution	100	Builders merchants
Germany	BauKing AG	100	Builders merchants, DIY stores
	Andreas Paulsen GmbH	100	Sanitary ware, heating and plumbing
Netherlands	CRH Bouwmaten B.V.	100	Cash & Carry building materials
	BMN Bouwmaterialen Nederland	100	Builders merchants
	Van Neerbos Bouwmarkten B.V.	100	DIY stores
Switzerland	BR Bauhandel AG (trading as BauBedarf and Richner)	100	Builders merchants, sanitary ware and ceramic tiles
	Gétaz Romang Holding SA (trading as Gétaz Romang and Miauton)	100	Builders merchants
	Regusci Reco S.A. (trading as Regusci and Reco)	100	Builders merchants

Principal Subsidiary Undertakings | continued

Incorporated and operating in	% held	Products and services
Americas Materials		
Oldcastle Materials, Inc.	100	Holding company
APAC Holdings, Inc. and Subsidiaries	100	Aggregates, asphalt, readymixed concrete and related construction activities
Callanan Industries, Inc.	100	Aggregates, asphalt, readymixed concrete and related construction activities
CPM Development Corporation	100	Aggregates, asphalt, readymixed concrete, prestressed concrete and related construction activities
Dolomite Products Company, Inc.	100	Aggregates, asphalt, readymixed concrete and related construction activities
Eugene Sand Construction, Inc.	100	Aggregates, asphalt, readymixed concrete and related construction activities
Evans Construction Company	100	Aggregates, asphalt, readymixed concrete and related construction activities
Michigan Paving and Materials Company	100	Aggregates, asphalt and related construction activities
Mountain Enterprises, Inc.	100	Aggregates, asphalt and related construction activities
OMG Midwest, Inc.	100	Aggregates, asphalt, readymixed concrete and related construction activities
United States		
Preferred Materials Inc.	100	Aggregates, asphalt, readymixed concrete, aggregates distribution and related construction activities
Oldcastle SW Group, Inc.	100	Aggregates, asphalt, readymixed concrete and related construction activities
Pennsy Supply, Inc.	100	Aggregates, asphalt, readymixed concrete and related construction activities
Pike Industries, Inc.	100	Aggregates, asphalt, readymixed concrete and related construction activities
P.J. Keating Company	100	Aggregates, asphalt and related construction activities
Staker & Parson Companies	100	Aggregates, asphalt, readymixed concrete and related construction activities
The Shelly Company	100	Aggregates, asphalt, readymixed concrete and related construction activities
Tilcon Connecticut, Inc.	100	Aggregates, asphalt, readymixed concrete and related construction activities
Tilcon New York, Inc.	100	Aggregates, asphalt and related construction activities
Trap Rock Industries, LLC*	60	Aggregates, asphalt and related construction activities
West Virginia Paving, Inc.	100	Aggregates, asphalt and related construction activities

Principal Subsidiary Undertakings | continued

Incorporated and operating in	% held	Products and services
Americas Products & Distribution		
Canada		
Building Products		
Oldcastle BuildingEnvelope™ Canada, Inc.	100	Custom fabricated and tempered glass products and curtain wall
Oldcastle Building Products Canada, Inc. (trading as Décor Precast, Expocrete Concrete Products, Groupe Permacon, Oldcastle Enclosure Solutions and Transpavé)	100	Masonry, paving and retaining walls, utility boxes and trenches
Americas Products & Distribution, Inc.	100	Holding company
CRH America, Inc.	100	Holding company
Oldcastle, Inc.	100	Holding company
Building Products		
Anchor Block Company	100	Specialty masonry, hardscape and patio products
C.R. Laurence Co., Inc.	100	Fabrication and distribution of custom hardware products for the glass industry
Oldcastle Architectural, Inc.	100	Holding company
Oldcastle Building Products, Inc.	100	Holding company
Meadow Burke, LLC	100	Concrete accessories
Oldcastle APG Northeast, Inc. (trading principally as Anchor Concrete Products and Trenwyth Industries)	100	Specialty masonry, hardscape and patio products
Oldcastle APG South, Inc. (trading principally as Adams Products, Georgia Masonry Supply, Northfield Block Company and Oldcastle Coastal)	100	Specialty masonry, hardscape and patio products
Oldcastle APG West, Inc. (trading principally as Amcor Masonry Products, Central Pre-Mix Concrete Products, Texas Masonry Products, Miller Rhino Materials, Sierra Building Products and Superlite Block)	100	Specialty masonry and stone products, hardscape and patio products
Oldcastle BuildingEnvelope™, Inc.	100	Custom fabricated architectural glass
Oldcastle Lawn & Garden, Inc.	100	Patio products, bagged stone, mulch and stone
Oldcastle Precast, Inc.	100	Precast concrete products, concrete pipe, prestressed plank and structural elements
Distribution		
Oldcastle Distribution, Inc.	100	Holding company
Allied Building Products Corp.	100	Distribution of roofing, siding and related products, wallboard, metal studs, acoustical tile and grid

Principal Subsidiary Undertakings | continued

Incorporated and operating in	% held	Products and services
LH Assets		
	CRH Brasil Participações Ltda	100 Holding company
Brazil	CRH Sudeste Indústria de Cimentos S.A.	99.74 Cement
	CRH Cantagalo Indústria de Cimentos S.A.	100 Cement
Canada	Blackbird Infrastructure 407 CRH GP Inc.	100 Holding company
	CRH Canada Group Inc.	100 Aggregates, asphalt, cement and readymixed concrete
La Reunion (France)	Teralta Ciments Reunion S.A.*	100 Cement
	Teralta Granulats Betons Reunion S.A.S.*	100 Aggregates, readymixed concrete
France	Eqiom	99.99 Aggregates, cement and readymixed concrete
Germany	Opterra GmbH	100 Cement
Hungary	CRH Magyarország Kft.	100 Cement and readymixed concrete
Philippines(i)	Republic Cement & Building Materials, Inc.	40 Cement
	Luzon Continental Land Corporation	40 Cement and building products
Romania	CRH Ciment (Romania) S.A.	98.62 Cement
	CRH Agregate Betoane S.A.	98.62 Readymixed concrete
Serbia	CRH (Srbija) doo Popovac	100 Cement
Slovakia	CRH (Slovensko) a.s.	99.70 Cement and readymixed concrete
Britain & Northern Ireland	Tarmac Trading Limited	100 Aggregates, asphalt, cement, readymixed concrete and contracting
	Tarmac Aggregates Limited	100 Aggregates, asphalt, readymixed concrete and contracting
	Tarmac Building Products Limited	100 Building products
	Tarmac Cement and Lime Limited	100 Cement and lime

(i) 55% economic interest in the combined Philippines business (see note 31 to the Consolidated Financial Statements).

Principal Equity Accounted Investments

as at 31 December 2015

Incorporated and operating in		% held	Products and services
Europe Heavyside			
China	Jilin Yatai Group Building Materials Investment Company Limited*	26	Cement
India	My Home Industries Limited	50	Cement
Ireland	Kemek Limited*	50	Commercial explosives
Europe Distribution			
France	Samse S.A.*	21.13	Builders merchants and DIY stores
Netherlands	Bouwmateriehandel de Schelde B.V.	50	DIY stores
	Intergamma B.V.	48.57	DIY franchisor
Portugal	Modelo Distribuição de Materials de Construção S.A.*	50	DIY stores
Americas Materials			
United States	American Cement Company, LLC*	50	Cement
	Southside Materials, LLC*	50	Aggregates
	Cadillac Asphalt, LLC*	50	Asphalt
	Piedmont Asphalt, LLC*	50	Asphalt
	American Asphalt of West Virginia, LLC*	50	Asphalt and related construction activities
	HMA Concrete, LLC*	50	Readymixed concrete
	Buckeye Ready Mix, LLC*	45	Readymixed concrete

* Audited by firms other than Ernst & Young.

Pursuant to Sections 314-316 of the Companies Act, 2014, a full list of subsidiaries, joint ventures and associated undertakings will be annexed to the Company's Annual Return to be filed in the Companies Registration Office in Ireland.

Group Financial Summary

(Figures prepared in accordance with IFRS)

	Restated 2006 €m	Restated 2007 €m	Restated 2008 €m	Restated 2009 €m	Restated 2010 €m
Revenue	17,836	19,916	19,715	16,278	16,112
EBITDA (as defined)*	2,326	2,704	2,478	1,654	1,487
Group operating profit	1,724	1,973	1,704	861	630
Profit on disposals	36	57	68	25	54
Profit before finance costs	1,760	2,030	1,772	886	684
Net finance costs (funding/cash)	(221)	(282)	(324)	(263)	(211)
Other financial expense	(15)	(7)	(6)	(27)	(29)
Share of equity accounted investments' profit/(loss)	60	138	160	117	69
Profit/(loss) before tax	1,584	1,879	1,602	713	513
Income tax expense	(360)	(441)	(340)	(115)	(74)
Group profit/(loss) for the financial year	1,224	1,438	1,262	598	439
Employment of capital					
Non-current and current assets					
Property, plant and equipment	6,954	7,503	7,904	7,570	7,939
Intangible assets	2,713	3,424	3,772	3,754	3,960
Equity accounted investments/other financial assets (a)	1,169	1,448	1,969	2,204	2,265
Net working capital (b)	2,314	2,326	2,468	1,838	1,799
Other liabilities - current and non-current (c)	(1,070)	(836)	(1,078)	(1,051)	(1,056)
Assets and liabilities held for sale (d)	-	-	-	-	-
Total	12,080	13,865	15,035	14,315	14,907
Capital and reserves excluding preference share capital	7,062	7,953	8,086	9,636	10,327
Preference share capital	1	1	1	1	1
Non-controlling interests	31	37	38	41	50
Net deferred income tax liability	742	875	972	1,028	1,149
Net debt (e)	4,244	4,999	5,938	3,609	3,380
Total	12,080	13,865	15,035	14,315	14,907
Purchase of property, plant and equipment	777	956	955	487	418
Acquisitions and investments	2,311	2,227	1,072	458	567
Total	3,088	3,183	2,027	945	985
Depreciation of property, plant and equipment	577	696	717	709	711
Amortisation of intangible assets	25	35	43	43	44
Impairment of property, plant and equipment and intangible assets	-	-	14	41	102
Earnings per share after amortisation of intangible assets (cent) (f)	202.2	236.9	210.2	88.3	61.3
Earnings per share before amortisation of intangible assets (cent) (f)	206.5	242.7	217.4	96.3	79.9
Dividend per share (cent) (f)	46.89	61.31	62.22	62.50	62.50
Cash earnings per share (cent) (f), (g)	332.0	372.3	357.4	222.9	203.2
Dividend cover (times) (h)	4.3	3.9	3.4	1.4	1.0

Notes to IFRS financial summary data

The Group financial summary for 2006 to 2012 has been restated for the impact of IFRS 11 *Joint Arrangements*. The 2012 results also reflect the change in accounting as required by IAS 19 *Employee Benefits*.

(a) Represents the sum of equity accounted investments and other financial assets.

(b) Represents the sum of inventories and trade and other receivables (included in current assets) less trade and other payables (included in current liabilities).

(c) Represents the sum of current income tax liabilities, current and non-current provisions for liabilities, non-current other payables and retirement benefit obligations less the sum of current income tax recoverable and non-current other receivables.

(d) Represents the sum of assets and liabilities reclassified as held for sale, excluding cash and cash equivalents reclassified which is included under net debt (see note (e) below).

(e) Represents the sum of current and non-current interest-bearing loans and borrowings and derivative financial instrument liabilities less the sum of liquid investments, cash and cash equivalents (including cash reclassified as held for sale) and current and non-current derivative financial instrument assets.

	Restated 2011 €m	Restated 2012 €m	2013 €m	2014 €m	2015 €m
Revenue	17,374	18,084	18,031	18,912	23,635
EBITDA (as defined)*	1,543	1,563	1,475	1,641	2,219
Group operating profit	811	805	100	917	1,277
Profit on disposals	53	230	26	77	101
Profit before finance costs	864	1,035	126	994	1,378
Net finance costs (funding/cash)	(223)	(256)	(249)	(246)	(295)
Other financial expense	(28)	(49)	(48)	(42)	(94)
Share of equity accounted investments' profit/(loss)	87	(84)	(44)	55	44
Profit/(loss) before tax	700	646	(215)	761	1,033
Income tax expense	(103)	(106)	(80)	(177)	(304)
Group profit/(loss) for the financial year	597	540	(295)	584	729
Employment of capital					
Non-current and current assets					
Property, plant and equipment	8,008	7,971	7,539	7,422	13,062
Intangible assets	4,148	4,267	3,911	4,173	7,820
Equity accounted investments/other financial assets (a)	2,107	1,456	1,363	1,352	1,345
Net working capital (b)	2,004	2,078	2,016	2,010	2,089
Other liabilities - current and non-current (c)	(1,323)	(1,376)	(1,111)	(1,418)	(2,280)
Assets and liabilities held for sale (d)	-	143	-	285	-
Total	14,944	14,539	13,718	13,824	22,036
Capital and reserves excluding preference share capital	10,508	10,552	9,661	10,176	13,014
Preference share capital	1	1	1	1	1
Non-controlling interests	41	36	24	21	529
Net deferred income tax liability	1,059	1,041	1,059	1,134	1,874
Net debt (e)	3,335	2,909	2,973	2,492	6,618
Total	14,944	14,539	13,718	13,824	22,036
Purchase of property, plant and equipment	507	544	497	435	882
Acquisitions and investments	610	548	576	188	7,549
Total	1,117	1,092	1,073	623	8,431
Depreciation of property, plant and equipment	673	686	671	631	843
Amortisation of intangible assets	38	44	54	44	55
Impairment of property, plant and equipment and intangible assets	21	28	650	49	42
Earnings per share after amortisation of intangible assets (cent) (f)	82.6	74.6	(40.6)	78.9	89.1
Earnings per share before amortisation of intangible assets (cent) (f)	88.6	80.6	(33.2)	84.9	95.9
Dividend per share (cent) (f)	62.50	62.50	62.50	62.50	62.50
Cash earnings per share (cent) (f), (g)	201.4	199.8	162.4	177.1	205.1
Dividend cover (times) (h)	1.3	1.2	n/a	1.3	1.4

Notes to IFRS financial summary data

(f) Per share amounts for restated 2005 to 2008 have been restated for the bonus element of the Rights Issue in March 2009.

(g) Cash earnings per share represents profit attributable to equity holders of the Company less preference dividends paid plus depreciation of property, plant and equipment, amortisation of intangible assets and, where applicable, asset impairments divided by the average number of Ordinary Shares outstanding for the year.

(h) Represents earnings per Ordinary Share divided by dividends per Ordinary Share.

* EBITDA is defined as earnings before interest, taxes, depreciation, amortisation, asset impairment charges, profit on disposals and the Group's share of equity accounted investments' profit after tax.

Photo Captions

Section Breaks



Strategy Review

Podilsky Cement in Ukraine operates a modern, fully certified concrete laboratory. It conducts tests of cements from all CRH plants in Ukraine and provides a customer advice service.



Business Performance

Readymixed concrete from OPTERRA being delivered to site. OPTERRA's headquarters is in Leipzig from where it operates two cement plants, a grinding station and a network of readymixed concrete plants, located across Germany.



Governance

A newly branded cement tanker at CRH Canada, one of the country's largest vertically integrated building materials and construction companies.



Financial Statements

Oldcastle BuildingEnvelope® designed, engineered, tested, manufactured and delivered 2.6 million square feet of custom-engineered curtain wall, 1.6 million square feet of high performance and silk-screened architectural glass, 20,450 sunshades and 4,000 square feet of custom-engineered skylights for ExxonMobil's new global campus in Houston, Texas.



Other Information

Oldcastle Precast placed 50, 24-foot by 6.5-foot precast concrete box culverts for a US\$252 million infrastructure rehabilitation project along the Interstate 15 corridor in Utah, United States. This single box culvert weighs approximately 80,000 pounds and replaced 40-year-old infrastructure on the East Jordan Canal.

Full Page Images



Our Global Presence

Oldcastle Architectural supplied Trenwyth Astra-Glaze SW+® concrete masonry blocks to William Allen High School in Allentown, Pennsylvania. This product contributes to Leadership in Energy and Environmental Design (LEED) credits in recycled content, energy efficiency and regional production.



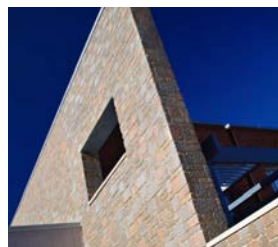
Halfen Construction Accessories

The German pavilion EXPO 2015 in Milan made extensive use of the HALFEN DETAN tension and compression rod system. The DETAN product was installed into the steel stress, shell and stage of the pavilion, and meets the highest aesthetic and quality standards. HALFEN is part of the Construction Accessories platform within Europe Lightside.



Zoontjens

Studentencomplex Johanna is a student accommodation building in Utrecht, the Netherlands. Zoontjens supplied its Drenoliet® rooftop terrace tiles for communal areas, producing a landscape that is aesthetically pleasing and capable of withstanding high loads.



Anchor Masonry

Oldcastle Architectural's Anchor business manufactured 20,000 square feet of Dufferin® Stone for the new Herbert Hoover Middle School in Potomac, Maryland. Dufferin® Stone products are known for their durable antiqued finishes and custom-look results.

Full Page Images



Coastal

Oldcastle Architectural's Coastal business provided 2,712 square feet of pavers for this residential driveway in Clearwater, Florida, that features Belgard Appian and Holland pavers. The designer added a grass median to create a permeable space, to aid in water run-off and to create a dramatic entrance.



CRH Romania

Medgidia Cement Plant is one of two plants owned and operated by CRH Romania in addition to a grinding station, a network of terminals, quarries, gravel pits and concrete plants.



Allied Distribution

Dream Finders Homes built a 2,400 square foot, four-bedroom home in the Fan Entertainment Zone at EverBank Field in Jacksonville, Florida. This home will be donated to a military veteran and moved for that purpose, after it sits on display at the NFL stadium for two years. The Gypsum Wallboard for the project was supplied by Allied Building Products.

Our Business



Heavyside Materials

1,300 tonnes of cement from OPTERRA was used to construct the elephant enclosure at Erfurt Zoo in Germany. The rough finish on the 11m high walls is designed to resemble an elephant's skin.



Lightside Products

An installation of sun protection screens and drop-arm awnings, supplied by SMITS Rolluiken & Zonwering, at a nursery in the Netherlands.



Building Materials Distribution

Bauking, CRH's leading distribution brand in Germany, operates general builders merchants and DIY stores through the hagebaumarkt brand. This branch, in Königs-Wusterhausen near Berlin, is a 35,000m² site serving both customer groups.

Sustainability



People and Community

School children from Lisburn, Northern Ireland, visited a local residential development, completed by Farrans Construction. The children learnt about building materials, the construction process and the importance of safety on site.



Environment and Conservation

Tarmac owns Panshanger Park, in Hertfordshire, England. Since the 1980s, it has been extracting minerals from the area but it is now being restored to agriculture, wetland and nature conservation. It includes a Forest School, which encourages hands-on learning experiences in a natural environment.

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Front cover: This bridge, which spans the Unstrut valley near Karsdorf (Saxony-Anhalt) in Germany, is one of the largest structures on the newly built ICE railway line between Erfurt and Leipzig/Halle. With a length of 2.7 kilometres, the bridge is the second longest railway bridge in Germany, and is part of the largest railway project under the "German Unification Transportation Projects" programme.

The bridge stands on a total of 41 piers and is supported on 4 arches in the shape of an inverted V, each with a span length of 108 metres. Approximately 220,000 cubic metres of concrete were used to create the abutments, arches, and superstructure for the bridge. OPTERRA cement plant in Karsdorf, one of CRH's newly acquired businesses, delivered more than 40,000 tonnes of cement needed to meet the demanding requirements of the bridge's structural engineering design.