

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, 2018. 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 12 in the financial statements.</i></p> <p>Tax contingency provisions amount to €42,6 million as at 31 December 2018. 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 6 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.

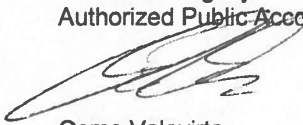
In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially 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 26.4.2019

Ernst & Young Oy
Authorized Public Accountant Firm

A handwritten signature in black 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

1.1.2018–31.12.2018

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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 extraordinary general meeting 15 March 2018 has been as follows: Jim Minter (chairman), Miikka Riionheimo and Sami Myllyniemi. After the general meeting the Board of Directors has been as follows: Oliver Mahon (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 2018

Business operations of the company in 2018 have consisted of payroll, Compliance, 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 2018 are EUR 2 171 thousand. The comprehensive loss for the period is EUR 4 287 thousand (197.5% of net sales), while operating profit is EUR 18 thousand (0.8 % of net sales). Equity is 0.3 % 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 EUR 17 200 000. In 2016 financial statement this provision was increased by EUR 8 075 991, in 2017 by EUR 8 493 294 and in 2018 by EUR 8 871 063 . In 2018 financial statement the total amount of provision is EUR 42 640 348.

PERSONNEL

In December 2018 the company employed 16 persons and all of them being officials. Total employee expenses were EUR 1 618 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.

2019 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 2019 is described as stable.

BOARD PROPOSAL FOR PROFIT DISTRIBUTION

On December 31, 2018 CRH Finland Services Plc's comprehensive income statement accounted for a loss of EUR 4 287 085 and distributable equity totaled EUR 2 640 478.

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)**

	Notes	1.1.-31.12.2018	1.1 - 31.12.2017
euro			
TURNOVER	1.	2 170 920	1 832 721
Employee benefits expenses	2.	-1 617 998	-1 358 638
Depreciation	3.	0	-2 866
Other operating expenses	4.	-534 741	-436 980
OPERATING PROFIT		18 181	34 237
Finance income	5.	48 851 749	52 151 695
Finance costs	5.	-43 654 269	-43 654 419
PROFIT BEFORE TAXES		5 215 661	8 531 513
Income taxes	6.	-9 320 319	-8 493 294
Change of deferred taxes	6.	-182 426	0
OTHER COMPREHENSIVE INCOME			
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		<u>-4 287 085</u>	<u>38 219</u>
Profit attributable to:			
Equity holders of parent company		-4 287 085	38 219
Total comprehensive income attributable to:			
Equity holders of the company		-4 287 085	38 219

BALANCE SHEET (IFRS)

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	Notes	31.12.2018	31.12.2017
euro			
Assets			
Non-current assets			
Financial assets	7.	706 000 000	706 000 000
Total non-current assets		<u>706 000 000</u>	<u>706 000 000</u>
Current assets			
Trade receivables and other receivables	8.	50 929 976	54 097 461
Cash and cash equivalents	9.	43 168 482	34 143 482
Total current assets		<u>94 098 458</u>	<u>88 240 943</u>
Total assets		<u><u>800 098 458</u></u>	<u><u>794 240 943</u></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	35 000 000
Retained earnings		<u>-32 359 522</u>	<u>-28 072 437</u>
Total equity	10.	<u>2 720 478</u>	<u>7 007 563</u>
Non-current liabilities			
Deferred tax liabilities	11.	182 426	0
Provisions	12.	42 640 348	33 769 285
Loans	13.	<u>749 087 868</u>	<u>748 578 219</u>
Total non-current liabilities		<u>791 910 643</u>	<u>782 347 504</u>
Current liabilities			
Trade payables	14.	60 381	4 727
Accruals and other liabilities	14.	<u>5 406 956</u>	<u>4 881 148</u>
Total current liabilities		<u>5 467 337</u>	<u>4 885 876</u>
Total liabilities		<u><u>797 377 980</u></u>	<u><u>787 233 380</u></u>
Total equity and liabilities		<u><u>800 098 458</u></u>	<u><u>794 240 943</u></u>

STATEMENT OF CHANGES IN EQUITY (IFRS)

euro

	Notes	Share capital	Attributable to equity holders of the parent company				Total equity
			Invested equity reserve	Retained earnings	Non-controlling interest		
Equity 1.1.2017		80 000	35 000 000	-28 110 658	8 969 344	0	6 969 344
Comprehensive Income							
Profit or loss					0		0
Total other comprehensive income adjusted by tax effects				38 219	38 219		38 219
Total comprehensive Income					0		0
Transactions with owners		0	0	38 219	38 219	0	38 219
Dividends							
Share issue	10.				0		0
Addition to invested unrestricted equity reserve	10.		0		0		0
Total transactions with owners		0	0	0	0	0	0
Equity 31.12.2017		80 000	35 000 000	-28 072 437	7 007 563	0	7 007 563
Equity 1.1.2018		80 000	35 000 000	-28 072 437	7 007 563	0	7 007 563
Comprehensive Income							
Profit or loss				-4 287 085	-4 287 085		-4 287 085
Total other comprehensive Income adjusted by tax effects							
Total comprehensive Income					0		0
Transactions with owners		0	0	-4 287 085	-4 287 085	0	-4 287 085
Dividends							
Share issue	10.				0		0
Addition to invested unrestricted equity reserve	10.		0		0		0
Total transactions with owners		0	0	0	0	0	0
Equity 31.12.2018		80 000	35 000 000	-32 359 522	2 720 478	0	2 720 478

CASH FLOW STATEMENT (IFRS)

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euro	1.1.-31.12.2018	1.1.-31.12.2017
Cash flow from operating activities		
Net income	-4 287 085	38 219
Adjustments to net profit for the period:		
Business transactions not involving a payment transaction	0	2 866
Finance costs	43 654 269	43 654 419
Financial income	-48 851 749	-52 151 895
Taxes	9 502 746	8 493 294
Changes in working capital:		
Change in trade receivables and other receivables	-132 515	-142 652
Change in trade payables and other liabilities	132 205	123 624
Interests paid	-43 144 820	-43 144 770
Interests received	52 151 749	45 471 695
Taxes paid	0	0
Net cash flow from operating activities	9 025 000	2 345 000
Cash flow from investing activities		
Net cash flow from investing activities	0	0
Cash flow from financing activities		
Addition to invested unrestricted equity reserve	0	0
Net cash flow from financing activities	0	0
Net change in cash and cash equivalents	9 025 000	2 345 000
Cash and cash equivalents at beginning of period	34 143 482	31 798 482
Cash and cash equivalents at end of period	43 168 482	34 143 482
Per balance sheet	43 168 482	34 143 482
ADJUSTMENTS TO CASH FLOWS FROM OPERATING ACTIVITIES		
Business transactions not involving a payment transaction		
Depreciations	0	2 866
Total	0	2 866

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 2019. 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, IT, payroll and legal 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 31.12.2018. New standards, changes or interpretations that has come into effect in the accounting period starting 1.1.2018 haven't had significant effect on company's accounting practices.

The company applies first time IFRS 9 and IFRS 15, which are effective 1.1.2018. The opening balances for these items have not been adjusted for IFRS.

IFRS 9 Financial Instruments replaced IAS 39 Financial Instruments. IFRS 9 has changed classification and valuation of financial assets, debt and equity instruments and booking of expected bad debts related to financial assets. IFRS 9 classifies financial assets to three measurement categories: value at amortized cost, fair value through profit or loss and fair value through other comprehensive income. IFRS 9 eliminates previous classification of IAS 39 (held-to-maturity, loans and receivables, assets available for sale). The standard don't have material impact on the financial statements, only notes are adjusted.

IFRS 15 Revenue from contract with customers defines how and when the revenue can be recognised. 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. The standard do not have material impact on the financial statements, only notes are adjusted.

IASB has published the following standards not yet applied by the company:

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. Valid leases of the company in the financial closing are rental agreements of premises and company cars. All rental agreements of premises have short termination period and do have material impact on the financial

closing. IFRS 16 is applied to leases of company cars and standard will be adopted with simple procedure and comparison values are not adjusted. Opening balance 1.1.2019 of lease liabilities and assets is EUR 50 thousand.

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. IFRS 15 Revenue from contract with customers do not have material impact on the financial statements because company sells only services.

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, it delivers only administrative services to group companies.

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.

Intangible assets

There aren't any intangible assets, depreciations ended in 2017.

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, applicable practice after 1.1.2018

Financial assets are classified according to IFRS 9 to three measurement categories: at amortized cost, fair value through profit or loss and fair value through other comprehensive income.

Financial asset valued at amortized cost

Financial assets are classified as valued at amortized cost if the assets is held based on an agreement collecting cash flow and the cash flow is exclusively equity or interest payment. Financial asset valued at amortized cost has a fixed or specified payment date. Accounts receivable and other receivables are valued at amortized cost.

Financial asset valued at fair value through profit or loss

Financial assets are classified as valued at fair value through profit or loss if the assets is held for trading purposes. When the cash flow of financial asset is not exclusively payment of equity or interest, the assets is classified as valued at fair value through profit. Financial asset valued at fair value through profit or loss is valued at fair value in the balance and the change of fair value is presented in the income statement.

Financial asset valued at fair value through other comprehensive income

Financial assets are classified as valued at fair value through other comprehensive income when they are quoted or non-quoted shares and assets which are according to IAS 32 and they are not held for trading purposes. Financial assets are valued at fair value by using market rate of closing date applying suitable valuation model. Shares and assets which fair value can't be reliably measured are valued at amortized cost.

Write-off of financial assets

Write-off of financial asset is booked when the contractual right to the cash flow has been lost or when the risks and earnings have been significantly moved outside of the company.

Impairment of financial assets

Accruals are booked for all expected bad debts of debt instruments, which are not valued at fair value through profit or loss. Expected bad debts are based on the difference of cash flow between contract and expectations of the company. Expected cash flow includes the cash flows of liquidated guarantees. Financial asset is written off when there isn't reasonable expectation to receive contractual cash flow.

Financial assets, applicable practice before 1.1.2018

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 2018 (€):

Sales	2 170 920
Purchases	137 945
Finance income	48 850 000
Finance cost	22 500 000
Receivables	50 923 675
Liabilities	46 810

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 EUR 43 million 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, EUR thousand. There aren't any financial liabilities presented in 2021-2023 since the current loan agreement ends in 2020.

Financial liabilities	2019	2020	2021	2022	2023
Loan repayment	0	-750 000	0	0	0
Interest	-20 625	-20 825	0	0	0
Guarantee fees	-22 500	-17 692	0	0	0
	-43 125	-788 317	0	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+ / Baa1 / 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

	2018	2017
Turnover of business areas		
Rendering of services	2 170 920	1 832 721
	<u>2 170 920</u>	<u>1 832 721</u>
Geographical	2018	2017
Finland	2 170 920	1 832 721
	<u>2 170 920</u>	<u>1 832 721</u>

All customer contract are service contracts with group companies.

2. Employee benefits expenses

Number of employees in the company at year-end	2018	2017
Personnel	16	16
	<u>16</u>	<u>16</u>
Salaries	2018	2017
Wages and salaries	1 339 503	1 128 417
Pension costs: Defined contribution plans	255 060	203 245
Other personnel expenses	23 435	26 975
	<u>1 617 998</u>	<u>1 358 638</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

	2018	2017
Intangible assets	0	2 866
	<u>0</u>	<u>2 866</u>

4. Other operating expenses

	2018	2017
Administrative	100 206	114 108
Rental	119 323	96 146
Consultation	7 217	18 027
Other expenses	307 995	208 699
	<u>534 741</u>	<u>436 980</u>

Auditors fees

	2018	2017
Auditing fees	12 370	12 370
Other fees	498	0
	<u>12 868</u>	<u>12 370</u>

5. Finance income and costs

	2018	2017
Finance income		
Other income comparable to profit distribution	48 850 000	52 150 000
Other finance income	1 749	1 695
Total finance income	48 851 749	52 151 695
 Total finance income	 48 851 749	 52 151 695
Finance costs		
Interest on loans	21 134 649	21 134 649
Guarantee fees	22 500 000	22 500 000
Other finance costs	19 620	19 770
Total finance costs	43 654 269	43 654 419
 Total finance income and costs	 5 197 480	 8 497 276

6. Income taxes

	2018	2017
Current taxes	-449 256	0
Other taxes	-8 871 063	-8 493 294
Change of deferred taxes	-182 426	0
Total	-9 502 746	-8 493 294
 Reconciliation of income tax		
Profit before taxes	5 215 661	8 531 513
Temporary differences	505 982	505 649
Non-deductible expenses and tax-free income	-6 151	-6 216
Taxable income	5 715 491	9 030 946
 Tax calculated in accordance with statutory tax rate in Finland 20 %	-449 256	0
Other taxes	-8 871 063	-8 493 294
Change of deferred tax liability with tax rate 20 %	101 196	101 130
Deferred tax asset against deductible losses	-283 623	-101 130
Income Taxes in the Consolidated Income Statement	-9 502 746	-8 493 294

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.
There are no taxes booked directly to equity.

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FINANCIAL ASSETS

7. Long-term financial assets

	2018	2017
Cost at 1.1.	706 000 000	706 000 000
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 as financial asset valued at fair value through other comprehensive income. Shares are according to IAS 32 and they are not held for trading purposes. Shares are valued at fair value, which is estimated to be the cost value. 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 assuming year has 360 days.
- 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: 231,6 MEUR.

CRH Finland Ltd financial position (FGAAP):

	2018	2017
Equity	689 327 677	689 332 912
Profit/loss	-5 235	-1 957

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

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TRADE RECEIVABLES AND OTHER RECEIVABLES

8. Current receivables

	31.12.2018	31.12.2017
Group receivables		
Trade receivables	426 146	81 805
Other receivables	50 497 529	54 015 656
Total Group receivables	50 923 675	54 097 461

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

External receivables

Other receivables	1	0
Prepayments and accrued income	6 300	0
Total	6 301	0

Total short-term receivables	50 929 976	54 097 461
-------------------------------------	-------------------	-------------------

	31.12.2018	31.12.2017
Essential items included in prepayments and accrued income		
Prepayments	0	3 523
	0	3 523

Age distribution of trade receivables

Unmatured trade receivables	278 460	65 805
Trade receivables matured		
1-30 days matured trade receivables	0	16 000
31-60 days matured trade receivables	144 001	0
over 60 days matured trade receivables	3 684	0
	426 146	81 805

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.

	31.12.2018	31.12.2017
9. Cash and cash equivalents		
Cash and bank accounts	43 168 482	34 143 482
Total	43 168 482	34 143 482

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EQUITY

10. Equity

	31.12.2018	31.12.2017
Restricted equity		
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	35 000 000
Invested unrestricted equity reserve 31.12.	<u>35 000 000</u>	<u>35 000 000</u>
Retained earnings 1.1.	-28 072 437	-28 110 656
Profit for the financial year	-4 287 085	38 219
Retained earnings 31.12.	<u>-32 359 522</u>	<u>-28 072 437</u>
Total unrestricted equity	<u>2 640 478</u>	<u>6 927 563</u>
Total equity	<u><u>2 720 478</u></u>	<u><u>7 007 563</u></u>
Distributable shareholders' equity		
<i>Calculation of distributable shareholders' equity</i>	31.12.2018	31.12.2017
Retained earnings	-28 072 437	-28 110 656
Profit for the financial year	-4 287 085	38 219
Invested unrestricted equity reserve	<u>35 000 000</u>	<u>35 000 000</u>
	<u>2 640 478</u>	<u>6 927 563</u>

Equity consists of share capital, invested unrestricted equity reserve and retained earnings. Earnings 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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NOTES TO LIABILITIES

11. Deferred tax assets and liabilities

Changes in deferred taxes in 2018:

		31.12.2018	
Deferred tax assets		0	
		Recorded in	Recorded in
		income statement	other
		at profit or loss	comprehensive
			Income
Deferred tax assets	1.1.2018		31.12.2018
Confirmed losses	283 623	-283 623	0
Total	283 623	-283 623	0
Deductible losses of which hasn't booked deferred tax asset		0	

		31.12.2018	
Deferred tax liability		182 426	
		Recorded in	Recorded in
		income statement	other
		at profit or loss	comprehensive
			Income
Deferred tax liabilities	1.1.2018		31.12.2018
Financial liabilities	-284 356	101 930	0
Other	733	-733	0
Total	-283 623	101 196	-182 426

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 (20 %)

Changes in deferred taxes in 2017:

		31.12.2017	
Deferred tax assets		283 623	
		Recorded in	Recorded in
		income statement	other
		at profit or loss	comprehensive
			Income
Deferred tax assets	1.1.2017		31.12.2017
Confirmed losses	384 753	-101 130	0
Total	384 753	-101 130	0
Deductible losses of which hasn't booked deferred tax asset		2 066 097	

		31.12.2017	
Deferred tax liability		283 623	
		Recorded in	Recorded in
		income statement	other
		at profit or loss	comprehensive
			Income
Deferred tax liabilities	1.1.2017		31.12.2017
Financial liabilities	-386 286	101 930	0
Other	1 533	-800	0
Total	-384 753	101 130	-283 623

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 %)

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12. Provisions

	2018	2017
Provisions 1.1.	33 769 285	25 275 991
Additions	8 871 063	8 493 294
Provisions 31.12.	42 640 348	33 769 285

2018 comprehensive income includes a tax provision of EUR 8 871 063. Whole provision EUR 42 640 348 is made on the basis that certain financing costs may not be deductible for corporate tax purposes.

13. Loans carried at amortised cost

	31.12.2018	31.12.2017
Public bond	749 087 868	748 578 219
	749 087 868	748 578 219

Reconciliation of opening and closing balances arisen from financing

	2018	2017
Interest-bearing loans 1.1.	748 578 219	748 088 570
Accrued acquisition cost	509 649	509 649
Interest-bearing loans 31.12.	749 087 868	748 578 219

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. Dividend for accrued interest in income statement is 365. More details can be found on CRH Plc's internetpage www.crh.com

14. Current liabilities

	31.12.2018	31.12.2017
Group liabilities		
Accounts payable	46 810	1 980
	46 810	1 980
External liabilities		
Accounts payable	13 571	2 748
Other liabilities	106 624	99 624
Accruals	5 300 332	4 781 524
	5 420 527	4 883 896
Essential items included in accruals		
Personnel expenses	439 089	368 026
Interest	4 351 027	4 351 027
Taxes	449 256	0
Other	60 959	62 471
	5 300 332	4 781 524

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FINANCIAL ASSETS AND LIABILITIES BY VALUATION CLASSES

Values 31.12.2018

Balance Item	Amortised cost	Fair value through profit or loss	Fair value through comprehensive income	Total	Fair value	IFRS 7 Fair value hierarchy level
Non-current financial assets						
Financial assets			706 000 000	706 000 000	706 000 000	3
Current financial assets						
Accounts receivable and other receivables	50 929 976			50 929 976		
Cash and cash equivalents	43 168 482			43 168 482		
Value by item groups	94 098 458	0	706 000 000	800 098 458		
Non-current financial liabilities						
Loans	749 087 868			749 087 868	779 700 000	1
Current financial liabilities						
Accounts payable and other liabilities	60 381			60 381		
Accruals and other liabilities	5 406 956			5 406 956		
Value by item groups	754 555 206	0	0	754 555 206		

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 receivables	50 929 976				50 929 976	50 929 976	
Cash and cash equivalents	43 168 482				43 168 482	43 168 482	
Value by item groups	94 098 458	706 000 000	0	0	800 098 458	800 098 458	
Non-current financial liabilities							
Loans			0	749 087 868	749 087 868	798 450 000	1
Current financial liabilities							
Accounts payable and other liabilities				60 381	60 381	60 381	
Accruals and other liabilities				5 406 956	5 406 956	5 406 956	
Value by item groups	0	0	5 467 337	749 087 868	754 555 206	803 917 337	

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

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COMMITMENTS AND CONTINGENT LIABILITIES

Leasing liabilities

	31.12.2018	31.12.2017
Short-term liabilities	18 024	9 703
Long-term liabilities	31 392	6 469
Total Leasing liabilities	49 416	16 172

Rent liabilities

	31.12.2018	31.12.2017
Short-term liabilities	30 113	69 516
Total Rent liabilities	30 113	69 516

Other

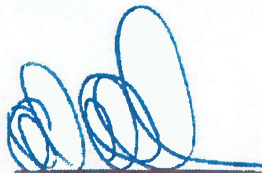
Company has not guaranteed financial transactions of CRH Plc group companies or other parties.

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SIGNATURES OF THE BOARD OF DIRECTORS

Espoo

18.4. 2019



Oliver Mahon
Chairman of the Board



Sami Myllyniemi
Member of the Board



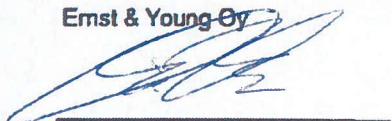
Miikka Riionheimo
Member of the Board

THE AUDITOR'S NOTE

Our auditors' report has been issued today.

Turku 26.4. 2019

Ernst & Young Oy



Osmo Valoviirta, APA

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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