

AUDITOR'S REPORT (Translation of the Finnish original)

To the Annual General Meeting of CRH Finland Services Plc

Report on the Audit of Financial Statements

Opinion

We have audited the financial statements of CRH Finland Services Plc (business identity code 2553762-1) for the year ended 31 December, 2017. 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.

Our opinion is consistent with the additional report submitted to the Board of Directors.

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 have not provided non-audit services to the company.

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.

Key Audit Matter	How our audit addressed the Key Audit Matter
<p>Tax contingency provision <i>Refer to accounting principles and note 13 in the financial statements.</i></p> <p>Tax contingency provisions amount to €33,8 million as at 31 December 2017. 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.</p> <p>Tax contingency provision was determined to be a key audit matter and a significant risk of material misstatement referred to in EU Regulation No 537/241, point (c) of Article 10(2).</p>	<p>To address the risk of material misstatement relating to tax contingency provision, we performed, among others, the following audit procedures:</p> <ul style="list-style-type: none"> • 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

Information on our audit engagement

We were first appointed as auditors by the Annual General Meeting on 21.5.2013, and our appointment represents a total period of uninterrupted engagement of 5 years.

Other information

The Board of Directors are responsible for the other information. The other information comprises the report of the Board of Directors.

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 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. 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 of the report of the Board of Directors, we are required to report that fact. We have nothing to report in this regard.

Turku 19.4.2018

Ernst & Young Oy
Authorized Public Accountant Firm

A handwritten signature in blue ink, appearing to read 'Osmo Valovirta', is written over the text of the firm name.

Osmo Valovirta
Authorized Public Accountant

CRH Finland Services Plc.
Lars Sonckin kaari 16
Espoo
2553762-1

CRH Finland Services Plc.

FINANCIAL STATEMENTS

1.1.2017–31.12.2017

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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 7 June 2017 has been as follows: Jim Mintern (chairman), Kalervo Matikainen and Sami Myllyniemi. After the general meeting the Board of Directors has been as follows: Jim Mintern (chairman), Miikka Riionheimo and Sami Myllyniemi.

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

BUSINESS OPERATIONS, CAPITAL EXPENDITURE AND ESSENTIAL TRANSACTIONS IN 2017

Business operations of the company in 2017 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 2017 are EUR 1 833 thousand. The comprehensive income for the period is EUR 38 thousand (2.1% of net sales), while operating profit is EUR 34 thousand (1.9 % of net sales). Equity is 0.9 % 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 and in 2017 financial statement by 8 493 294 euros. In 2017 financial statement the total amount of provision is 33 769 285 euros.

PERSONNEL

In December 2017 the company employed 16 persons and all of them being officials. Total employee expenses were EUR 1 359 thousand.

RISKS AND UNCERTANTIES

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.

2018 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 2018 is described as stable.

BOARD PROPOSAL FOR PROFIT DISTRIBUTION

On December 31, 2017 CRH Finland Services Plc's comprehensive income statement accounted for a profit of EUR 38 219 and distributable equity totaled EUR 6 927 563.

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.-31.12.2017	1.1 - 31.12.2016
TURNOVER	1.	1 832 721	1 659 767
Employee benefits expenses	2.	-1 358 638	-1 160 436
Depreciation	3.	-2 866	-13 753
Other operating expenses	4.	-436 980	-442 462
OPERATING PROFIT		34 237	43 117
Finance income	5.	52 151 695	45 471 667
Finance costs	5.	-43 654 419	-43 657 044
PROFIT BEFORE TAXES		8 531 513	1 857 740
Income taxes	6.	-8 493 294	-8 075 991
PROFIT FOR THE FINANCIAL YEAR		38 219	-6 218 251
OTHER COMPREHENSIVE INCOME			
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		<u>38 219</u>	<u>-6 218 251</u>
Profit attributable to:			
Equity holders of parent company		38 219	-6 218 251
Total comprehensive income attributable to:			
Equity holders of the company		38 219	-6 218 251

BALANCE SHEET (IFRS)

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	Notes	31.12.2017	31.12.2016
euro			
Assets			
Non-current assets			
Other intangible assets	7.	0	2 866
Available-for-sale financial assets	8.	706 000 000	706 000 000
Deferred tax assets	12.	0	0
Total non-current assets		706 000 000	706 002 866
Current assets			
Trade receivables and other receivables	9.	54 097 461	47 274 809
Cash and cash equivalents	10.	34 143 482	31 798 482
Total current assets		88 240 943	79 073 291
Total assets		794 240 943	785 076 158
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	35 000 000
Retained earnings		-28 072 437	-28 110 656
Total equity	11.	7 007 563	6 969 344
Non-current liabilities			
Deferred tax liabilities	12.	0	0
Provisions	13.	33 769 285	25 275 991
Loans	14.	748 578 219	748 068 570
Total non-current liabilities		782 347 504	773 344 561
Current liabilities			
Trade payables	15.	4 727	6 777
Accruals and other liabilities	15.	4 881 148	4 755 475
Total current liabilities		4 885 876	4 762 252
Total liabilities		787 233 380	778 106 814
Total equity and liabilities		794 240 943	785 076 158

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	Non- controlling interest	
Equity 1.1.2016		80 000	15 000 000	-21 892 405	-6 812 405	-6 812 405
Comprehensive income					0	0
Profit or loss					0	0
Total other comprehensive income adjusted by tax effects				-6 218 251	-6 218 251	-6 218 251
Total comprehensive income				0	0	0
Transactions with owners		0	0	-6 218 251	0	-6 218 251
Dividends					0	0
Share issue	11.				0	0
Addition to invested unrestricted equity reserve	11.		20 000 000		20 000 000	20 000 000
Total transactions with owners		0	20 000 000	0	20 000 000	20 000 000
Equity 31.12.2016		80 000	35 000 000	-28 110 656	6 969 344	6 969 344
Equity 1.1.2017		80 000	35 000 000	-28 110 656	6 969 344	6 969 344
Comprehensive income					0	0
Profit or loss				38 219	38 219	38 219
Total other comprehensive income adjusted by tax effects					0	0
Total comprehensive income		0	0	38 219	38 219	38 219
Transactions with owners					0	0
Dividends					0	0
Share issue	11.				0	0
Addition to invested unrestricted equity reserve	11.		0		0	0
Total transactions with owners		0	0	0	0	0
Equity 31.12.2017		80 000	35 000 000	-28 072 437	7 007 563	7 007 563

CASH FLOW STATEMENT (IFRS)

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1.1.-31.12.2017

1.1.-31.12.2016

euro

Cash flow from operating activities

Net income	38 219	-6 218 251
Adjustments to net profit for the period:		
Business transactions not involving a payment transaction	2 866	13 753
Finance costs	43 654 419	43 657 044
Financial income	-52 151 695	-45 471 667
Taxes	8 493 294	8 075 991
Changes in working capital:		
Change in trade receivables and other receivables	-142 652	-129 411
Change in trade payables and other liabilities	123 624	78 971
Interests paid	-43 144 770	-43 147 395
Interests received	45 471 695	36 206 849
Taxes paid	0	14 299
Net cash flow from operating activities	2 345 000	-6 919 818

Cash flow from investing activities

Net cash flow from investing activities	0	0
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Cash flow from financing activities

Addition to invested unrestricted equity reserve	0	20 000 000
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Net cash flow from financing activities	0	20 000 000
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Net change in cash and cash equivalents	2 345 000	13 080 182
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Cash and cash equivalents at beginning of period	31 798 482	18 718 300
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Cash and cash equivalents at end of period	34 143 482	31 798 482
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Per balance sheet	34 143 482	31 798 482
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ADJUSTMENTS TO CASH FLOWS FROM OPERATING ACTIVITIES**Business transactions not involving a payment transaction**

Depreciations	2 866	13 753
Total	2 866	13 753

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 18th April 2018. 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 31.12.2017. New standards, changes or interpretations that has come into effect in the accounting period started 1.1.2017 haven't had effect on company's accounting practices.

Amendment of IAS 7 requires companies to provide disclosures that will enable users of financial statements to evaluate changes in liabilities arising from the company's financial liabilities, including both cash flow adjustments and changes that do not include cash flows. The reconciliation between the opening and closing balances for these items is presented in note 14.

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 9 includes a revised guidance on the classification and valuation of financial assets and a new expected bad debt model for impairment of financial assets. The standard is not expected to have material impact on the financial statements.

IFRS 15 Revenue from contract with customers defines how and when the revenue can be recognised (effective 1.1.2018). The standard includes a five-step model for recording sales revenue from customer contracts. Recognition occurs when a customer acquires control of the promised good or service and the amount to be recorded reflects the amount of money the company expects to be entitled to the goods or services in question. In addition, IFRS 15 contains disclosure requirements of company's customer contracts, contract performance obligations, and significant estimates. Based on the evaluation, there will be no material change in sales revenue.

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. Depreciation ended in 2017.

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 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 2017 (€):

Sales	1 832 721
Purchases	86 470
Finance income	52 150 000
Finance cost	22 500 000
Receivables	54 097 461
Liabilities	1 980

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 34 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	2018	2019	2020	2021	2022
Loan repayment	0	0	-750 000	0	0
Interest	-20 625	-20 625	-20 625	0	0
Guarantee fees	-22 500	-22 500	-17 692	0	0
	-43 125	-43 125	-788 317	0	0

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

	2017	2016
Turnover of business areas		
Rendering of services	1 832 721	1 659 767
	<u>1 832 721</u>	<u>1 659 767</u>
	2017	2016
Geographical		
Finland	1 832 721	1 659 767
	<u>1 832 721</u>	<u>1 659 767</u>

2. Employee benefits expenses

	2017	2016
<i>Number of employees in the company at year-end</i>		
Personnel	16	14
	<u>16</u>	<u>14</u>
<i>Salaries</i>	2017	2016
Wages and salaries	1 128 417	946 846
Pension costs: Defined contribution plans	203 245	176 393
Other personnel expenses	26 975	37 196
	<u>1 358 638</u>	<u>1 160 436</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

	2017	2016
Intangible assets	2 866	13 753
	<u>2 866</u>	<u>13 753</u>

4. Other operating expenses

	2017	2016
Administrative	114 108	115 406
Rental	96 146	75 040
Consultation	18 027	18 739
Other expenses	208 699	233 276
	<u>436 980</u>	<u>442 462</u>

Auditors fees

	2017	2016
Auditing fees	12 370	16 500
	<u>12 370</u>	<u>16 500</u>

5. Finance income and costs

	2017	2016
Finance income		
Other income comparable to profit distribution	52 150 000	45 470 000
Other finance income	1 695	1 667
Total finance income	<u>52 151 695</u>	<u>45 471 667</u>
Total finance income	52 151 695	45 471 667
Finance costs		
Interest on loans	21 134 649	21 134 649
Guarantee fees	22 500 000	22 500 000
Other finance costs	19 770	22 395
Total finance costs	<u>43 654 419</u>	<u>43 657 044</u>
Total finance income and costs	8 497 276	1 814 623

6. Income taxes

	2017	2016
Other taxes	-8 493 294	-8 075 991
Total	<u>-8 493 294</u>	<u>-8 075 991</u>
Reconciliation of income tax		
Profit before taxes	8 531 513	1 857 740
Temporary differences	505 649	505 649
Non-deductible expenses and tax-free income	-6 216	-5 473
Taxable income	<u>9 030 946</u>	<u>2 357 916</u>
Other taxes	-8 493 294	-8 075 991
Change of deferred tax liability with tax rate 20 %	101 130	101 130
Deferred tax asset against deductible losses	-101 130	-101 130
Income Taxes in the Consolidated Income Statement	<u>-8 493 294</u>	<u>-8 075 991</u>

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 1.1.2017	2 866
+ Increases	0
- Decreases	0
Cost 31.12.2017	2 866
Accumulated depreciation according to plan 1.1.2017	0
Depreciation	-2 866
Accumulated depreciation according to plan 31.12.2017	-2 866
Carrying amount 31.12.2017	<u>0</u>
Carrying amount 1.1.2017	2 866
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

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AVAILABLE FOR-SALE FINANCIAL ASSETS

8. Available for-sale financial assets

	2017	2016
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: 182,4 MEUR.

CRH Finland Ltd financial position (FGAAP):

	2017	2016
Equity	689 332 912	689 334 869
Profit/loss	-1 957	7 979 368

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

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

	31.12.2017	31.12.2016
Group receivables		
Trade receivables	81 805	43 130
Other receivables	54 015 656	47 228 156
Total Group receivables	<u>54 097 461</u>	<u>47 271 286</u>

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

External receivables

Prepayments and accrued income	0	3 523
Total	<u>0</u>	<u>3 523</u>

Total short-term receivables

<u>54 097 461</u>	<u>47 274 809</u>
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Essential items included in prepayments and accrued income

	31.12.2017	31.12.2016
Prepayments	0	3 523
	<u>0</u>	<u>3 523</u>

Age distribution of trade receivables

Unmatured trade receivables	65 805	43 130
1-30 days matured trade receivables	16 000	0
	<u>81 805</u>	<u>43 130</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.

10. Cash and cash equivalents

	31.12.2017	31.12.2016
Cash and bank accounts	34 143 482	31 798 482
Total	<u>34 143 482</u>	<u>31 798 482</u>

EQUITY

11. Equity

Restricted equity	31.12.2017	31.12.2016
Share capital 1.1.	80 000	80 000
Share capital 31.12.	<u>80 000</u>	<u>80 000</u>
Total restricted equity	<u>80 000</u>	<u>80 000</u>
Unrestricted equity		
Invested unrestricted equity reserve 1.1.	35 000 000	15 000 000
Addition to invested unrestricted equity reserve	0	20 000 000
Invested unrestricted equity reserve 31.12.	<u>35 000 000</u>	<u>35 000 000</u>
Retained earnings 1.1.	-28 110 656	-21 892 405
Profit for the financial year	38 219	-6 218 251
Retained earnings 31.12.	<u>-28 072 437</u>	<u>-28 110 656</u>
Total unrestricted equity	<u>6 927 563</u>	<u>6 889 344</u>
Total equity	<u><u>7 007 563</u></u>	<u><u>6 969 344</u></u>

Distributable shareholders' equity

<i>Calculation of distributable shareholders' equity</i>	31.12.2017	31.12.2016
Retained earnings	-28 110 656	-21 892 405
Profit for the financial year	38 219	-6 218 251
Invested unrestricted equity reserve	35 000 000	35 000 000
	<u>6 927 563</u>	<u>6 889 344</u>

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.

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13. Provisions

	2017	2016
Provisions 1.1.	25 275 991	17 200 000
Additions	<u>8 493 294</u>	<u>8 075 991</u>
Provisions 31.12.	33 769 285	25 275 991

2017 comprehensive income includes a tax provision of EUR 8 493 294. Whole provision 33 769 285 euros is made on the basis that certain financing costs may not be deductible for corporate tax purposes.

14. Loans carried at amortised cost

	31.12.2017	31.12.2016
Public bond	<u>748 578 219</u>	<u>748 068 570</u>
	748 578 219	748 068 570

Reconciliation of opening and closing balances arisen from financing

	2017	2016
Interest-bearing loans 1.1.	748 068 570	747 558 922
Accrued acquisition cost	<u>509 649</u>	<u>509 649</u>
Interest-bearing loans 31.12.	748 578 219	748 068 570

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

	31.12.2017	31.12.2016
Group liabilities		
Accounts payable	<u>1 980</u>	<u>3 221</u>
	1 980	3 221
External liabilities		
Accounts payable	2 748	3 557
Other liabilities	99 624	68 807
Accruals	<u>4 781 524</u>	<u>4 686 668</u>
	4 883 896	4 759 032
Essential items included in accruals		
Personnel expenses	368 026	297 443
Interest	4 351 027	4 351 027
Other	<u>62 471</u>	<u>38 198</u>
	4 781 524	4 686 668

BOOK VALUES AND FINANCIAL ASSETS AND LIABILITIES BY ITEM GROUPS

Values 31.12.2017

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 recei	54 097 461				54 097 461	54 097 461	
Cash and cash equivalents	34 143 482				34 143 482	34 143 482	
Value by item groups	88 240 943	706 000 000	0	0	794 240 943	794 240 943	
Non-current financial liabilities							
Loans			0	748 578 219	748 578 219	798 450 000	1
Current financial liabilities							
Accounts payable and other liabilities				4 727	4 727	4 727	
Accruals and other liabilities				4 881 148	4 881 148	4 881 148	
Value by item groups	0	0	4 885 876	748 578 219	753 464 095	803 335 876	

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 recei	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	

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

Leasing liabilities

	31.12.2017	31.12.2016
Short-term liabilities	9 703	13 603
Long-term liabilities	6 469	16 172
Total Leasing liabilities	16 172	29 776

Rent liabilities

	31.12.2017	31.12.2016
Short-term liabilities	69 516	44 122
Total Rent liabilities	69 516	44 122

Other

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

SIGNATURES OF THE BOARD OF DIRECTORS

Espoo

18.4.2018



Oliver Mahon
Chairman of the Board



Sami Myllyniemi
Member of the Board



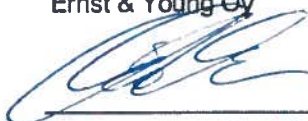
Miikka Rilonhelmo
Member of the Board

THE AUDITOR'S NOTE

Our auditors' report has been issued today.

Turku 19.4.2018

Ernst & Young Oy



Osmo Valoviirta
Authorized public accountant

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