

AUDITOR'S REPORT (Translation of the Finnish original)

To the Annual General Meeting of CRH Finland Services Oyj

Report on the Audit of Financial Statements

Opinion

We have audited the financial statements of CRH Finland Services Oyj (business identity code 2553762-1) for the year ended 31 December, 2016. The financial statements comprise the balance sheet, statement of comprehensive income, statement of changes in equity, statement of cash flows and notes, including a summary of significant accounting policies.

In our opinion the financial statements give a true and fair view of the company's financial position as well as its financial performance and its cash flows in accordance with International Financial Reporting Standards (IFRS) as adopted by the EU and comply with statutory requirements.

Basis for Opinion

We conducted our audit in accordance with good auditing practice in Finland. Our responsibilities under good auditing practice are further described in the *Auditor's Responsibilities for the Audit of Financial Statements* section of our report.

We are independent of the company in accordance with the ethical requirements that are applicable in Finland and are relevant to our audit, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

We have fulfilled the responsibilities described in the *Auditor's responsibilities for the audit of the financial statements* section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying financial statements.

We have also addressed the risk of management override of internal controls. This includes consideration of whether there was evidence of management bias that represented a risk of material misstatement due to fraud.

Tax contingency provision

Refer to accounting principles and note 13 in the financial statements.

Tax contingency provisions amount to €25,3 million as at 31 December 2016. Tax contingency provision is significant to our audit because it involves judgment and the amount involved is material to the financial statements as a whole. We therefore determined this to be a key audit matter.

Our audit procedures included, among others:

- Involving internal tax specialists to assess and analyze the management's assumptions and estimates used to determine the tax provision.
- Testing the accuracy of calculations.
- Considering the adequacy of the Companies disclosures in respect of tax disclosures.

Responsibilities of the Board of Directors for the Financial Statements

The Board of Directors are responsible for the preparation of financial statements that give a true and fair view in accordance with International Financial Reporting Standards (IFRS) as adopted by the EU, and of financial statements that give a true and fair view in accordance with the laws and regulations governing the preparation of financial statements in Finland and comply with statutory requirements. The Board of Directors are also responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Board of Directors are responsible for assessing the company's ability to continue as going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting. The financial statements are prepared using the going concern basis of accounting unless there is an intention to liquidate the company or cease operations, or there is no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of Financial Statements

Our objectives are to obtain reasonable assurance on whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with good auditing practice will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

As part of an audit in accordance with good auditing practice, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of the Board of Directors' use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events so that the financial statements give a true and fair view.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Reporting Requirements

Other information

The Board of Directors are responsible for the other information. The other information comprises information included in the report of the Board of Directors and in the Annual Report, but does not include the financial statements and our report thereon. We obtained the report of the Board of Directors prior to the date of the auditor's report.

Our opinion on the financial statements does not cover the other information.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. With respect to report of the Board of Directors, our responsibility also includes considering whether the report of the Board of Directors has been prepared in accordance with the applicable laws and regulations.

In our opinion, the information in the report of the Board of Directors is consistent with the information in the financial statements and the report of the Board of Directors has been prepared in accordance with the applicable laws and regulations.

If, based on the work we have performed, we conclude that there is a material misstatement in the information included in the report of the Board of Directors, we are required to report this fact. We have nothing to report in this regard.

Turku 26.4.2017

Ernst & Young Oy
Authorized Public Accountant Firm



Osmo Valovirta
Authorized Public Accountant

CRH Finland Services Plc.
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Espoo
2553762-1

CRH Finland Services Plc.

FINANCIAL STATEMENTS

1.1.2016–31.12.2016

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BOARD OF DIRECTORS' REPORT

GENERAL

CRH Finland Services Plc is part of the Irish CRH Group listed on Dublin, London and New York stock exchanges and is a 100 % subsidiary of the Dutch company CRH Europe Investments B.V.

The company was established in May 2013 and registered in the Finnish Trade register on 19.6.2013.

The Board of Directors until the annual general meeting 14 November 2016 has been as follows: Jim Mintern (chairman), Kalervo Matikainen and Johanna Romness. After the general meeting the Board of Directors has been as follows: Jim Mintern (chairman), Kalervo Matikainen and Sami Myllyniemi.

Ernst & Young, Chartered Accountants have been the auditors of the company.

BUSINESS OPERATIONS, CAPITAL EXPENDITURE AND ESSENTIAL TRANSACTIONS IN 2016

Business operations of the company in 2016 have consisted of payroll, Compliance, HR, IT and consulting services to group companies.

The company also has financial activities as the company has issued MEUR 750 bond in international debt markets. CRH plc is the guarantor of this bond and it is listed on the Irish stock exchange.

Net sales of the company in 2016 are EUR 1 660 thousand. The comprehensive income for the period is negative EUR 6 218 thousand (374.6% of net sales), while operating profit is EUR 43 thousand (2.6 % of net sales). Equity is 0.89 % of total assets.

The 2015 Statement of Comprehensive income has been prepared on the basis that certain financing costs may not be deductible for corporate income tax purposes. As a result comprehensive income of the company in 2015 includes a tax provision of 17.2 MEUR. In 2016 financial statement this provision was increased by 8 075 991 euros.

The capital structure of the company was reinforced when owner invested 20 MEUR to the invested unrestricted equity reserve.

PERSONNEL

In December 2016 the company employed 14 persons and all of them being officials. Total employee expenses were EUR 1 160 thousand.

RISKS AND UNCERTAINTIES

Biggest risks and uncertainties of the company relate to its financial activities. The most remarkable factors that can affect company's activities and financial development negatively are coming via effects from other group companies' business activities as the customers of service providing business are group companies, financial assets are invested in group companies and major part of financial income is from group internal origin.

2017 OUTLOOK

There are not expected any such major changes in company's business, business environment or financial development that would have any major effect on company's activities. The outlook for 2017 is described as stable.

BOARD PROPOSAL FOR PROFIT DISTRIBUTION

On December 31, 2016 CRH Finland Services Plc's comprehensive income statement accounted for a loss of EUR 6 218 251 and distributable equity totaled EUR 6 889 344.

No material changes have taken place in the company's financial position after the balance sheet date.

The Board proposes to the Annual General Meeting no dividend to be distributed and the loss to be retained under company's equity.

STATEMENT OF COMPREHENSIVE INCOME (IFRS)

euro	Notes	1.1.-31.12.2016	1.1.-31.12.2015
TURNOVER	1.	1 659 767	2 544 079
Employee benefits expenses	2.	-1 160 436	-1 247 962
Depreciation	3.	-13 753	-24 698
Other operating expenses	4.	-442 462	-1 239 527
OPERATING PROFIT		43 117	31 891
Finance income	5.	45 471 667	36 219 228
Finance costs	5.	-43 657 044	-43 658 884
PROFIT BEFORE TAXES		1 857 740	-7 407 765
Income taxes	6.	-8 075 991	-17 200 000
Change of deferred taxes	6.	0	587 012
PROFIT FOR THE FINANCIAL YEAR		-6 218 251	-24 020 753
OTHER COMPREHENSIVE INCOME			
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		<u>-6 218 251</u>	<u>-24 020 753</u>
Profit attributable to:			
Equity holders of parent company		-6 218 251	-24 020 753
Total comprehensive income attributable to:			
Equity holders of the company		-6 218 251	-24 020 753

BALANCE SHEET (IFRS)

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	Notes	31.12.2016	31.12.2015
euro			
Assets			
Non-current assets			
Other intangible assets	7.	2 866	16 619
Available-for-sale financial assets	8.	<u>706 000 000</u>	<u>706 000 000</u>
Total non-current assets		706 002 866	706 016 619
Current assets			
Trade receivables and other receivables	9.	47 274 809	37 880 580
Current tax receivables	9.	0	14 299
Cash and cash equivalents	10.	<u>31 798 482</u>	<u>18 718 300</u>
Total current assets		79 073 291	56 613 179
Total assets		<u>785 076 158</u>	<u>762 629 798</u>
Equity and liabilities			
Equity attributable to equity holders of the parent company			
Share capital		80 000	80 000
Invested unrestricted equity reserve		35 000 000	15 000 000
Retained earnings		<u>-28 110 656</u>	<u>-21 892 405</u>
Total equity	11.	6 969 344	-6 812 405
Non-current liabilities			
Deferred tax liabilities	12.	0	0
Provisions	13.	25 275 991	17 200 000
Loans	14.	<u>748 068 570</u>	<u>747 558 922</u>
Total non-current liabilities		773 344 561	764 758 922
Current liabilities			
Trade payables	15.	6 777	25 235
Accruals and other liabilities	15.	<u>4 755 475</u>	<u>4 658 047</u>
Total current liabilities		4 762 252	4 683 282
Total liabilities		<u>778 106 814</u>	<u>769 442 203</u>
Total equity and liabilities		<u>785 076 158</u>	<u>762 629 798</u>

STATEMENT OF CHANGES IN EQUITY (IFRS)

euro

	Notes	Attributable to equity holders of the parent company				Total equity
		Share capital	Invested unrestricted equity reserve	Retained earnings	Total equity Non- controlling interest	
Equity 1.1.2015		80 000	0	2 128 348	2 208 348	2 208 348
Comprehensive income						
Profit or loss				-24 020 753	-24 020 753	-24 020 753
Total other comprehensive income adjusted by tax effects				0	0	0
Total comprehensive income						
Transactions with owners						
Dividends				0	0	0
Share issue	11.	0		0	0	0
Addition to invested unrestricted equity reserve	11.		15 000 000		15 000 000	15 000 000
Total transactions with owners						
Equity 31.12.2015		80 000	15 000 000	-21 892 405	-6 812 405	-6 812 405
Equity 1.1.2016		80 000	15 000 000	-21 892 405	-6 812 405	-6 812 405
Comprehensive income						
Profit or loss				-6 218 251	-6 218 251	-6 218 251
Total other comprehensive income adjusted by tax effects				0	0	0
Total comprehensive income						
Transactions with owners						
Dividends						
Share issue	11.					
Addition to invested unrestricted equity reserve	11.		20 000 000		20 000 000	20 000 000
Total transactions with owners						
Equity 31.12.2016		80 000	35 000 000	-28 110 656	6 969 344	6 969 344

CASH FLOW STATEMENT (IFRS)

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euro	1.1.-31.12.2016	1.1.-31.12.2015
Cash flow from operating activities		
Net income	-6 218 251	-24 020 753
Adjustments to net profit for the period:		
Business transactions not involving a payment transaction	13 753	24 698
Finance costs	43 657 044	43 658 884
Financial income	-45 471 667	-36 219 228
Taxes	8 075 991	16 612 988
Changes in working capital:		
Change in trade receivables and other receivables	-129 411	1 341 227
Change in trade payables and other liabilities	78 971	-1 375 140
Interests paid	-43 147 395	-43 149 235
Interests received	36 206 849	35 134 612
Taxes paid	14 299	0
Net cash flow from operating activities	-6 919 818	-7 991 946
Cash flow from investing activities		
Net cash flow from investing activities	0	0
Cash flow from financing activities		
Addition to invested unrestricted equity reserve	20 000 000	15 000 000
Net cash flow from financing activities	20 000 000	15 000 000
Net change in cash and cash equivalents	13 080 182	7 008 054
Cash and cash equivalents at beginning of period	18 718 300	11 710 247
Cash and cash equivalents at end of period	31 798 482	18 718 300
Per balance sheet	31 798 482	18 718 300
ADJUSTMENTS TO CASH FLOWS FROM OPERATING ACTIVITIES		
Business transactions not involving a payment transaction		
Depreciations	13 753	24 698
Total	13 753	24 698

NOTES TO THE FINANCIAL STATEMENTS

ACCOUNTING PRINCIPLES OF FINANCIAL STATEMENTS

General

CRH Finland Services Plc. is a Finnish public limited company established in accordance with Finnish law. CRH Finland Services Plc.'s financial statements have been drawn up in accordance with the International Financial Reporting Standards (IFRS) as adopted by the EU. CRH Finland Services Plc.'s registered office is in Helsinki at address Lars Sonckin kaari 16, 02600 Espoo. CRH Finland Services Plc. is part of the Irish CRH Plc. group listed on Dublin, London and New York stock exchanges. The parent company of CRH Finland Services Plc. is the Dutch company CRH Europe Investments B.V. CRH Finland Services Plc. has been consolidated to the financial statement of CRH Plc. A copy of the consolidated financial statements is available on the internet at www.crh.com.

CRH Finland Services Plc.'s Board of Directors has accepted the publication of these financial statements in its meeting on 12th April 2017. In accordance with the Finnish Companies Act, the shareholders have an opportunity to adopt or reject the financial statements at the shareholders' meeting held after their publication. The shareholders' meeting can also amend the financial statements.

The financial statements have been drawn up in accordance with the International Financial Reporting Standards due to publicly listed bond. CRH Finland Services Plc. has no subsidiaries.

Primary business areas

The line of business of the company is, in Finland and abroad, either directly or through subsidiaries or affiliates, to engage in construction and excavation work. The company also produces administrative and other services for group companies, such as consulting, purchasing, IT, payroll and occupational safety services. The company may also engage in financing group companies, for example by giving and taking out loans as well as granting guarantees and securities for the obligations of group companies.

Summary of significant accounting standards

CRH Finland Services Plc.'s financial statements have been drawn up in accordance with the International Financial Reporting Standards (IFRS) adopted by the European Union 31.12.2016.

IASB has published the following standards not yet applied by the company: IFRS 9 Financial Instruments (effective 1.1.2018) will replace IAS 39 Financial Instruments: Recognition and measurement in its entirety. IFRS 15 Revenue from contract with customers defines how and when the revenue can be recognised (effective 1.1.2018). IFRS 16 Leases (effective 1.1.2019), which will replace the previous leases standard IAS 17. The new leases standard will require companies to bring most leases on balance sheet, apart from some exceptions. Changes entering into force later are not estimated to have any material impact on the financial statements.

Critical accounting estimates and judgments

When the financial statements are drawn up in accordance with the IFRS, the company management needs to make estimates and assumptions which have an impact on the amounts of assets, liabilities, income and expenses recorded and conditional items presented. These estimates and assumptions are based on historical experience and other justified assumptions which are believed to be reasonable in the conditions which constitute the foundation for the estimates of the items recorded in the financial statements. The actual amounts may differ from these estimates. Assessment has been used for example in financial liabilities and provision when drawing up the financial statements.

Revenue and sales recognition

Revenue contains service charges from group companies. Revenues from services are recognised when the services have been rendered.

Dividends and other income comparable to profit distribution

Dividends and other income comparable to profit distribution are recognised in the income statement when the shareholder's right to receive payment is established. Group contributions, in accordance with Finnish legislation, are comparable to profit distribution. The above mentioned items are booked as financial income.

Segment reporting

The company does not have separate operating segments.

Pension schemes

The company currently has only contribution-based pension schemes.

Leases

All lease contracts are classified as operating leases. The company does not have any financial lease contracts.

Foreign currency transactions

All figures in the financial statement are presented in euros. The company's functional currency is euro. The company does not have any foreign currency transactions.

Income taxes

Taxes presented in the income statement include the companies' accrued taxes for the profit of the financial year, tax adjustments from previous financial years and changes in deferred taxes. In accordance with IAS 12, the company records deferred tax assets as non-current receivables and deferred tax liabilities as non-current liabilities.

Deferred tax assets and liabilities are recorded of all temporary differences between the tax values of asset and liability items and their carrying amounts using the liability method. Deferred tax is recorded using tax rates valid at the closing date.

The largest temporary differences result from the financial liabilities. Deferred tax asset from temporary differences are recorded up to an amount which can likely be utilised against taxable income created in the future and/or until that time when company has enough taxable temporary differences, deferred tax liability. Deferred tax assets and liabilities has been deducted from each other in that respect as company has the right to do so.

Intangible assets

Intangible assets comprise computer software acquired in the service business deal. Computer software is valued at the original acquisition cost and depreciated on a straight line basis during their estimated economic lives.

The depreciation periods of intangible assets are as follows: Computer software 5 years

Impairment

The carrying amounts of asset items are assessed at the closing date to detect potential impairment. If impairment is detected, the recoverable amount of the asset is estimated. An asset is impaired if the balance sheet value of the asset or of a cash-generating unit exceeds the recoverable amount. Impairment losses are recorded in the income statement. The asset items subject to depreciation are examined for impairment also when events or changes in circumstances suggest that the amount corresponding to the carrying amount of the asset items may not be recovered. Management has assessed that no indication of impaired assets exist.

Financial assets

Financial assets are classified upon initial recognition. Financial assets are classified as: Loans receivables and other receivables or available for-sale financial assets.

Loans receivables and other receivables

Loans receivables and other receivables are recorded initially at fair value. The amount of bad receivables is estimated based on the risks of individual items. An impairment loss of receivables is recorded when there is valid evidence that the company will not receive all of its receivables at the original terms (e.g. due to the debtor's serious financial problems, likelihood that the debtor will go bankrupt or other comparable arrangements). Impairment losses are recorded directly to reduce the carrying amount of receivables and under item other operating expenses.

Available-for-sale financial assets

Available-for-sale financial assets are those non-derivative financial assets that are designated as available for sale or are not classified as (a) loans and receivables, (b) held-to-maturity investments or (c) financial assets at fair value through profit or loss. Available-for-sale financial assets are long-term assets unless executive management intends to sell them within 12 months from the closing date. Available-for-sale financial assets can consist of shares and interest-bearing investments. Financial assets are measured at their fair value or at cost, if fair value cannot be reliably measured. Changes in fair value are recorded in the shareholders' equity until the investment is sold or otherwise disposed of, in which case the changes in fair value are recorded in the income statement.

Cash and cash equivalents

Cash and cash equivalents include cash in hand and bank deposits. Cash and cash equivalents are derecognised when they mature or are sold or otherwise disposed of. Assets in this category are classified as current assets.

Loans

Loans are initially recognised at fair value net of the transaction costs incurred. Transaction costs consist of bond prices above or below par value, arrangement fees, commissions and administrative fees. Loans are subsequently carried at amortised cost; any difference between the proceeds and the redemption value is recognised in the income statement over the period of the loans using the effective interest rate method. Loans are derecognised when they mature and are repaid.

Provisions

A provision is recorded when the company has a legal or factual obligation based on an earlier event and it is likely that fulfilling the obligation will require a payment, and the amount of the obligation can be estimated reliably.

Dividend distribution

The Board of Directors' proposal concerning dividend distribution is not recorded in the financial statements. This is only recorded after a decision made by the Annual General Meeting of Shareholders.

Related party transactions

CRH Finland Service Plc.'s related parties comprise all group companies of CRH Plc. and the members of the board of directors. The company has not lent money to the top management, and the company has no transactions with the top management. The following transactions have been conducted with related parties in 2016 (€):

Sales	1 659 767
Purchases	93 950
Finance income	45 470 000
Finance cost	22 500 000
Receivables	47 271 286
Liabilities	3 221
Invested unrestricted equity reserve	20 000 000

Business with related parties is conducted at market prices.

Events after closing date

The company management is not aware of such essential events after the closing date that would affect the financial statements.

FINANCIAL RISK MANAGEMENT

CRH Finland Services Plc. is exposed to market, liquidity and credit risks when managing the financial position of the company. The company's objective is to reduce risks so that the fluctuations of CRH Finland Services Plc.'s cash flow and result remain low. Risk management is carried out by management according to general principles of CRH Plc.

Market risk

CRH Finland Services Plc. does not use derivative agreements in order to hedge markets risks (foreign exchange, interest rate risks and commodity risks) because the risks are mainly related to businesses of group companies. Company does not have instruments containing embedded derivatives

Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset. Cash and cash equivalents amounted to 32 million euro at year-end. Management has not identified any single significant liquidity risk concentrations.

Financial liabilities are not guaranteed and do not contain covenants. The following table presents a maturity analysis for non-derivative financial liabilities that shows the remaining contractual maturities. Figures are undiscounted and they contain interest and other fees, 1000 €.

Financial liabilities	2017	2018	2019	2020
Loan repayment	0	0	0	-750 000
Interest	-20 625	-20 625	-20 625	-20 625
Guarantee fees	-22 500	-22 500	-22 500	-17 692
	-43 125	-43 125	-43 125	-788 317

Credit risk

Credit risk arises from a counterparty not fulfilling its contractual commitments towards CRH Finland Services Plc. Such commitments arise in the company's operations and financial activities. CRH Finland Services Plc. is a finance subsidiary that has no revenue-generating operations of its own and depends on cash received from other members of the Group to be able to make payments on the debt securities. CRH Finland Services Plc. cannot assure that company will receive sufficient dividends, distributions or loans from other members of the Group to service scheduled payments of interest, principal or other amounts due under the debt securities. CRH Plc. is guarantor to the loan. Credit rating of CRH Plc. is BBB+ /Baa2 / BBB.

Managing of capital

Company manages its capital according to principles of CRH Plc. Capital structure is mostly affected by dividend distributions. Company is not subject to external capital requirements. The ratio of net debt to total equity is high due to the bond.

NOTES TO STATEMENT OF COMPREHENSIVE INCOME

1. Turnover

	2016	2015
Turnover of business areas		
Rendering of services	1 659 767	2 544 079
	<u>1 659 767</u>	<u>2 544 079</u>
	2016	2015
Geographical		
Finland	1 659 767	2 544 079
	<u>1 659 767</u>	<u>2 544 079</u>

2. Employee benefits expenses

	2016	2015
<i>Number of employees in the company at year-end</i>		
Personnel	<u>14</u>	<u>12</u>
	14	12
<i>Salaries</i>	2016	2015
Wages and salaries	946 846	1 048 134
Pension costs: Defined contribution plans	176 393	164 026
Other personnel expenses	37 196	35 802
	<u>1 160 436</u>	<u>1 247 962</u>

Salaries and bonuses of top management

Company does not have a CEO. Company has not paid any compensation to the members of the board of directors. Management does not have any defined benefit plans.

3. Depreciation

	2016	2015
Intangible assets	<u>13 753</u>	<u>24 698</u>
	13 753	24 698

4. Other operating expenses

	2016	2015
Administrative	115 406	152 185
Rental	75 040	115 107
Consultation	18 739	6 715
Other expenses	233 276	965 520
	<u>442 462</u>	<u>1 239 527</u>

Auditors fees

	2016	2015
Auditing fees	16 500	10 900
Other fees	<u>0</u>	<u>2 852</u>
	16 500	13 752

5. Finance income and costs

	2016	2015
Finance income		
Interest income on cash and cash equivalents and bank deposits	0	12 669
Other income comparable to profit distribution	45 470 000	36 205 000
Other finance income	1 667	1 558
Total finance income	45 471 667	36 219 228
Dividend income		
From group companies	0	0
Total dividend income	0	0
Total finance income	45 471 667	36 219 228
Finance costs		
Interest on loans	21 134 649	21 134 649
Guarantee fees	22 500 000	22 500 000
Other finance costs	22 395	24 235
Total finance costs	43 657 044	43 658 884
Total finance income and costs	1 814 623	-7 439 656

6. Income taxes

	2016	2015
Other taxes	-8 075 991	-17 200 000
Change of deferred taxes	0	587 012
Total	-8 075 991	-16 612 988
Reconciliation of income tax		
Profit before taxes	1 857 740	-7 407 765
Temporary differences	505 649	505 649
Non-deductible expenses and tax-free income	-5 473	-4 373
Taxable income	2 357 916	-6 906 489
Other taxes	-8 075 991	-17 200 000
Change of deferred tax liability with tax rate 20 %	101 130	101 130
Deferred tax asset against deductible losses	-101 130	485 882
Income Taxes in the Consolidated Income Statement	-8 075 991	-16 612 988

Temporary differences are due to transaction costs arising from bond issue and tax-deductible losses. Deferred tax liability has been calculated with the tax rate valid at closing date. As the company has tax-deductible losses, there has been booked deferred tax asset equal to deferred tax liability. There are no taxes booked directly to equity.

OTHER NON-CURRENT ASSETS

7. Intangible assets

	Other intangible assets
Cost 1.1.2016	16 619
+ Increases	0
- Decreases	0
Cost 31.12.2016	16 619
Accumulated depreciation according to plan 1.1.2016	0
Depreciation	-13 753
Accumulated depreciation according to plan 31.12.2016	-13 753
Carrying amount 31.12.2016	<u>2 866</u>
Carrying amount 1.1.2016	16 619
<hr/>	
Cost 1.1.2015	41 317
+ Increases	0
- Decreases	0
Cost 31.12.2015	41 317
Accumulated depreciation according to plan 1.1.2015	0
Depreciation	-24 698
Accumulated depreciation according to plan 31.12.2015	-24 698
Carrying amount 31.12.2015	<u>16 619</u>
Carrying amount 1.1.2015	41 317
<hr/>	

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AVAILABLE FOR-SALE FINANCIAL ASSETS

8. Available for-sale financial assets

	2016	2015
Cost at 1.1.	706 000 000	706 000 000
Increases	0	0
Decreases	0	0
Cost at 31.12.	706 000 000	706 000 000
Carrying amount 31.12.	706 000 000	706 000 000
Carrying amount 1.1.	706 000 000	706 000 000

CRH Finland Services Plc. owns 706.000.000 Class B shares of CRH Finland Ltd, a CRH Plc. Group company. Shares were subscribed in a directed share issue on 31.10.2013. Shares are measured at cost according to IAS 39, because shares represent an equity instrument that does not have a quoted price and whose fair value cannot be reliably measured. Available for-sale financial assets are long-term assets, because management intends to keep them over 12 months from the closing date. Main terms and conditions of shares in CRH Finland Ltd:

- CRH Finland Oy, PL 98 (Lars Sonckin kaari 16, 02600 Espoo) 02601 Espoo.
Number of shares: Class A shares 714.497, Class B shares 706.000.000.
- Class B shares carry no voting rights or any other shareholders' rights in a general meeting of shareholders provided for in the Finnish Limited Liability Companies Act (so called non-voting shares). Class B shares carry no pre-emptive rights in share offerings.
- Class B shares have a preference to dividends over Class A shares and shall be paid a dividend of EUR 0,065 before any dividends are paid to Class A shares (preferred dividends). The amount of the preferred dividends is, however, calculated in proportion to the number of days on which the holder of Class B shares has during the financial period held Class B shares.
- When distributing assets through liquidation of the company, holders of Class B shares are entitled to the payment of a preferred amount of EUR 1,00 for each Class B share.
- CRH Finland Ltd is entitled to redeem Class B shares at the price of EUR 1,00 after 14.10.2020.
- The amount of cumulative preference dividends not recognised: 136,5 MEUR.

CRH Finland Ltd financial position (FGAAP):

	2016	2015
Equity	689 334 869	681 355 501
Profit/loss	7 979 368	-25 716 158

Valuation of shares is based on businesses of CRH Finland Ltd and its subsidiaries.

TRADE RECEIVABLES AND OTHER RECEIVABLES**9. Current receivables**

	31.12.2016	31.12.2015
Group receivables		
Trade receivables	43 130	11 185
Other receivables	47 228 156	37 829 304
Total Group receivables	<u>47 271 286</u>	<u>37 840 489</u>

Other receivables consist of group contribution receivables and group account. The currency of all receivables is euro.

External receivables

Prepayments and accrued income	3 523	54 390
Total	<u>3 523</u>	<u>54 390</u>

Total short-term receivables	<u><u>47 274 809</u></u>	<u><u>37 894 879</u></u>
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	31.12.2016	31.12.2015
Essential items included in prepayments and accrued income		
Prepayments	3 523	40 091
Other	0	14 299
	<u>3 523</u>	<u>54 390</u>

Age distribution of trade receivables

Unmatured trade receivables	43 130	11 185
	<u>43 130</u>	<u>11 185</u>

The fair value of trade receivables and other receivables does not differ from the balance sheet value. There is no significant need for bad debt provision.

	31.12.2016	31.12.2015
10. Cash and cash equivalents		
Cash and bank accounts	31 798 482	18 718 300
Total	<u>31 798 482</u>	<u>18 718 300</u>

EQUITY

11. Equity

Restricted equity	31.12.2016	31.12.2015
Share capital 1.1.	80 000	80 000
Share capital 31.12.	80 000	80 000
Total restricted equity	80 000	80 000

Unrestricted equity

Invested unrestricted equity reserve 1.1.	15 000 000	0
Addition to invested unrestricted equity reserve	20 000 000	15 000 000
Invested unrestricted equity reserve 31.12.	35 000 000	15 000 000

Retained earnings 1.1.	-21 892 405	2 128 348
Profit for the financial year	-6 218 251	-24 020 753
Retained earnings 31.12.	-28 110 656	-21 892 405

Total unrestricted equity	6 889 344	-6 892 405
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Total equity	6 969 344	-6 812 405
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Distributable shareholders' equity

<i>Calculation of distributable shareholders' equity</i>	31.12.2016	31.12.2015
Retained earnings	-21 892 405	2 128 348
Profit for the financial year	-6 218 251	-24 020 753
Invested unrestricted equity reserve	35 000 000	15 000 000
	6 889 344	-6 892 405

Equity consists of share capital, invested unrestricted equity reserve and retained earnings. Profit for the financial year is booked to retained earnings. Company has one share class.

Total shares amount to 10 and shares have no nominal value.

Each share carries one vote in all matters dealt with by the General Meeting. All shares have same rights to dividends. The subscription price has been paid entirely. No change in the amount of shares during the period. No non-controlling interests.

NOTES TO LIABILITIES

12. Deferred tax assets and liabilities

Changes in deferred taxes in 2016:

				31.12.2016
Deferred tax assets				384 753
		Recorded in	Recorded in	
		income statement	other	
		at profit or loss	comprehensive	
Deferred tax assets	1.1.2016		income	31.12.2016
Confirmed losses	485 882	-101 130	0	384 753
Total	485 882	-101 130	0	384 753

Deductible losses of which hasn't booked deferred tax asset 10 591 393

				31.12.2016
Deferred tax liability				384 753
		Recorded in	Recorded in	
		income statement	other	
		at profit or loss	comprehensive	
Deferred tax liabilities	1.1.2016		income	31.12.2016
Financial liabilities	-488 215	101 930	0	-386 286
Other	2 333	-800	0	1 533
Total	-485 882	101 130	0	-384 753

Deferred tax assets and liabilities are recorded of all temporary differences between the tax values of asset and liability items and their carrying amounts using the liability method. Deferred tax asset has been booked until the company has deferred tax liability. Deferred tax is recorded using tax rates valid at the closing date (20 %)

Changes in deferred taxes in 2015:

				31.12.2015
Deferred tax assets				485 882
		Recorded in	Recorded in	
		income statement	other	
		at profit or loss	comprehensive	
Deferred tax assets	1.1.2015		income	31.12.2015
Confirmed losses	0	485 882	0	485 882
Total	0	485 882	0	485 882

Deductible losses of which hasn't booked deferred tax asset 12 443 660

				31.12.2015
Deferred tax liability				485 882
		Recorded in	Recorded in	
		income statement	other	
		at profit or loss	comprehensive	
Deferred tax liabilities	1.1.2015		income	31.12.2015
Financial liabilities	-590 145	101 930	0	-488 215
Other	3 133	-800	0	2 333
Total	-587 012	101 130	0	-485 882

Deferred tax assets and liabilities are recorded of all temporary differences between the tax values of asset and liability items and their carrying amounts using the liability method. Deferred tax asset has been booked until the company has deferred tax liability. Deferred tax is recorded using tax rates valid at the closing date (20 %)

13. Provisions

	2016	2015
Provisions 1.1.	17 200 000	0
Additions	8 075 991	17 200 000
Provisions 31.12.	25 275 991	17 200 000

2016 comprehensive income includes a tax provision of EUR 8 075 991 on the basis that that certain financing costs may not be deductible for corporate tax purposes.

14. Loans carried at amortised cost

	31.12.2016	31.12.2015
Public bond	748 068 570	747 558 922
	748 068 570	747 558 922

Loans, falling due for payment in five years or more

	31.12.2016	31.12.2015
Public bond	0	0
	0	0

Information about the bond

Currency	Nominal value	Maturity date	Coupon rate
EUR	750 000 000	15.10.2020	2,75 %

Company issued the bond on 15.10.2013. It is classified as a financial liability as the company has a contractual obligation to deliver cash or another financial asset to another entity. The loan does not contain any equity components. Bond is carried at amortised cost using the effective interest rate method. The difference between proceeds and the redemption value is recognised in the income statement over the period of the bond using the effective interest rate method.

Guarantor: CRH Plc.

ISIN-code: XS0981442931

Bond is classified as a non-current liability, because the maturity date of the bond is 15.10.2020,

Coupon rate p.a. is 2,75 % which means 20 625 000 EUR / year

Coupon interest is paid annually 15.10 until the maturity date. Divider for accrued interest in income statement is 365. More details can be found on CRH Plc's internetpage www.crh.com

15. Current liabilities

	31.12.2016	31.12.2015
Group liabilities		
Accounts payable	3 221	0
	3 221	0
External liabilities		
Accounts payable	3 557	25 235
Other liabilities	68 807	41 066
Accruals	4 686 668	4 616 981
	4 759 032	4 683 282
Essential items included in accruals		
Personnel expenses	297 443	245 077
Interest	4 351 027	4 351 027
Other	38 198	20 877
	4 686 668	4 616 981

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BOOK VALUES AND FINANCIAL ASSETS AND LIABILITIES BY ITEM GROUPS

Values 31.12.2016

Balance Item	Loans and receivables	Financial items available for sale	Loans and borrowings	Financial assets / liabilities at amortised cost	Book value	Fair value	IFRS 7 Fair value hierarchy level
Non-current financial assets							
Available for-sale financial assets		706 000 000			706 000 000	706 000 000	3
Current financial assets							
Accounts receivable and other receivables	47 274 809				47 274 809	47 274 809	
Cash and cash equivalents	31 798 482				31 798 482	31 798 482	
Value by item groups	79 073 291	706 000 000	0	0	785 073 291	785 073 291	
Non-current financial liabilities							
Loans			0	748 068 570	748 068 570	814 425 000	1
Current financial liabilities							
Accounts payable and other liabilities				6 777	6 777	6 777	
Accruals and other liabilities				4 755 475	4 755 475	4 755 475	
Value by item groups	0	0	4 762 252	748 068 570	752 830 823	819 187 252	

Values 31.12.2015

Balance Item	Loans and receivables	Financial items available for sale	Loans and borrowings	Financial assets / liabilities at amortised cost	Book value	Fair value	IFRS 7 Fair value hierarchy level
Non-current financial assets							
Available for-sale financial assets		706 000 000			706 000 000	706 000 000	3
Current financial assets							
Accounts receivable and other receivables	37 880 580				37 880 580	37 880 580	
Cash and cash equivalents	18 718 300				18 718 300	18 718 300	
Value by item groups	56 598 880	706 000 000	0	0	762 598 880	762 598 880	
Non-current financial liabilities							
Loans			0	747 558 922	747 558 922	802 875 000	1
Current financial liabilities							
Accounts payable and other liabilities				25 235	25 235	25 235	
Accruals and other liabilities				4 658 047	4 658 047	4 658 047	
Value by item groups	0	0	4 683 282	747 558 922	752 242 203	807 558 282	

Determination and Hierarchy of Fair Values

Level 1: the measure of instrument is based on quoted prices in active markets for identical assets or liabilities.

Level 2: the measure for the instrument include also other than quoted prices observable for the assets or liability, either directly or indirectly by using valuation techniques.

Level 3: inputs are unobservable market parameters

COMMITMENTS AND CONTINGENT LIABILITIES

Other

	31.12.2016	31.12.2015
Pledged accounts	0	0
	<u>0</u>	<u>0</u>

Leasing liabilities

	31.12.2016	31.12.2015
Short-term liabilities	13 603	13 624
Long-term liabilities	16 172	25 876
Total Leasing liabilities	<u>29 776</u>	<u>39 500</u>

Rent liabilities

	31.12.2016	31.12.2015
Short-term liabilities	44 122	30 997
Long-term liabilities	0	0
Total Rent liabilities	<u>44 122</u>	<u>30 997</u>

Other

Company has not guaranteed financial transactions of CRH Plc. group companies or other parties.

SIGNATURES OF THE BOARD OF DIRECTORS

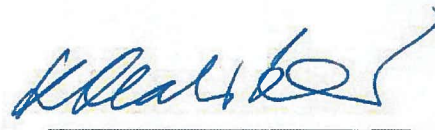
Espoo 12th April 2017



Jim Mintern
Chairman of the Board



Sami Myllyniemi
Member of the Board



Kalervo Matikainen
Member of the Board

THE AUDITOR'S NOTE

Our auditors' report has been issued today.

Turku 26th April 2017

Ernst & Young Oy



Osmo Vuolavirta, APA

A LIST OF THE ACCOUNTING JOURNALS, TYPES OF VOUCHERS AND THEIR STORAGE METHOD

General ledger	Electronically archived
General journal	Electronically archived
Financial statement	Electronically archived

	Voucher type	Storage method
Journal entry	1	Paper
VAT	9	Electronically archived
Sales	21	Paper
Tito	30	Electronically archived
Purchases	31	Electronically archived
Purchases (other)	32	Paper
Opening	69	g/l
Travel	70	Electronically archived
Tax	98	Paper