ATTACHMENT L1 – STATUTORY REQUIREMENTS
SECTION 40(4) OF WASTE MANAGEMENT ACTS 1996-2008

In developing the proposed quarry restoration scheme, Roadstone Wood Ltd. has had regard to the requirements of Section 40(4) of the Waste Management Acts 1996-2008. These are addressed as follows: -

a) *Any emissions from the recovery or disposal activity in question ("the activity concerned") will not result in the contravention of any relevant standard, including any standard for an environmental medium, or any relevant emission limit value, prescribed under any other enactment.*

As the materials used to backfill and restore the application site are inert and non-biodegradeable, they do not generate leachate or landfill gas. Accordingly, waste recovery activities at the site present only very low risk of groundwater contamination, no risk of landfill gas emissions and no risk of bird, litter, odour or vermin nuisance.

When the waste recovery facility is operational and site restoration works proceeding, there is a small risk of groundwater pollution from the following potential sources:

- accidental spillage of fuels and lubricants by construction plant placing the inert fill;
- increase in suspended solids and potential for contaminated run-off percolating down to the groundwater table during restoration of the site; and
- inadvertent importation or placement of rogue loads of contaminated material at the site.

In order to minimise the risk of pollution to groundwater occurring as a result of waste recovery activities, a number of mitigation measures are proposed. These measures give effect to Council Directive 80/68/EEC on the protection of groundwater against pollution and are outlined in Chapter 6 of the Environmental Impact Statement.

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Recorded noise and dust levels from established quarrying, aggregate processing and concrete production activities at the Huntstown Quarry complex generally do not exceed recognised threshold emission limits for extractive industry. Where recorded, occasional exceedences in noise level can be attributed to aircraft movements in and out of Dublin Airport (the quarry lies directly beneath a flight path). The existing Environmental Management System which operates at the quarry will be extended to minimise and control emissions to the environment during the quarry backfilling and restoration works, refer to relevant sections of the Environmental Impact Statement.

b) *The activity concerned, carried on in accordance with such conditions as may be attached to the licence, will not cause environmental pollution; if the activity concerned involves the landfill of waste, the activity carried on in accordance with such conditions as may be attached on the licence, will comply with Council Directive 1999/31/EC on the landfill of waste.*

The recovery through disposal of inert soil and stones is necessary for the restoration of the application site and presents little or no risk to the natural environment. The activity will not generate any leachate or landfill gas.

Inert waste testing, inspection and handling procedures will be put in place to ensure that only waste which is demonstrably inert will be used in the restoration of this site. Environmental Management Systems will be put in place to minimise the risk of environmental pollution arising in the course of the restoration works, refer to relevant sections of the Environmental Impact Statement.

The Applicant undertakes to execute the restoration works at the application site in accordance with such further conditions as may be attached to the Waste Licence to prevent environmental pollution.

c) *The best available technology not entailing excessive costs will be used to prevent or eliminate or, where that is not practicable, to limit, abate or reduce an emission from the activity concerned; the activity concerned is consistent with the objectives of the relevant waste management plan or the hazardous waste management plan, as the case may be, and will not*

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prejudice measures taken by the relevant local authority or authorities for the purpose of the implementation of such plan.

As the materials recovered at the waste recovery facility are inert, there is little or no risk of potentially contaminated emissions to ground, groundwater or the atmosphere. Consequently, there is little requirement to apply best available technologies to limit, abate and/or reduce ground and/or groundwater emissions. Emphasis will be placed on implementation of robust waste acceptance and inspection procedures to ensure that only inert soil waste is imported for backfilling and restoration of the quarry.

The proposed backfilling and restoration of the application site will, for the most part, only require utilisation of conventional HGV trucks and earthmoving equipment. Use of this plant and equipment will generate noise and dust emissions. Noise and dust suppression techniques will be employed at the site as and when required, refer to Chapters 7 and 8 of the Environmental Impact Statement.

The most recent annual progress report on the Dublin Waste Management Plan (2005-2010) indicates that in 2008, approximately 7,000,000 tonnes of construction and demolition (C+D) waste was collected within the four local authorities within the Dublin region, of which by far the largest proportion (over 82%, or 5,800,000 tonnes) comprised soil and stones. Of the total tonnage of soil and stones, only 11.3% was recovered within permitted sites in the Dublin region (licensing of such activities having only been a requirement of large facilities since mid-2008). The remaining 88.7% was recovered in surrounding counties.

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Section 10.3.3 of the Dublin Waste Management Plan (2005-2010) identifies that a large proportion of C&D waste in the Dublin region is deposited on land and that this activity is viewed as a 'recovery' activity inasmuch as the soil is nominally being used for beneficial agricultural use. The plan states however that '*a better approach (and more sustainable land use) would be to have a smaller number of waste management points for example situated in old quarries*', where amongst other activities the '*soil could be used to reinstate and restore the quarry*'. The plan further states that it is necessary to consult with stakeholders in the construction industry '*to encourage the establishment of a number of additional large scale waste processing facilities eg. in old quarries*'.

Section 19.2 of the Waste Management Plan outlines a number of objectives in respect of C&D waste recovery infrastructure. These include

- provision of additional facilities in the Greater Dublin Region to cater for C&D waste at existing quarries and other suitable locations – these should include front-end removal and recycling and recycling of recoverable waste and limited to disposal of non-recoverable waste (soil) only
- use of soil material for beneficial use where possible. Examples of beneficial use identified by the plan include quarry re-instatement
- placement of restrictions on placing of C+D waste on agricultural land. Only soil will be considered for placement on land and then only where larger, alternative authorised waste facilities are not already in place.

In light of the above, it is asserted that the proposed development of an inert soil recovery facility at Huntstown quarry is entirely consistent with the provisions of the Dublin Waste Management Plan identified above.

d) *If the applicant is not a local authority, the cooperation of a borough that is not a country borough, or the council or an urban district, subject to subjection (8), he or she is a fit and proper person to hold a waste license.*

Refer to Attachment L2.

e) *The Applicant has complied with any requirements under Section 53.*

Roadstone Wood Ltd. will furnish such particulars, and make such financial provisions as are deemed necessary by the Agency in respect of the implementation and/or completion of the proposed restoration scheme.

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f) *Energy will be used efficiently in the carrying on of the activity concerned.*

Small scale energy requirements for the existing site office and staff welfare facilities (lighting, heating, computers etc.) are currently provided by a connection to the electricity supply network. Plant and equipment required to undertake the proposed waste recovery activities will be powered by diesel fuel. Energy use will be minimised insofar as practicable.

g) *Any noise from the activity concerned will comply with, or will not result in the contravention of, any regulations under Section 106 of the Act of 1992.*

Noise emissions from HGV's, plant and earthmoving equipment will be controlled and monitored to comply with such limits and conditions as may be imposed by a Waste Licence issued in respect of the proposed restoration works. In operating the former quarry and/or the existing concrete production facility, noise emissions at the application site were generally below the recognised threshold average ambient noise level for the extractive industry of $55L_{Aeq}$ dB(A). Where recorded, occasional exceedences in noise level can be attributed to aircraft movements in and out of Dublin Airport (the quarry lies directly beneath a flight path).

h) *Necessary measures will be taken to prevent accidents in the carrying on of the activity concerned and, where an accident occurs, to limit it's consequences for the environment.*

An assessment of the principal environmental hazards and risks associated with the proposed restoration scheme and the contingency measures to be implemented in the event of an incident are provided in the Outline Contingency Plan reproduced in Appendix 2.1 of the Environmental Impact Statement.

i) *Necessary measures will be taken upon the permanent cessation of the activity concerned (including such a cessation resulting from the abandonment of the activity) to avoid any risk of environmental pollution and return the site of the activity to satisfactory state.*

Details of the capping, decommissioning and aftercare activities to be undertaken on completion of the site restoration works are provided in Chapter 2, Paragraphs 2.77 to 2.82 and Paragraphs 2.137 to 2.141 of the Environmental Impact Statement.

As the materials used to restore the site are inert, there will be no requirement to provide for long-term measures to monitor and/or prevent risk of long term pollution arising at the site.

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In developing the proposed restoration scheme, Roadstone Wood Ltd. has considered the requirement to use Best Available Techniques, where possible and practicable. The considerations referred to in ANNEX IV of Council Directive 96/61/EC on Integrated Pollution Prevention and Control are addressed as follows :

1. *The use of low waste technology*

The proposed backfilling and restoration of the application site will, for the most part, only require utilisation of conventional HGV trucks and earthmoving equipment. As the materials used to restore the site are inert, there is little scope to apply best available technologies to limit, abate and/or reduce emissions. In controlling emissions from the site, greatest emphasis will be placed on implementing an effective Environmental Management System.

2. *The use of less hazardous substances.*

No hazardous or non-hazardous materials (other than diesel fuel and engine oils) will be used in restoring the application site. There is currently no alternative to diesel fuel to power earthmoving equipment or crushing / screening plant.

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3. *The furthering of recovery and recycling of substances generated and used in the process and of waste, where appropriate.*

   Given that the materials imported to the proposed waste facility are effectively re-used for a beneficial purpose, there is no scope for further materials recovery and/or recycling.

4. *Comparable processes, facilities or methods of operation which have been tried with success on an industrial scale.*

   No alternative successful soil recovery activities known of.

5. *Technology advances and changes in scientific knowledge and understanding*

   No alternative soil recovery technologies known.

6. *The nature, effects and volume of the emissions concerned*

   As the materials imported and recovered at the proposed facility are inert, there will be no potentially contaminated emissions to ground, groundwater and/or the atmosphere. Noise and dust emissions will be controlled and monitored to comply with such limits and conditions as may be imposed by a Waste Licence issued in respect of the proposed restoration works.

7. *The commissioning dates for new or existing installations*

   There are numerous small scale construction and demolition waste and/or soil recovery operations currently in operation in County Dublin. These facilities operate in a commercial environment and meet the demand for soil recovery generated by the construction industry. Existing soil recovery facilities are regulated by means of Local Authority waste facility permits and typically have a finite volumetric capacity or operating life. Additional facilities are required on an ongoing basis to replace closed facilities and ensure the existing market continues to function normally.

8. *The length of time needed to introduce the best available technique*

   As previously noted, the materials recovered at the application site are inert and recovery activities employ conventional, relatively low technology plant and equipment. As such there is little scope or requirement to develop new waste management technologies or techniques to provide enhanced environmental protection.

9. *The consumption and nature of raw materials (including water) used in the process and their energy efficiency*

   The only materials consumed by waste recovery activities at the application site are diesel fuel and engine oils used to power plant and equipment. No other hazardous or non-hazardous materials will be required on site. Small scale energy requirements for the site office and staff welfare facilities (lighting, heating etc) will be provided by a connection to the electricity supply network. Energy use will be minimised insofar as practicable.

10. *The need to prevent or reduce to a minimum the overall impact of the emissions on the environment and the risks to it.*

   As previously noted, the materials recovered at the proposed waste facility are inert. The risk of potentially contaminated emissions to ground, groundwater and the atmosphere are therefore very low. Emissions of noise and dust will be controlled and kept to a minimum during the site restoration works by applying best practice site management techniques.

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ATTACHMENT L2 – STATUTORY REQUIREMENTS
SECTION 40(7) OF WASTE MANAGEMENT ACTS 1996-2003

Roadstone Wood Ltd. considers that it is a fit and proper person to hold a Waste Licence and has provided the requisite information required by Section 40(7) of the Waste Management Acts 1996-2008 to demonstrate this below :

a) *Indicate whether the applicant or other relevant person has been convicted under the Waste Management Acts 1996 to 2003, the EPA Act 1992 and 2003, the Local Government (Water Pollution) Acts 1977 and 1990 or the Air Pollution Act 1987.*

Neither Roadstone Wood Ltd. nor any of its predecessor companies (which includes Roadstone Dublin, Roadstone Provinces and J.A. Wood), has ever been convicted of any offence under the Waste Management Acts 1996-2008, the Environmental Protection Agency Act 2003 or the Air Pollution Act 1987.

b) *Provide details of the applicant's technical knowledge and/or qualifications, along with that of other relevant employees.*

Roadstone Wood's nominated staff with responsibility for the proposed waste recovery facility currently hold responsibility for managing and overseeing Roadstone Wood's recycling and recovery business across several sites in the Greater Dublin Area.

The manager of the proposed soil recovery facility will be Fearghal Phillips. Fearghal has no formal recognised training or qualifications in management of waste facilities. He has however been based at Belgard Quarry for a number of years and part of his role there has been to manage the existing construction and demolition waste recovery facility and waste generated by extractive and concrete production activities. Fearghal commenced the Waste Management Course organised by the Environmental Training Unit in FAS in October 2010 which is scheduled for completion in February 2011.

The environmental remediation works provided for the excavation and processing of intermixed wastes, recovery of inert soil waste, soil quality testing and reinstatement of excavated voids using recovered soil.

Should the need arise for specialist technical or environmental assistance, he will be assisted by appropriately qualified external consultants.

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c) *Provide information to show that the person is likely to be in a position to meet any financial commitments or liabilities that may have been or will be entered into or incurred in carrying on the activity to which the application relates or in consequence of ceasing to carry out that activity.*

Roadstone Wood is a 100% subsidiary of CRH plc, the international building materials group with a market capitalisation of approximately €10,000 million. The size and scale of the company's balance sheet means that it has the financial strength and capacity to shoulder any economic or environmental costs or liabilities incurred by the proposed waste recovery facility entirely from its own financial reserves. No external source of funding will be sought or required. Extracts from the 2009 Annual Report for CRH plc is attached for information purposes.

Notwithstanding this, due allowance will be made in company accounts for compliance with all financial, legal and environmental responsibilities likely to be incurred in respect of the proposed waste recovery facility.

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Annual Report 2009

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PERFORMANCE AND GROWTH

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CRH is a diversified building materials group which manufactures and distributes building material products from the fundamentals of heavy materials and elements to construct the frame, through value-added exterior products that complete the building envelope, to distribution channels which service construction fit-out and renewal.

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Key Financial Figures 2009

	€ million	
Sales	**17,373**	-17%
EBITDA	**1,803**	-32%
Operating profit (EBIT)	**955**	-48%
Profit before tax	**732**	-55%
Operating cashflow	**1,160**	+103%
	cents	
Basic earnings per share	**88.3**	-58%
Cash earnings per share	**214.7**	-38%
Dividend per share	**62.5**	–
	times	
Net Debt/EBITDA	**2.1**	
EBITDA Interest cover	**6.1**	
Dividend cover	**1.4**	

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CRH at a Glance

Materials

Cement
Aggregates
Asphalt
Readymixed Concrete

CRH operates vertically integrated primary materials businesses with strategically-located long-term reserves in all its major markets. CRH has permitted reserves totalling approximately 14 billion tonnes worldwide: circa 11 billion tonnes in the Americas and circa 3 billion tonnes in Europe. These materials businesses service both infrastructure and new construction demand.

The Materials strategy is to build and maintain strong vertically integrated businesses with leading market positions. This is achieved by accumulating long-term permitted reserves, continuously investing in plant and equipment for quality, efficiency and customer service, while seeking out value-creating expansion opportunities via greenfield development and acquisitions in selected markets.

Concrete Products

Structural Concrete
Architectural Concrete
Construction Accessories

CRH manufactures structural and architectural concrete products for use in residential, non-residential and infrastructure applications. These include building systems and engineered concrete solutions for use in the electrical, transportation, drainage and communications industries, architectural products to enhance the facade and surroundings of buildings, while construction accessories produces components to assist in the construction process.

The strategy of these businesses is to build and expand leadership positions in targeted markets in the manufacture of concrete products and related accessories. This is achieved by continuously improving the businesses with state-of-the-art IT; exchange of process and product know-how; leveraging engineering, project management, logistics and marketing skills; while also pursuing new opportunities.

Exterior Products

Clay
Glass
Entrance Control
Building Products

CRH produces a range of complementary value-added building products to complete the building envelope, each of which serves to provide a balanced exposure to demand drivers. Principal products include architectural glass, clay brick and block, and entrance control products. Additional products include insulation and climate control products.

The strategy of the Exterior Products businesses is to develop current strong positions and to seek new platforms for growth in these complementary product segments. This is achieved by increasing the penetration of CRH products; edge-expansion into new architectural products and solutions; developing positions to benefit from scale and best practice, and creating competitive advantage through product, process and end-use innovation.

Distribution

Builders Merchants
DIY

CRH distributes building materials to general building contractors and Do-It-Yourself (DIY) customers in Europe and to professional roofing/siding and interior products contractors in the United States. With a network of over 700 locations in Europe and over 180 locations in the United States, CRH is a leading international player in building materials distribution.

The strategy of the Distribution businesses is to build and grow a strong network of professional builders' merchants and DIY stores, primarily in major metropolitan areas. This is achieved by focussing on organisational initiatives and best-in-class IT to realise operational excellence, optimise the supply chain and provide superior customer service, while seeking opportunities to invest in new regions and other attractive segments of building materials distribution.

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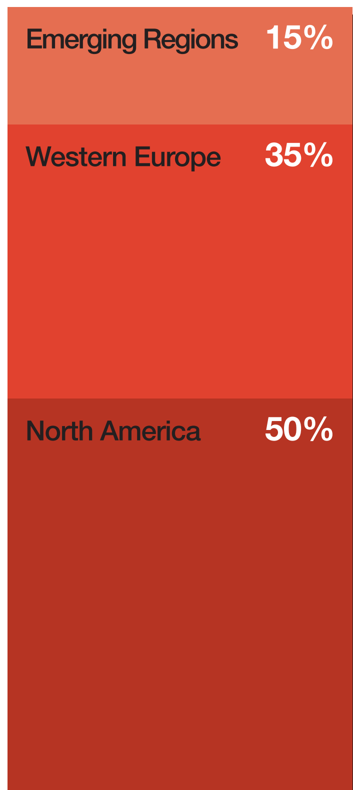
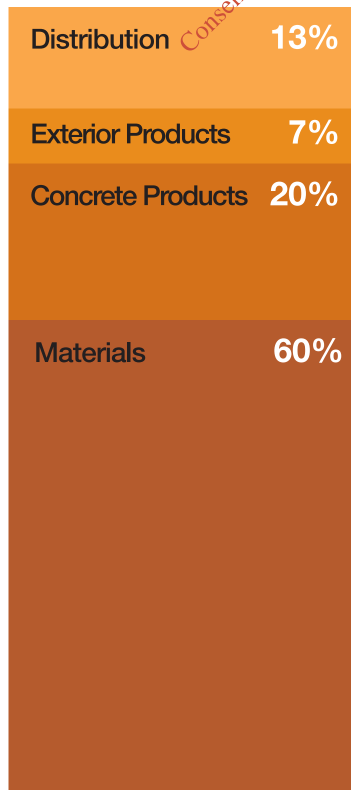
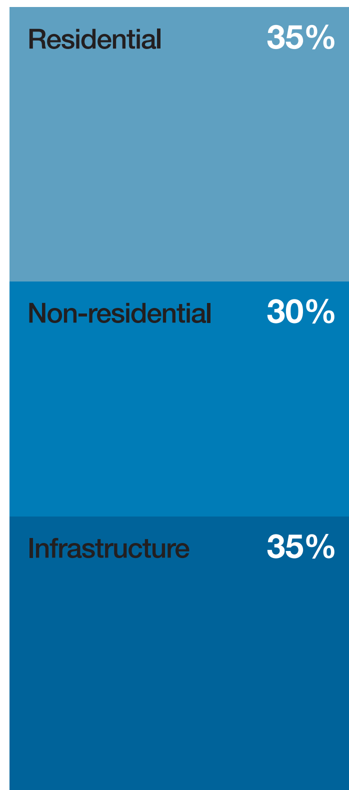
Geography



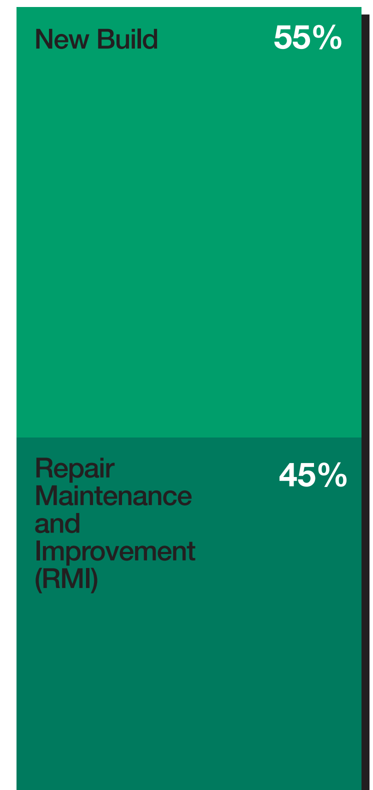
Products



End-use



New/RMI



Basis annualised EBITDA

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Key Financial Figures 2009

	€ million	
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Cash earnings per share	**214.7**	-38%
Dividend per share	**62.5**	–
	times	
Net Debt/EBITDA	**2.1**	
EBITDA Interest cover	**6.1**	
EBIT Interest cover	**3.2**	
Dividend cover	**1.4**	

** see Finance Review table 3*

CRH's strategic vision is clear and consistent – be a responsible international leader in building materials delivering superior performance and growth.

CRH shares are listed on the Irish (ISE) and London (LSE) stock exchanges and on the New York Stock Exchange in the form of American Depositary Receipts (ADRs).

The Group has consistently delivered superior long-term growth in total shareholder return. A shareholder who invested €100 equivalent in 1970 and re-invested gross dividends would hold shares valued at €47,762 based on a share price of €19.01 at 31st December 2009. This represents a 17% compound annual return.

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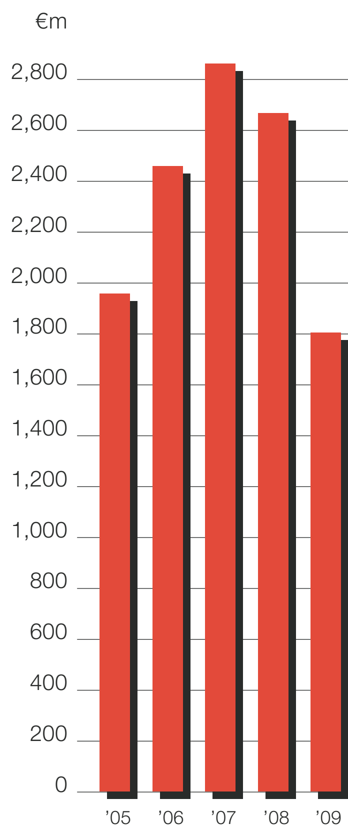
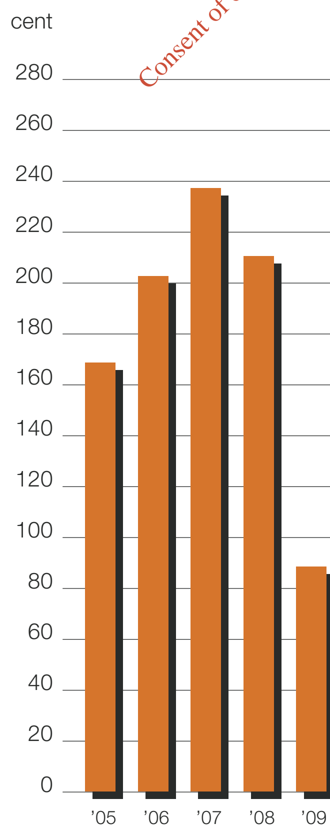
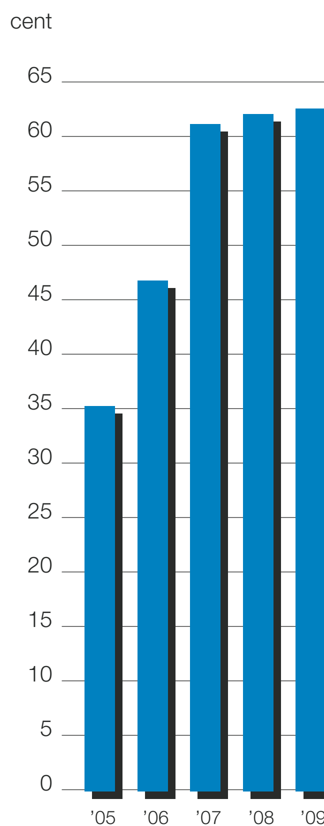
EBITDA



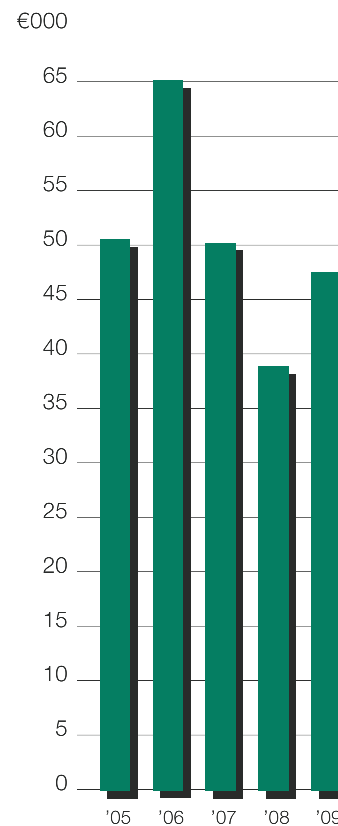
Earnings per share



Dividend per share



Total Shareholder Return



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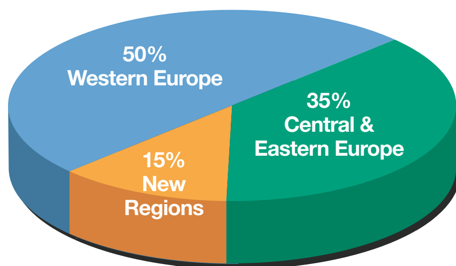
CRH Overview

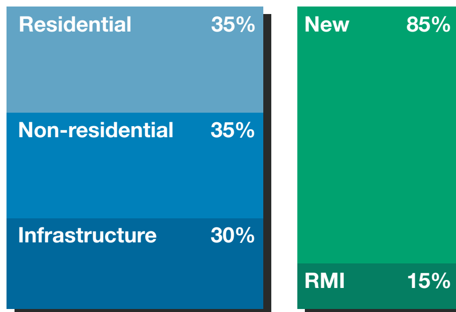
Europe Materials – 24% of Group

The Europe Materials Division is a major vertically integrated producer of primary materials and value-added manufactured products operating in 20 countries. The Division is actively involved in the Group's development efforts in Asia. Its principal products are cement, aggregates, readymixed concrete, concrete products, asphalt and lime. The major markets are Poland, Ukraine, Finland, Switzerland, Ireland, Spain and Portugal, together with India and China in Asia and Turkey in the Mediterranean. In total, the Division employs approximately 12,600 people at over 520 locations.

Business Activities (EBITDA)



End-use (EBITDA)



Annualised Production Volumes

Cement – 13.2m tonnes*
Aggregates – 51.4m tonnes
Asphalt – 3.5m tonnes
Readymixed Concrete – 9.6m cubic metres*
Concrete Products – 5.0m tonnes
Lime – 1.5m tonnes

* Excludes CRH share of cement (circa 5.3m tonnes) and readymixed concrete (circa 0.6m cubic metres) attributable to associates, Uniland in Spain (26.34%), Mashav in Israel (25%) and Yatai Cement in China (26%).

Leadership Positions

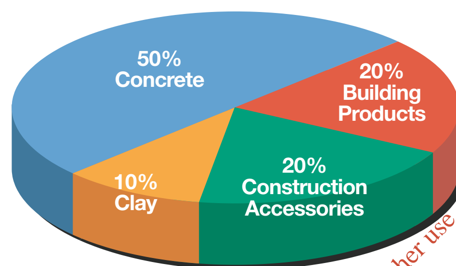
Top 10 Cement – Western Europe
Leading national positions: Aggregates and Readymixed Concrete
No.1 Building Materials – Poland
No.1 Cement – Northeastern China (26%)**
No.2 Cement – Andhra Pradesh, India (50%)**

**CRH share

Europe Products – 16% of Group

Europe Products is organised as three groups of related manufacturing businesses involved in concrete, clay and building products. The Division operates in 20 European countries with the Netherlands, Belgium, the UK, Germany, France and Switzerland being its major markets. Europe Products seeks leadership positions in the markets and sectors in which it operates and employs approximately 18,500 people at over 500 locations.

Business Activities (EBITDA)



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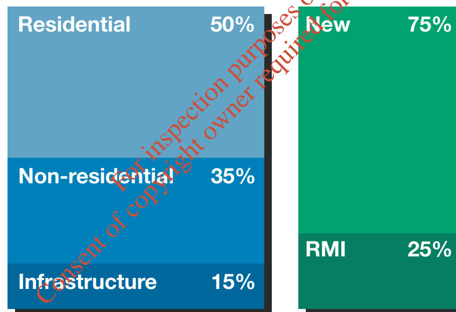


Annualised Production Volumes

Architectural Concrete – 6.4m tonnes
Precast Concrete – 6.4m tonnes
Clay – 1.9m tonnes
Insulation – 5.3m cubic metres
Fencing & Security – 3.0m lineal metres
Rooflight & Ventilation – 0.9m square metres

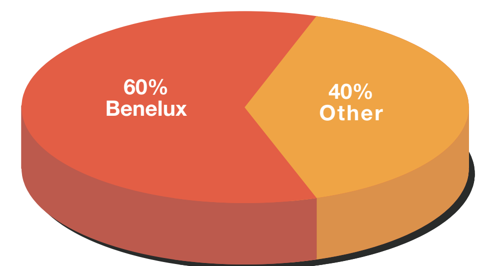
Leadership Positions

No.1 Concrete Products – Western Europe
No.2 Clay facing bricks, pavers and blocks – Western Europe
No.1 Construction Accessories – Western Europe
No.1 Fencing & Security – Western Europe

Europe Distribution – 11% of Group

The Distribution Division in Europe encompasses professional builders merchants and Do-It-Yourself (DIY) stores. The Division operates in eight European countries with the Netherlands, Belgium, Germany, Austria, France and Switzerland being its major markets. Europe Distribution seeks leadership positions in the markets and sectors in which it operates and employs approximately 11,000 people at over 700 locations.

Business Activities (EBITDA)



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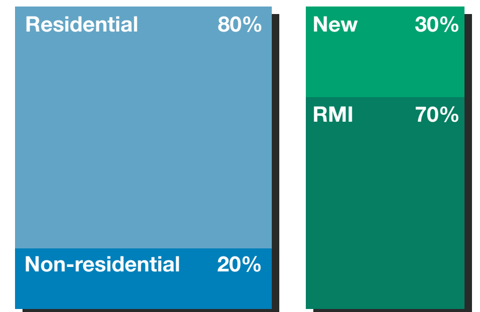

Outlets

Builders Merchants – 479 branches
DIY – 241 stores

Leadership Positions

Top 3 Building Materials Distributor – Western Europe

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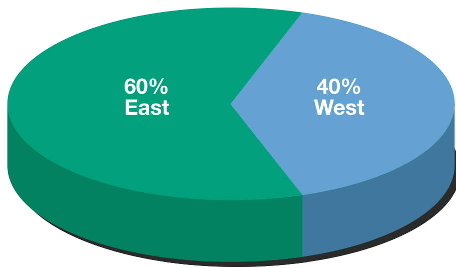
Americas Materials – 37% of Group

The Americas Materials Division operates in 44 states in the United States. Operations are geographically organised, segmented into East and West sectors, each containing four regional business units. These comprise integrated aggregates, asphalt and readymixed concrete operations with strategically located long-term aggregates reserves. Americas Materials employs approximately 18,000 people at over 1,400 operating locations.

Business Activities (EBITDA)



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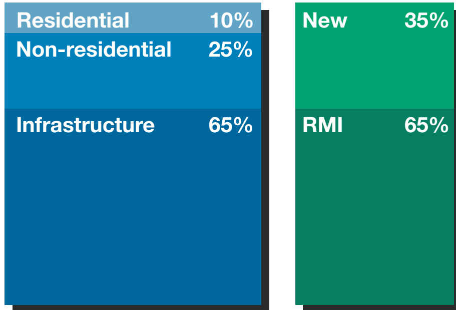


Annualised Production Volumes

Aggregates – 110.1m tonnes
Asphalt – 39.8m tonnes
Readymixed Concrete – 5.2m cubic metres

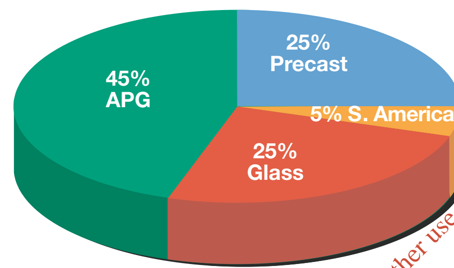
Leadership Positions

No.1 Asphalt – US
No.3 Aggregates – US
Top 5 Readymixed Concrete – US

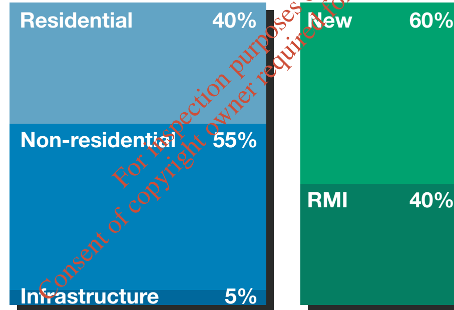
Americas Products – 10% of Group

The Americas Products Division operates primarily in the United States and also has a significant presence in Canada. Its product groups – Architectural Products, Precast, Glass and MMI – all have leading positions in national and regional markets. The Division is also a leading producer of clay tile products in Argentina and operates glass fabrication businesses in Argentina and Chile. Employees total approximately 16,400 at over 480 locations.

Business Activities (EBITDA) excluding MMI



End-use (EBITDA)



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Annualised Production Volumes

Architectural Concrete – 8.7m tonnes
Precast Concrete – 0.9m tonnes
Pipes & Prestressed Concrete – 0.3m tonnes
Clay – 0.7m tonnes
Glass Fabrication – 8.8m square metres glass and 19.4k tonnes aluminium
Welded Wire Reinforcement – 77.7k tonnes
Fencing Products – 7.9m lineal metres

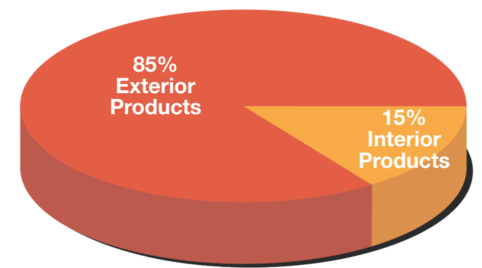
Leadership Positions

No.1 Precast Concrete Products – US
No.1 Architectural Concrete Products – Canada, US
No.1 Architectural Glass Fabrication – US
No.1 Engineered Aluminium Glazing Systems – US
No.2 Construction Accessories – US

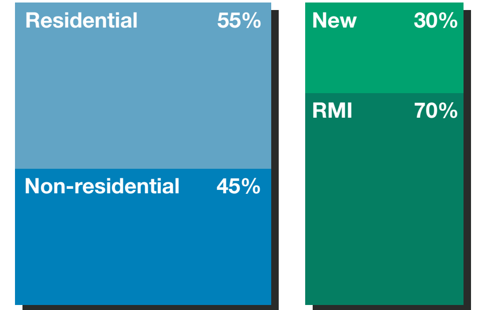
Americas Distribution – 2% of Group

The Americas Distribution Division operates primarily in the United States. Its sub divisions – exterior and interior products – both have leading positions in national and regional markets. Employees total approximately 3,400 at over 180 locations.

Business Activities (EBITDA)



End-use (EBITDA)



Outlets

Exterior Products (Roofing/Siding) – 132 branches
Interior Products – 52 branches

Leadership Positions

No.4 Roofing/Siding Distributor – US
No.4 Interior Products Distributor – US

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Independent Auditors' Report

to the members of CRH public limited company

We have audited the Consolidated and Parent Company ("Company") Financial Statements (the "financial statements") of CRH plc for the year ended 31st December 2009 which comprise the Consolidated Income Statement, the Consolidated Statement of Comprehensive Income, the Consolidated and Company Balance Sheets, the Consolidated Statement of Changes in Equity, the Consolidated Statement of Cash Flows, the related notes 1 to 34 (Group) and the related notes 1 to 11 (Company). These financial statements have been prepared under the accounting policies set out therein.

This Report is made solely to the Company's members, as a body, in accordance with section 193 of the Companies Act, 1990. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members as a body, for our audit work, for this Report, or for the opinions we have formed.

Respective responsibilities of Directors and Auditors

The Directors are responsible for the preparation of the Consolidated Financial Statements in accordance with applicable Irish law and International Financial Reporting Standards (IFRSs) as adopted by the European Union, and for the preparation of the Company Financial Statements in accordance with applicable Irish law and Accounting Standards issued by the Accounting Standards Board and promulgated by the Institute of Chartered Accountants in Ireland ("Generally Accepted Accounting Practice in Ireland") as set out in the Statement of Directors' Responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view and have been properly prepared in accordance with the Companies Acts, 1963 to 2009 and whether, in addition, the Consolidated Financial Statements have been properly prepared in accordance with Article 4 of the IAS Regulation. We also report to you our opinion as to: whether proper books of account have been kept by the Company; whether, at the balance sheet date, there exists a financial situation which may require the convening of an extraordinary general meeting of the Company; and whether the information given in the Directors' Report is consistent with the financial statements. In addition, we state whether we have obtained all the information and explanations necessary for the purposes of our audit and whether the Company Balance Sheet is in agreement with the books of account.

We also report to you if, in our opinion, any information specified by law or the Listing Rules of the Irish Stock Exchange regarding Directors' remuneration and other transactions is not disclosed and, where practicable, include such information in our Report.

We are required by law to ascertain that the Company has produced a Corporate Governance Statement where this is prepared as a separate report and whether such statement contains the information required by law. We review whether the Corporate Governance Statement reflects the Company's compliance with the nine provisions of the 2008 Financial Reporting Council's Combined Code specified for our review by the Listing Rules of the Irish Stock Exchange, and we report if it does not. We are not required to consider whether the Board's statements on internal control cover all risks and controls, or form an opinion on the effectiveness of the Group's corporate governance procedures or its risk and control procedures.

Where a separate Corporate Governance Statement is prepared, we also consider and report to you whether the information required under section 158 (6D) (d) of the Companies Act, 1963 given in the Corporate Governance Statement is consistent with the financial statements.

We read other information contained in the Annual Report and consider whether it is consistent with the audited financial statements. The other information comprises only the Directors' Report, the Chairman's Statement, Chief Executive's Review, Operations Reviews, Finance Review and the Corporate Governance Statement. We consider the implications for our Report if we become aware of any apparent misstatements or material inconsistencies with the financial statements. Our responsibilities do not extend to any other information.

Basis of Audit Opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the Directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the Group's and Company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In our opinion the Consolidated Financial Statements give a true and fair view, in accordance with IFRSs as adopted by the European Union, of the state of affairs of the Group as at 31st December 2009 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Acts, 1963 to 2009 and Article 4 of the IAS Regulation.

In our opinion the Company Financial Statements give a true and fair view, in accordance with Generally Accepted Accounting Practice in Ireland, of the state of affairs of the Company as at 31st December 2009 and have been properly prepared in accordance with the Companies Acts, 1963 to 2009.

We have obtained all the information and explanations we consider necessary for the purposes of our audit. In our opinion proper books of account have been kept by the Company. The Company Balance Sheet is in agreement with the books of account.

In our opinion the information given in the Directors' Report is consistent with the financial statements.

In our opinion the information required under section 158 (6D) (d) of the Companies Act, 1963 given in the Corporate Governance Statement is consistent with the financial statements.

In our opinion, the Company Balance Sheet does not disclose a financial situation which under section 40(1) of the Companies (Amendment) Act, 1983 would require the convening of an extraordinary general meeting of the Company.

Ernst & Young
Chartered Accountants and
Registered Auditors
Dublin
1st March 2010

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Consolidated Income Statement

for the financial year ended 31st December 2009

Notes		2009 €m	2008 €m
1	**Revenue**	**17,373**	20,887
	Cost of sales	**(12,510)**	(14,738)
	Gross profit	**4,863**	6,149
3	Operating costs	**(3,908)**	(4,308)
1, 4, 5	**Group operating profit**	**955**	1,841
1,16	Profit on disposal of non-current assets	**26**	69
	Profit before finance costs	**981**	1,910
8	Finance costs	**(419)**	(503)
8	Finance revenue	**122**	160
9	Group share of associates' profit after tax	**48**	61
1	**Profit before tax**	**732**	1,628
10	Income tax expense	**(134)**	(366)
	Group profit for the financial year	**598**	1,262
	Profit attributable to:		
	Equity holders of the Company	**592**	1,248
	Minority interest	**6**	14
	Group profit for the financial year	**598**	1,262
			Restated
12	**Basic earnings per Ordinary Share**	**88.3c**	210.2c
12	**Diluted earnings per Ordinary Share**	**87.9c**	209.0c

All of the results relate to continuing operations.

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Consolidated Statement of Comprehensive Income

for the financial year ended 31st December 2009

Notes		2009 €m	2008 €m
	Group profit for the financial year	**598**	1,262
	Other comprehensive income		
	Currency translation effects	**(96)**	(97)
28	Actuarial loss on Group defined benefit pension obligations	**(67)**	(348)
24	Gains/(losses) relating to cash flow hedges	**15**	(28)
10	Tax on items recognised directly within other comprehensive income	**18**	71
	Net expense recognised directly within other comprehensive income	**(130)**	(402)
	Total comprehensive income for the financial year	**468**	860
	Attributable to:		
	Equity holders of the Company	**462**	847
	Minority interest	**6**	13
	Total comprehensive income for the financial year	**468**	860

K. McGowan, M. Lee, Directors

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Consolidated Balance Sheet

as at 31st December 2009

Notes		2009 €m	2008 €m
	ASSETS		
	Non-current assets		
13	Property, plant and equipment	**8,535**	8,888
14	Intangible assets	**4,095**	4,108
15	Investments accounted for using the equity method	**962**	743
15	Other financial assets	**128**	127
24	Derivative financial instruments	**244**	416
27	Deferred income tax assets	**337**	333
	Total non-current assets	**14,301**	14,615
	Current assets		
17	Inventories	**2,008**	2,473
18	Trade and other receivables	**2,454**	3,096
	Current income tax recoverable	**77**	-
24	Derivative financial instruments	**5**	10
22	Liquid investments	**66**	128
22	Cash and cash equivalents	**1,372**	799
	Total current assets	**5,982**	6,506
	Total assets	**20,283**	21,121
	EQUITY		
	Capital and reserves attributable to the Company's equity holders		
30	Equity share capital	**241**	186
30	Preference share capital	**1**	1
30	Share premium account	**3,778**	2,448
30	Treasury Shares and own shares	**(279)**	(378)
	Other reserves	**128**	87
	Foreign currency translation reserve	**(740)**	(644)
	Retained income	**6,508**	6,387
		9,637	8,087
	Minority interest	**73**	70
	Total equity	**9,710**	8,157
	LIABILITIES		
	Non-current liabilities		
23	Interest-bearing loans and borrowings	**4,943**	6,277
24	Derivative financial instruments	**78**	84
27	Deferred income tax liabilities	**1,519**	1,461
19	Trade and other payables	**155**	137
28	Retirement benefit obligations	**454**	414
26	Provisions for liabilities	**240**	253
29	Capital grants	**12**	14
	Total non-current liabilities	**7,401**	8,640
	Current liabilities		
19	Trade and other payables	**2,471**	2,919
	Current income tax liabilities	**192**	186
23	Interest-bearing loans and borrowings	**381**	1,021
24	Derivative financial instruments	**8**	62
26	Provisions for liabilities	**120**	136
	Total current liabilities	**3,172**	4,324
	Total liabilities	**10,573**	12,964
	Total equity and liabilities	**20,283**	21,121

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Consolidated Statement of Changes in Equity

for the financial year ended 31st December 2009

Notes		Issued share capital €m	Share premium account €m	Treasury Shares/ own shares €m	Other reserves €m	Foreign currency translation reserve €m	Retained income €m	Minority interest €m	Total equity €m
		Attributable to the equity holders of the Company							
	At 1st January 2009	**187**	**2,448**	**(378)**	**87**	**(644)**	**6,387**	**70**	**8,157**
	Group profit for the financial year	-	-	-	-	-	**592**	**6**	**598**
	Other comprehensive income	-	-	-	-	**(96)**	**(34)**	-	**(130)**
	Total comprehensive income	**187**	**2,448**	**(378)**	**87**	**(740)**	**6,945**	**76**	**8,625**
30	Issue of share capital (net of expenses)	**55**	**1,330**	-	-	-	-	-	**1,385**
7	Share-based payment expense								
	- share option schemes	-	-	-	**18**	-	-	-	**18**
	- Performance Share Plan (PSP)	-	-	-	**10**	-	-	-	**10**
	Reclassification of Performance Share Plan expense	-	-	**(13)**	**13**	-	-	-	-
10	Tax relating to share-based payment expense	-	-	-	-	-	**3**	-	**3**
	Treasury/own shares re-issued	-	-	**114**	-	-	**(114)**	-	-
30	Shares acquired by Employee Benefit Trust (own shares)	-	-	**(2)**	-	-	-	-	**(2)**
30	Share option exercises	-	-	-	-	-	**60**	-	**60**
11	Dividends (including shares issued in lieu of dividends)	-	-	-	-	-	**(386)**	**(7)**	**(393)**
32	Minority interest arising on acquisition	-	-	-	-	-	-	**4**	**4**
	At 31st December 2009	**242**	**3,778**	**(279)**	**128**	**(740)**	**6,508**	**73**	**9,710**
	for the financial year ended 31st December 2008								
	At 1st January 2008	187	2,420	(19)	70	(547)	5,843	66	8,020
	Group profit for the financial year	-	-	-	-	-	1,248	14	1,262
	Other comprehensive income	-	-	-	-	(97)	(305)	-	(402)
	Minority interest profit attributable to associates	-	-	-	-	-	-	(1)	(1)
	Total comprehensive income	187	2,420	(19)	70	(644)	6,786	79	8,879
30	Issue of share capital (net of expenses)	-	28	-	-	-	-	-	28
7	Share-based payment expense								
	- share option schemes	-	-	-	17	-	-	-	17
	- Performance Share Plan (PSP)	-	-	7	-	-	-	-	7
10	Tax relating to share-based payment expense	-	-	-	-	-	(13)	-	(13)
30	Shares acquired by CRH plc (Treasury Shares)	-	-	(411)	-	-	-	-	(411)
	Treasury/own shares re-issued	-	-	48	-	-	(48)	-	-
30	Shares acquired by Employee Benefit Trust (own shares)	-	-	(3)	-	-	-	-	(3)
30	Share option exercises	-	-	-	-	-	31	-	31
11	Dividends (including shares issued in lieu of dividends)	-	-	-	-	-	(369)	(5)	(374)
32	Minority interest arising on acquisition	-	-	-	-	-	-	(4)	(4)
	At 31st December 2008	187	2,448	(378)	87	(644)	6,387	70	8,157

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Consolidated Statement of Cash Flows

for the financial year ended 31st December 2009

Notes		2009 €m	2008 €m
	Cash flows from operating activities		
	Profit before tax	**732**	1,628
	Finance costs (net)	**297**	343
	Group share of associates' profit after tax	**(48)**	(61)
	Profit on disposal of non-current assets	**(26)**	(69)
	Group operating profit	**955**	1,841
13	Depreciation charge (including impairments)	**794**	781
7	Share-based payment expense	**28**	24
14	Amortisation of intangible assets (including impairments)	**54**	43
29	Amortisation of capital grants	**(2)**	(3)
	Other non-cash movements	**(37)**	(15)
26	Net movement on provisions	**(41)**	(28)
20	Decrease/(increase) in working capital	**783**	(57)
	Cash generated from operations	**2,534**	2,586
	Interest paid (including finance leases)	**(294)**	(371)
	Irish corporation tax paid	**(2)**	(18)
	Overseas corporation tax paid	**(102)**	(304)
	Net cash inflow from operating activities	**2,136**	1,893
	Cash flows from investing activities		
	Inflows		
16	Proceeds from disposal of non-current assets	**103**	168
	Interest received	**31**	51
29	Capital grants received	**-**	4
	Dividends received from associates	**38**	42
		172	265
	Outflows		
13	Purchase of property, plant and equipment	**(532)**	(1,039)
32	Acquisition of subsidiaries and joint ventures	**(174)**	(777)
15	Investments in and advances to associates	**(235)**	(156)
15	Advances to joint ventures and purchase of trade investments	**(9)**	(50)
20	Increase in finance-related receivables	**(115)**	-
20	Deferred and contingent acquisition consideration paid	**(37)**	(34)
		(1,102)	(2,056)
	Net cash outflow from investing activities	**(930)**	(1,791)
	Cash flows from financing activities		
	Inflows		
30	Proceeds from issue of shares (net)	**1,237**	6
	Proceeds from exercise of share options	**60**	31
25	Decrease in liquid investments	**65**	175
	Increase in interest-bearing loans, borrowings and finance leases	**757**	1,382
25	Net cash inflow arising from derivative financial instruments	**16**	-
		2,135	1,594
	Outflows		
	Treasury/own shares purchased	**(2)**	(414)
	Repayment of interest-bearing loans, borrowings and finance leases	**(2,501)**	(1,024)
25	Net cash outflow arising from derivative financial instruments	**-**	(100)
11	Dividends paid to equity holders of the Company	**(238)**	(347)
11	Dividends paid to minority interests	**(7)**	(5)
		(2,748)	(1,890)
	Net cash outflow from financing activities	**(613)**	(296)
	Increase/(decrease) in cash and cash equivalents	**593**	(194)
	Reconciliation of opening to closing cash and cash equivalents		
25	Cash and cash equivalents at 1st January	**799**	1,006
25	Translation adjustment	**(20)**	(13)
	Increase/(decrease) in cash and cash equivalents	**593**	(194)
25	**Cash and cash equivalents at 31st December**	**1,372**	799

A reconciliation of cash and cash equivalents to net debt is presented in note 25 to the financial statements.

K. McGowan, M. Lee, Directors

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Accounting Policies

Statement of compliance

The Consolidated Financial Statements of CRH plc have been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union, which comprise standards and interpretations approved by the International Accounting Standards Board (IASB). IFRS as adopted by the European Union differ in certain respects from IFRS as issued by the IASB. However, the Consolidated Financial Statements for the financial years presented would be no different had IFRS as issued by the IASB been applied. References to IFRS hereafter should be construed as references to IFRS as adopted by the European Union.

CRH plc, the parent company, is a publicly traded limited company incorporated and domiciled in the Republic of Ireland.

Basis of preparation

The Consolidated Financial Statements, which are presented in euro millions, have been prepared under the historical cost convention as modified by the measurement at fair value of share-based payments, retirement benefit obligations and certain financial assets and liabilities including derivative financial instruments.

The accounting policies set out below have been applied consistently by all the Group's subsidiaries, joint ventures and associates to all periods presented in these Consolidated Financial Statements.

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. In addition, it requires management to exercise judgement in the process of applying the Company's accounting policies. The areas involving a high degree of judgement or complexity, or areas where assumptions and estimates are significant to the Consolidated Financial Statements, relate primarily to accounting for defined benefit pension schemes, provisions for liabilities, property, plant and equipment and goodwill impairment.

The financial year-ends of the Group's subsidiaries, joint ventures and associates are co-terminous.

Adoption of IFRS and International Financial Reporting Interpretations Committee (IFRIC) Interpretations

IFRS and IFRIC Interpretations adopted during the financial year

The Group has adopted the following new and amended IFRS and IFRIC interpretations in respect of the 2009 financial year-end:

- IFRS 2 *Share-based Payment* – Vesting Conditions and Cancellations effective 1st January 2009
- IFRS 7 *Financial Instruments*: *Disclosures* effective 1st January 2009
- IFRS 8 *Operating Segments* effective 1st January 2009
- IAS 1 *Presentation of Financial Statements* effective 1st January 2009
- IAS 23 *Borrowing Costs (Revised)* effective 1st January 2009
- Amendments to IAS 32 and IAS 1 – *Puttable Financial Instruments and Obligations Arising on Liquidation* effective 1st January 2009
- IFRIC 9 *Remeasurement of Embedded Derivatives* and IAS 39 *Financial Instruments: Recognition and Measurement* effective 1st July 2008
- IFRIC 13 *Customer Loyalty Programmes* effective 1st July 2008
- IFRIC 15 *Agreements for the Construction of Real Estate* effective 1st January 2009
- IFRIC 16 *Hedges of a Net Investment in a Foreign Operation* effective 1st October 2008
- IFRIC 18 *Transfers of Assets from Customers* effective for transfers on or after 1st July 2009
- Improvements to IFRSs (May 2008) with an effective date of 1st January 2009 (i.e. all except for IFRS 5 amendment)

IFRS 8 *Operating Segments* replaced IAS 14 *Segment Reporting*. Following a review of its requirements, the Group has concluded that the operating segments determined in accordance with IFRS 8 are the same as the business segments previously identified under IAS 14. IFRS 8 disclosures are shown in note 1, including the related revised comparative information.

IAS 1 *Presentation of Financial Statements* has been revised and now requires the separation of owner and non-owner changes in equity and the presentation of a statement of changes in equity as a primary statement (the information contained in this statement had previously been provided by the Group in the notes to the Consolidated Financial Statements). The statement of changes in equity includes only details of transactions with owners, with non-owner changes in equity presented in a reconciliation of each component of equity. The revised standard also introduces the statement of comprehensive income; it presents all items of recognised income and expense, either in one single statement, or two linked statements. The Group has elected to present two statements, the Consolidated Income Statement and the Consolidated Statement of Comprehensive Income (similar to the Statement of Recognised Income and Expense previously provided except that taxation relating to equity items is now shown within the Consolidated Statement of Changes in Equity).

IFRS 7 *Financial Instruments – Disclosures* (amendment) requires enhanced disclosures about fair value measurement and liquidity risk and disclosure of fair value measurements by level of a fair value measurement hierarchy. The changes required by the amended standard are purely disclosure-related.

Adoption of the remaining standards and interpretations did not result in material changes in the Group's financial statements.

IFRS and IFRIC Interpretations which are not yet effective

The Group has not applied the following standards and interpretations that have been issued but are not yet effective:

- IFRS 2 *Share-based Payment: Group Cash-settled Share-based Payment Transactions* effective 1st January 2010
- IFRS 3R *Business Combinations (Revised)* and IAS 27 *Consolidated and Separate Financial Statements* (Amended) effective 1st July 2009 including consequential amendments to IFRS 7, IAS 21, IAS 28, IAS 31 and IAS 39
- IAS 39 *Financial Instruments: Recognition and Measurement – Eligible Hedged Items* effective 1st July 2009
- IFRIC 17 *Distributions of Non-cash Assets to Owners* effective 1st July 2009
- Improvements to IFRSs (April 2009) – amendments applying in respect of 2010 financial year-ends and thereafter

The standards and interpretations addressed above will be applied for the purposes of the Group financial statements with effect from the dates listed.

IFRS 3R *Business Combinations*, while it continues to apply the acquisition method to business combinations, introduces a number of changes to the accounting for business combinations that will impact the amount of goodwill recognised, the reported results in the period that an acquisition occurs and future reported results. These changes will include, but will not be limited to, the expensing of acquisition-related costs as incurred, the method of accounting for step acquisitions and the recognition and measurement of contingent consideration. IAS 27 (Amended) requires that a change in the ownership interest of a subsidiary (without loss of control) is accounted for as an equity transaction. The Group will apply IFRS 3R prospectively to all business combinations from 1st January 2010.

The application of the other standards and interpretations is not envisaged to have any material impact on the Group financial statements.

Basis of consolidation

The Consolidated Financial Statements include the financial statements of the Parent Company and all subsidiaries, joint ventures and associates, drawn up to 31st December each year.

Subsidiaries

The financial statements of subsidiaries are included in the Consolidated Financial Statements from the date on which control over the operating and financial decisions is obtained and cease to be consolidated from the date on which control is transferred out of the Group. Control exists when the Group has the power, directly or indirectly, to govern the financial and operating policies of an entity so as to obtain economic benefits from its activities. The existence and effect of potential voting rights that are currently exercisable or convertible are considered in determining the existence or otherwise of control.

Joint ventures

In line with IAS 31 *Interests in Joint Ventures*, the Group's share of results and net assets of joint ventures (jointly controlled entities), which are entities in which the Group holds an interest on a long-term basis and which are jointly controlled by

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the Group and one or more other venturers under a contractual arrangement, are accounted for on the basis of proportionate consolidation from the date on which the contractual agreements stipulating joint control are finalised and are derecognised when joint control ceases. The Group combines its share of the joint ventures' individual income and expenses, assets and liabilities and cash flows on a line-by-line basis with similar items in the Consolidated Financial Statements.

Loans to joint ventures are classified as loans and receivables within financial assets and are recorded at amortised cost.

Associates
Entities other than subsidiaries and joint ventures in which the Group has a participating interest, and over whose operating and financial policies the Group is in a position to exercise significant influence, are accounted for as associates using the equity method and are included in the Consolidated Financial Statements from the date on which significant influence is deemed to arise until the date on which such influence ceases to exist. If the Group's share of losses exceeds the carrying amount of an associate, the carrying amount is reduced to nil and recognition of further losses is discontinued except to the extent that the Group has incurred obligations in respect of the associate.

Equity method
Under the equity method, which is used in respect of accounting for the Group's investments in associates, the Consolidated Income Statement reflects the Group's share of profit after tax of the related associates. Investments in associates are carried in the Consolidated Balance Sheet at cost adjusted in respect of post-acquisition changes in the Group's share of net assets, less any impairment in value. Goodwill relating to the associate is included in the carrying amount of the investment and is neither amortised nor individually tested for impairment. Where indicators of impairment arise in accordance with the requirements of IAS 39 *Financial Instruments: Recognition and Measurement*, the carrying amount of the investment is tested for impairment by comparing its recoverable amount with its carrying amount.

Minority interests
Minority interests represent the portion of profit or loss and net assets not held by the Group and are presented separately in the Consolidated Income Statement and within equity in the Consolidated Balance Sheet, distinguished from Parent Company shareholders' equity. Acquisitions of minority interests are accounted for using the parent entity extension method whereby the difference between the consideration and the book value of the share of net assets acquired is recognised in goodwill.

Transactions eliminated on consolidation
Intra-group balances and transactions, income and expenses, and any unrealised gains or losses arising from such transactions, are eliminated in preparing the Consolidated Financial Statements. Unrealised gains arising from transactions with joint ventures and associates are eliminated to the extent of the Group's interest in the entity. Unrealised losses are eliminated in the same manner as unrealised gains, but only to the extent that there is no evidence of impairment in the Group's interest in the entity.

Revenue recognition

Revenue represents the value of goods and services supplied to external customers and excludes intercompany sales, trade discounts and value added tax/sales tax. Other than in the case of construction contracts, revenue is recognised to the extent that it is subject to reliable measurement, that it is probable that economic benefits will flow to the Group and that the significant risks and rewards of ownership have passed to the buyer, usually on delivery of the goods.

Construction contracts
Revenue on construction contracts is recognised in accordance with the percentage-of-completion method with the completion percentage being computed generally by reference to the proportion that contract costs incurred at the balance sheet date bear to the total estimated cost of the contract. Contract costs are recognised as incurred. When the outcome of a construction contract cannot be estimated reliably, contract revenue is recognised only to the extent of contract costs incurred that are likely to be recoverable. When the outcome of a construction contract can be estimated reliably and it is probable that the contract will be profitable, contract revenue is recognised over the period of the contract. When it is probable that total contract costs will exceed total contract revenue, the expected loss is recognised immediately as an expense. If circumstances arise that may change the original estimates of revenues, costs or extent of progress towards completion, estimates are revised. These revisions may result in increases or decreases in revenue or costs and are reflected in income in the period in which the circumstances that give rise to the revision became known by management.

Segment reporting

Operating segments are reported in a manner consistent with the internal organisational and management structure and the internal reporting information provided to the chief operating decision maker who is responsible for allocating resources and assessing performance of the operating segments. The Group has determined that it has six reportable operating segments based on its lines of business; materials, products and distribution in Europe and the Americas.

Foreign currency translation

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates ("the functional currency"). The Consolidated Financial Statements are presented in euro, which is the presentation currency of the Group and the functional currency of the Parent Company.

Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the rate of exchange ruling at the balance sheet date. All currency translation differences are taken to the Consolidated Income Statement with the exception of all monetary items that provide an effective hedge for a net investment in a foreign operation. These are recognised in other comprehensive income until the disposal of the net investment, at which time they are recognised in the income statement.

Results and cash flows of subsidiaries, joint ventures and associates with non-euro functional currencies have been translated into euro at average exchange rates for the year, and the related balance sheets have been translated at the rates of exchange ruling at the balance sheet date. Adjustments arising on translation of the results of non-euro subsidiaries, joint ventures and associates at average rates, and on restatement of the opening net assets at closing rates, are dealt with in a separate translation reserve within equity, net of differences on related currency borrowings. All other translation differences are taken to the Consolidated Income Statement.

On disposal of a foreign operation, accumulated currency translation differences are recognised in the Consolidated Income Statement as part of the overall gain or loss on disposal. Goodwill and fair value adjustments arising on acquisition of a foreign operation are regarded as assets and liabilities of the foreign operation, are expressed in the functional currency of the foreign operation, are recorded in euro at the exchange rate at the date of the transaction and are subsequently retranslated at the applicable closing rates.

The principal exchange rates used for the translation of results, cash flows and balance sheets into euro were as follows:

	Average		Year-end	
euro 1 =	**2009**	2008	**2009**	2008
US Dollar	**1.3948**	1.4708	**1.4406**	1.3917
Pound Sterling	**0.8909**	0.7963	**0.8881**	0.9525
Polish Zloty	**4.3276**	3.5121	**4.1045**	4.1535
Ukrainian Hryvnya	**11.2404**	7.7046	**11.4738**	10.8410
Swiss Franc	**1.5100**	1.5874	**1.4836**	1.4850
Canadian Dollar	**1.5850**	1.5594	**1.5128**	1.6998
Argentine Peso	**5.2111**	4.6443	**5.4885**	4.7924
Israeli Shekel	**5.4756**	5.2556	**5.5134**	5.3163
Turkish Lira	**2.1631**	1.9064	**2.1547**	2.1488
Indian Rupee	**67.4271**	63.7652	**66.9539**	67.5553

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Retirement benefit obligations

Costs arising in respect of the Group's defined contribution pension schemes are charged to the Consolidated Income Statement in the period in which they are incurred. The Group has no legal or constructive obligation to pay further contributions in the event that the fund does not hold sufficient assets to meet its benefit commitments.

The liabilities and costs associated with the Group's defined benefit pension schemes (both funded and unfunded) are assessed on the basis of the projected unit credit method by professionally qualified actuaries and are arrived at using actuarial assumptions based on market expectations at the balance sheet date. The discount rates employed in determining the present value of the schemes' liabilities are determined by reference to market yields at the balance sheet date on high-quality corporate bonds of a currency and term consistent with the currency and term of the associated post-employment benefit obligations.

When the benefits of a defined benefit scheme are improved, the portion of the increased benefit relating to past service by employees is recognised as an expense in the Consolidated Income Statement on a straight-line basis over the average period until the benefits become vested. To the extent that the enhanced benefits vest immediately, the related expense is recognised immediately in the Consolidated Income Statement.

The net surplus or deficit arising on the Group's defined benefit pension schemes, together with the liabilities associated with the unfunded schemes, are shown either within non-current assets or non-current liabilities on the face of the Consolidated Balance Sheet. The deferred tax impact of pension scheme surpluses and deficits is disclosed separately within deferred tax assets or liabilities as appropriate. Actuarial gains and losses are recognised immediately in the Consolidated Statement of Comprehensive Income.

The defined benefit pension asset or liability in the Consolidated Balance Sheet comprises the total for each plan of the present value of the defined benefit obligation less the fair value of plan assets out of which the obligations are to be settled directly. Plan assets are assets that are held by a long-term employee benefit fund or qualifying insurance policies. Fair value is based on market price information and in the case of published securities it is the published bid price. The value of any defined benefit asset is limited to the present value of any economic benefits available in the form of refunds from the plan and reductions in the future contributions to the plan.

The Group's obligation in respect of post-employment healthcare and life assurance benefits represents the amount of future benefit that employees have earned in return for service in the current and prior periods. The obligation is computed on the basis of the projected unit credit method and is discounted to present value using a discount rate equating to the market yield at the balance sheet date on high-quality corporate bonds of a currency and term consistent with the currency and estimated term of the post-employment obligations.

Share-based payments

The Group operates both Share Option Schemes and a Performance Share Plan. Its policy in relation to the granting of share options and the granting of awards under the Performance Share Plan together with the nature of the underlying market and non-market performance and other vesting conditions are addressed in the Report on Directors' Remuneration on pages 51 and 52.

Share options
For equity-settled share-based payment transactions (i.e. the issuance of share options), the Group measures the services received and the corresponding increase in equity at fair value at the grant date using the trinomial model. Fair value is determined on the basis that the services to be rendered by employees as consideration for the granting of share options will be received over the vesting period, which is assessed as at the grant date. The share options granted by the Company are not subject to market-based vesting conditions.

The cost of equity-settled transactions is recognised, together with a corresponding increase in equity, over the period in which the performance and/or service conditions are fulfilled. The cumulative expense recognised at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Group's best estimate of the number of equity instruments that will ultimately vest. The income statement expense/credit for a period represents the movement in cumulative expense recognised at the beginning and end of that period. The cumulative charge to the Consolidated Income Statement is reversed only where the performance condition is not met or where an employee in receipt of share options leaves service prior to completion of the expected vesting period and those options forfeit in consequence.

No expense is recognised for awards that do not ultimately vest, except for equity-settled transactions where vesting is conditional upon a non-vesting condition which is treated as vesting irrespective of whether or not it is satisfied, provided that all other performance and/or service conditions are satisfied.

Where an equity-settled award is cancelled, it is treated as if it vested on the date of cancellation, and any expense not yet recognised for the award is recognised immediately. This includes any award where non-vesting conditions within the control of either the Company or the employee are not met. All cancellations of equity-settled transaction awards are treated equally.

The proceeds received net of any directly attributable transaction costs are credited to share capital (nominal value) and share premium when the options are exercised.

The dilutive effect of outstanding options is reflected as additional share dilution in the determination of diluted earnings per share.

The measurement requirements of IFRS 2 have been implemented in respect of share options that were granted after 7th November 2002. The disclosure requirements of IFRS 2 have been applied in relation to all outstanding share-based payments regardless of their grant date.

To the extent that the Group receives a tax deduction relating to the services paid in shares, deferred tax in respect of share options is provided on the basis of the difference between the market price of the underlying equity as at the date of the financial statements and the exercise price of the option; where the amount of any tax deduction (or estimated future tax deduction) exceeds the amount of the related cumulative remuneration expense, the current or deferred tax associated with the excess is recognised directly in equity.

The Group has no exposure in respect of cash-settled share-based payment transactions and share-based payment transactions with cash alternatives.

Awards under the Performance Share Plan
The fair value of shares awarded under the Performance Share Plan is determined using a Monte Carlo simulation technique and is expensed in the Consolidated Income Statement over the vesting period. The Performance Share Plan contains inter alia a Total Shareholder Return-based (and hence market-based) vesting condition, and accordingly, the fair value assigned to the related equity instruments on initial application of IFRS 2 is adjusted so as to reflect the anticipated likelihood as at the grant date of achieving the market-based vesting condition.

Property, plant and equipment

Property, plant and equipment are stated at historical cost less any accumulated depreciation and any accumulated impairments except for certain items that had been revalued to fair value prior to the date of transition to IFRS (1st January 2004); these items are measured on the basis of deemed cost, being the revalued amount as at the date the revaluation was performed.

Depreciation and depletion
Depreciation is calculated to write off the book value of each item of property, plant and equipment over its useful economic life on a straight-line basis at the following rates:

Land and buildings: The book value of mineral-bearing land, less an estimate of its residual value, is depleted over the period of the mineral extraction in the proportion which production for the year bears to the latest estimates of mineral reserves. Land other than mineral-bearing land is not depreciated. In general, buildings are depreciated at 2.5% per annum (p.a.).

Plant and machinery: These are depreciated at rates ranging from 3.3% p.a. to 20% p.a. depending on the type of asset.

Transport: On average, transport equipment is depreciated at 20% p.a.

The residual values and useful lives of property, plant and equipment are reviewed, and adjusted if appropriate, at each balance sheet date.

Impairment of property, plant and equipment
In accordance with IAS 36 *Impairment of Assets*, the carrying values of items of property, plant and equipment are reviewed for impairment at each reporting date and are subject to impairment testing when events or changes in circumstances

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indicate that the carrying values may not be recoverable. Where the carrying values exceed the estimated recoverable amount (being the greater of fair value less costs to sell and value-in-use), the assets or cash-generating units are written-down to their recoverable amount. In assessing value-in-use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the future cash flow estimates have not been adjusted. The estimates of future cash flows exclude cash inflows or outflows attributable to financing activities and income tax. For an asset that does not generate largely independent cash inflows, the recoverable amount is determined by reference to the cash-generating unit to which the asset belongs.

Repair and maintenance expenditure
Repair and maintenance expenditure is included in an asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other repair and maintenance expenditure is charged to the Consolidated Income Statement during the financial period in which it is incurred.

Borrowing costs re items of property, plant and equipment
Borrowing costs incurred in the construction of major assets which take a substantial period of time to complete are capitalised in the financial period in which they are incurred.

Business combinations

The purchase method of accounting is employed in accounting for the acquisition of subsidiaries, joint ventures and associates by the Group.

The cost of a business combination is measured as the aggregate of the fair values at the date of exchange of assets given, liabilities incurred or assumed and equity instruments issued, together with any directly attributable expenses.

To the extent that settlement of all or any part of a business combination is deferred, the fair value of the deferred component is determined through discounting the amounts payable to their present value at the date of exchange. The discount component is unwound as an interest charge in the Consolidated Income Statement over the life of the obligation. Where a business combination agreement provides for an adjustment to the cost of the combination contingent on future events, the amount of the adjustment is included in the cost at the acquisition date if the adjustment is probable and can be reliably measured. Contingent consideration is included in the acquisition balance sheet on a discounted basis.

The assets and liabilities (and contingent liabilities, if relevant) arising on business combination activity are measured at their fair values at the date of acquisition. In the case of a business combination which is completed in stages, the fair values of the identifiable assets, liabilities and contingent liabilities are determined at the date of each exchange transaction. When the initial accounting for a business combination is determined provisionally, any adjustments to the provisional values allocated to the identifiable assets and liabilities (and contingent liabilities, if relevant) are made within twelve months of the acquisition date.

Minority interest is stated at the proportionate share of the fair values of the acquired assets and liabilities recognised; goodwill is not allocated to the minority interest. Subsequently, any losses applicable to the minority interest in excess of the minority interest are allocated against the interests of the parent.

Goodwill

Goodwill is the excess of the consideration paid over the fair value of the identifiable assets and liabilities (and contingent liabilities, if relevant) in a business combination and relates to the future economic benefits arising from assets which are not capable of being individually identified and separately recognised.

Goodwill applicable to jointly controlled entities is accounted for on the basis of proportionate consolidation and is therefore included in the goodwill caption in the Consolidated Balance Sheet, net of any impairments assessed in accordance with the methodology discussed below. The carrying amount of goodwill in respect of associates is included in investments in associates (i.e. within financial assets) under the equity method in the Consolidated Balance Sheet; such goodwill is not subject to annual impairment testing in accordance with IAS 28.

Where a subsidiary is disposed of or terminated through closure, the carrying value of any goodwill which arose on acquisition of that subsidiary, net of any impairments, is included in the determination of the net profit or loss on disposal/termination.

To the extent that the Group's interest in the net fair value of the identifiable assets and liabilities (and contingent liabilities, if relevant) acquired exceeds the cost of a business combination, the identification and measurement of the related assets and liabilities and contingent liabilities are revisited and the cost is reassessed with any remaining balance being recognised immediately in the Consolidated Income Statement.

Goodwill acquired in a business combination is allocated, from the acquisition date, to the cash-generating units that are anticipated to benefit from the combination's synergies. Following initial recognition, goodwill is measured at cost less any accumulated impairment losses. The cash-generating units represent the lowest level within the Group at which goodwill is monitored for internal management purposes and these units are not larger than the operating segments determined in accordance with IFRS 8 *Operating Segments*. Goodwill is subject to impairment testing on an annual basis and at any time during the year if an indicator of impairment is considered to exist. In the year in which a business combination is effected, and where some or all of the goodwill allocated to a particular cash-generating unit arose in respect of that combination, the cash-generating unit is tested for impairment prior to the end of the relevant annual period. Where the recoverable amount of the cash-generating unit is less than the carrying amount, an impairment loss is recognised. Impairment losses arising in respect of goodwill are not reversed once recognised.

Intangible assets (other than goodwill) arising on business combinations

An intangible asset is capitalised separately from goodwill as part of a business combination at cost (fair value at date of acquisition) to the extent that it is probable that the expected future economic benefits attributable to the asset will flow to the Group and that its cost can be measured reliably.

Subsequent to initial recognition, intangible assets are carried at cost less any accumulated amortisation and any accumulated impairment losses. The carrying values of definite-lived intangible assets are reviewed for indicators of impairment at each reporting date and are subject to impairment testing when events or changes in circumstances indicate that the carrying values may not be recoverable.

The amortisation of intangible assets is calculated to write-off the book value of definite-lived intangible assets over their useful lives on a straight-line basis on the assumption of zero residual value. In general, definite-lived intangible assets are amortised over periods ranging from one to ten years, depending on the nature of the intangible asset.

Other financial assets

All investments are initially recognised at the fair value of the consideration given plus any directly attributable transaction costs. Where equity investments are actively traded in organised financial markets, fair value is determined by reference to Stock Exchange quoted market bid prices at the close of business on the balance sheet date. Unquoted equity investments are recorded at historical cost and are included within financial assets in the Consolidated Balance Sheet given that it is impracticable to determine fair value in accordance with IAS 39. Where non-derivative financial assets meet the definition of "loans and receivables" under IAS 39 *Financial Instruments: Recognition and Measurement*, such balances are, following initial recognition, recorded at amortised cost using the effective interest method less any allowance for impairment. Gains and losses are recognised in profit or loss when the loans and receivables are derecognised or impaired as well as through the amortisation process.

Leases

Assets held under finance leases, which are leases where substantially all the risks and rewards of ownership of the asset have transferred to the Group, and hire purchase contracts, are capitalised in the Consolidated Balance Sheet and are depreciated over their useful lives with any impairment being recognised in accumulated depreciation. The asset is recorded at an amount equal to the lower of its fair value and the present value of the minimum lease payments at the inception of the finance lease. The capital elements of future obligations under leases and hire purchase contracts are included in liabilities in the Consolidated Balance Sheet and analysed between current and non-current amounts. The interest elements of the rental obligations are charged to the Consolidated

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Income Statement over the periods of the relevant agreements and represent a constant proportion of the balance of capital repayments outstanding in line with the implicit interest rate methodology.

Leases where the lessor retains substantially all the risks and rewards of ownership are classified as operating leases. Operating lease rentals are charged to the Consolidated Income Statement on a straight-line basis over the lease term.

Inventories and construction contracts

Inventories are stated at the lower of cost and net realisable value. Cost is based on the first-in, first-out principle (and weighted average, where appropriate) and includes all expenditure incurred in acquiring the inventories and bringing them to their present location and condition. Raw materials are valued on the basis of purchase cost on a first-in, first-out basis. In the case of finished goods and work-in-progress, cost includes direct materials, direct labour and attributable overheads based on normal operating capacity and excludes borrowing costs. Net realisable value is the estimated proceeds of sale less all further costs to completion, and less all costs to be incurred in marketing, selling and distribution.

Amounts recoverable on construction contracts, which are included in receivables, are stated at the net sales value of the work done less amounts received as progress payments on account. Cumulative costs incurred, net of amounts transferred to cost of sales, after deducting foreseeable losses, provisions for contingencies and payments on account not matched with revenue, are included as construction contract balances in inventories. Cost includes all expenditure related directly to specific projects and an allocation of fixed and variable overheads incurred in the Group's contract activities based on normal operating capacity.

Trade and other receivables and payables

Trade and other receivables and payables are stated at cost, which approximates fair value given the short-dated nature of these assets and liabilities.

Trade receivables are carried at original invoice amount less an allowance for potentially uncollectible debts. Provision is made when there is objective evidence that the Group will not be in a position to collect the associated debts. Bad debts are written-off in the Consolidated Income Statement on identification.

Cash and cash equivalents

Cash and cash equivalents comprise cash balances held for the purposes of meeting short-term cash commitments and investments which are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value. Where investments are categorised as cash equivalents, the related balances have a maturity of three months or less from the date of acquisition. Bank overdrafts are included within current interest-bearing loans and borrowings in the Consolidated Balance Sheet. Where the overdrafts are repayable on demand and form an integral part of cash management, they are netted against cash and cash equivalents.

Liquid investments

Liquid investments comprise short-term deposits and current asset investments which are held as readily disposable stores of value and include investments in government gilts and commercial paper and deposits of less than one year in duration. The maturity of these investments falls outside the three months timeframe for classification as cash and cash equivalents under IAS 7 *Statement of Cash Flows*, and accordingly these investments are treated as financial assets and are categorised as either "held-for-trading" or "loans and receivables" in accordance with IAS 39. Where relevant, the fair value of liquid investments is determined by reference to the traded value of actively traded instruments.

Derivative financial instruments and hedging practices

In order to manage interest rate, foreign currency and commodity risks and to realise the desired currency profile of borrowings, the Group employs derivative financial instruments (principally interest rate swaps, currency swaps and forward foreign exchange contracts).

At the inception of a derivative transaction, the Group documents the relationship between the hedged item and the hedging instrument together with its risk management objective and the strategy underlying the proposed transaction. The Group also documents its assessment, both at the inception of the hedging relationship and subsequently on an ongoing basis, of the effectiveness of the hedging instrument in offsetting movements in the fair values or cash flows of the hedged items.

Derivative financial instruments are stated at fair value. Where derivatives do not fulfil the criteria for hedge accounting, they are classified as "held-for-trading" in accordance with IAS 39 and changes in fair values are reported in operating costs in the Consolidated Income Statement. The fair value of interest rate and currency swaps is the estimated amount the Group would pay or receive to terminate the swap at the balance sheet date taking into account interest and currency rates at that date and the creditworthiness of the swap counterparties. The fair value of forward exchange contracts is calculated by reference to forward exchange rates for contracts with similar maturity profiles and equates to the quoted market price at the balance sheet date (being the present value of the quoted forward price).

Fair value and cash flow hedges

The Group uses fair value hedges and cash flow hedges in its treasury activities. For the purposes of hedge accounting, hedges are classified either as fair value hedges (which entail hedging the exposure to movements in the fair value of a recognised asset or liability or an unrecognised firm commitment that could affect profit or loss) or cash flow hedges (which hedge exposure to fluctuations in future cash flows derived from a particular risk associated with a recognised asset or liability, or a highly probable forecast transaction that could affect profit or loss).

Where the conditions for hedge accounting are satisfied and the hedging instrument concerned is classified as a fair value hedge, any gain or loss stemming from the re-measurement of the hedging instrument to fair value is reported in the Consolidated Income Statement. In addition, any gain or loss on the hedged item which is attributable to the hedged risk is adjusted against the carrying amount of the hedged item and reflected in the Consolidated Income Statement. Where the adjustment is to the carrying amount of a hedged interest-bearing financial instrument, the adjustment is amortised to the Consolidated Income Statement with the objective of achieving full amortisation by maturity.

Where a derivative financial instrument is designated as a hedge of the variability in cash flows of a recognised asset or liability or a highly probable forecast transaction that could affect profit or loss, the effective part of any gain or loss on the derivative financial instrument is recognised as other comprehensive income with the ineffective portion being reported in the Consolidated Income Statement. The associated gains or losses that had previously been recognised as other comprehensive income are transferred to the Consolidated Income Statement contemporaneously with the materialisation of the hedged transaction. Any gain or loss arising in respect of changes in the time value of the derivative financial instrument is excluded from the measurement of hedge effectiveness and is recognised immediately in the Consolidated Income Statement.

Hedge accounting is discontinued when the hedging instrument expires or is sold, terminated or exercised, or no longer qualifies for hedge accounting. At that point in time, any cumulative gain or loss on the hedging instrument recognised as other comprehensive income remains there until the forecast transaction occurs. If a hedged transaction is no longer anticipated to occur, the net cumulative gain or loss previously recognised as other comprehensive income is transferred to the Consolidated Income Statement in the period.

Net investment hedges

Where foreign currency borrowings provide a hedge against a net investment in a foreign operation, and the hedge is deemed to be effective, foreign exchange differences are taken directly to a foreign currency translation reserve. The ineffective portion of any gain or loss on the hedging instrument is recognised immediately in the Consolidated Income Statement. Cumulative gains and losses remain in equity until disposal of the net investment in the foreign operation at which point the related differences are transferred to the Consolidated Income Statement as part of the overall gain or loss on sale.

Interest-bearing loans and borrowings

All loans and borrowings are initially recorded at the fair value of the consideration received net of directly attributable transaction costs.

Subsequent to initial recognition, current and non-current interest-bearing loans and borrowings are, in general, measured at amortised cost employing the effective interest methodology. Fixed rate term loans, which have been hedged to

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floating rates (using interest rate swaps), are measured at amortised cost adjusted for changes in value attributable to the hedged risks arising from changes in underlying market interest rates. The computation of amortised cost includes any issue costs and any discount or premium materialising on settlement. Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the balance sheet date.

Gains and losses are recognised in the Consolidated Income Statement through amortisation on the basis of the period of the loans and borrowings and/or on impairment and derecognition of the associated loans and borrowings.

Borrowing costs arising on financial instruments are recognised as an expense in the period in which they are incurred (unless capitalised as part of the cost of property, plant and equipment).

Provisions for liabilities

A provision is recognised when the Group has a present obligation (either legal or constructive) as a result of a past event; it is probable that a transfer of economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Where the Group anticipates that a provision will be reimbursed, the reimbursement is recognised as a separate asset only when it is virtually certain that the reimbursement will arise. The expense relating to any provision is presented in the income statement net of any reimbursement. Provisions are measured at the present value of the expenditures expected to be required to settle the obligation. The increase in the provision due to passage of time is recognised as interest expense. Provisions arising on business combination activity are recognised only to the extent that they would have qualified for recognition in the financial statements of the acquiree prior to acquisition. Provisions are not recognised for future operating losses.

Tax (current and deferred)

Current tax represents the expected tax payable (or recoverable) on the taxable profit for the year using tax rates enacted or substantively enacted at the balance sheet date and taking into account any adjustments stemming from prior years. Any interest or penalties arising are included within current tax.

Deferred tax is provided using the liability method on all relevant temporary differences at the balance sheet date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes. Deferred tax assets and liabilities are not subject to discounting and are measured at the tax rates that are anticipated to apply in the period in which the asset is realised or the liability is settled based on tax rates and tax laws that have been enacted or substantively enacted at the balance sheet date.

Deferred tax liabilities are recognised for all taxable temporary differences with the exception of the following:

- where the deferred tax liability arises from the initial recognition of goodwill or of an asset or a liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor the taxable profit or loss; and
- in respect of taxable temporary differences associated with investments in subsidiaries, associates and joint ventures, where the timing of reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognised in respect of all deductible temporary differences, carry-forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profits will be available against which to offset these items. The following exceptions apply in this instance:

- where the deferred tax asset arises from the initial recognition of an asset or a liability in a transaction that is not a business combination and affects neither the accounting profit nor the taxable profit or loss at the time of the transaction; and
- where, in respect of deductible temporary differences associated with investments in subsidiaries, joint ventures and associates, a deferred tax asset is recognised only if it is probable that the deductible temporary difference will reverse in the foreseeable future and that sufficient taxable profits will be available against which the temporary difference can be utilised.

The carrying amounts of deferred tax assets are subject to review at each balance sheet date and are reduced to the extent that future taxable profits are considered to be inadequate to allow all or part of any deferred tax asset to be utilised.

Where items are accounted for outside of profit or loss, the related income tax is recognised either in other comprehensive income or directly in equity as appropriate.

Government grants

Capital grants are recognised at their fair value where there is reasonable assurance that the grant will be received and all attaching conditions have been complied with. When the grant relates to an expense item, it is recognised as income over the periods necessary to match the grant on a systematic basis to the costs that it is intended to compensate. Where the grant relates to an asset, the fair value is treated as a deferred credit and is released to the Consolidated Income Statement over the expected useful life of the relevant asset through equal annual instalments.

Share capital

Treasury Shares
Own equity instruments (i.e. Ordinary Shares) acquired by the Parent Company are deducted from equity and presented on the face of the Consolidated Balance Sheet. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the Parent Company's Ordinary Shares.

Own shares
Ordinary Shares purchased by the Employee Benefit Trust on behalf of the Parent Company under the terms of the Performance Share Plan are recorded as a deduction from equity on the face of the Consolidated Balance Sheet.

Dividends
Dividends on Ordinary Shares are recognised as a liability in the Consolidated Financial Statements in the period in which they are declared by the Parent Company.

Emission rights

Emission rights are accounted for such that a liability is recognised only in circumstances where emission rights have been exceeded from the perspective of the Group as a whole and the differential between actual and permitted emissions will have to be remedied through the purchase of the required additional rights at fair value; assets and liabilities arising in respect of under and over-utilisation of emission credits respectively are accordingly netted against one another in the preparation of the Consolidated Financial Statements. To the extent that excess emission rights are disposed of during a financial period, the profit or loss materialising thereon is recognised immediately within operating profit in the Consolidated Income Statement.

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Notes on Financial Statements

1. Segment Information

CRH is a diversified international building materials group which manufactures and distributes a range of building materials products from the fundamentals of heavy materials and elements to construct the frame, through value-added products that complete the building envelope, to distribution channels which service construction fit-out and renewal. Based on these key strategic drivers across the value chain, the Group is organised into six business segments comprising Europe Materials (including activities in China and India), Europe Products, Europe Distribution, Americas Materials, Americas Products and Americas Distribution. No operating segments have been aggregated to form these segments.

Materials businesses are predominantly engaged in the production and sale of a range of primary materials including cement, aggregates, readymixed concrete, asphalt/bitumen and agricultural and/or chemical lime.

Products businesses are predominantly engaged in the production and sale of architectural and structural concrete products, clay products, insulation products, fabricated and tempered glass products, construction accessories and the provision of a wide range of inter-related products and services to the construction sector.

Distribution businesses encompass builders merchanting activities and Do-It-Yourself (DIY) stores engaged in the marketing and sale of supplies to the construction sector and to the general public.

The principal factors employed in the identification of the six segments reflected in this note include the Group's organisational structure, the nature of the reporting lines to the Chief Operating Decision-Maker (as defined in IFRS 8 *Operating Segments*), the structure of internal reporting documentation such as management accounts and budgets, and the degree of homogeneity of products, services and geographical areas within each of the segments from which revenue is derived.

The Chief Operating Decision-Maker monitors the operating results of segments separately in order to allocate resources between segments and to assess performance. Segment performance is predominantly evaluated based on operating profit. As performance is also evaluated using operating profit before depreciation and amortisation (EBITDA), supplemental information based on EBITDA is also provided below. Given that net finance costs and income tax are managed on a centralised basis, these items are not allocated between operating segments for the purposes of the information presented to the Chief Operating Decision-Maker and are accordingly omitted from the detailed segmental analysis below.

Although IFRS 8 is being applied for the first time, there have been no changes to the basis of segmentation or to the basis of measurement of operating profit in compiling the consolidated financial statements in respect of the year ended 31st December 2009. In addition, there are no asymmetrical allocations to reporting segments which would require disclosure.

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A. Operating segments disclosures - Consolidated Income Statement data

	Continuing operations - year ended 31st December							
	Materials		Products		Distribution		Total Group	
	2009 €m	2008 €m	**2009 €m**	2008 €m	**2009 €m**	2008 €m	**2009 €m**	2008 €m
Segment revenue								
Europe	**2,749**	3,696	**3,002**	3,686	**3,633**	3,812	**9,384**	11,194
Americas	**4,280**	5,007	**2,536**	3,243	**1,173**	1,443	**7,989**	9,693
	7,029	8,703	**5,538**	6,929	**4,806**	5,255	**17,373**	20,887
Group operating profit before depreciation and amortisation (EBITDA)								
Europe	**434**	806	**283**	392	**204**	258	**921**	1,456
Americas	**670**	724	**173**	369	**39**	116	**882**	1,209
	1,104	1,530	**456**	761	**243**	374	**1,803**	2,665
Depreciation and amortisation (including asset impairment charges)								
Europe	**177**	175	**167**	168	**67**	64	**411**	407
Americas	**263**	262	**150**	131	**24**	24	**437**	417
	440	437	**317**	299	**91**	88	**848**	824
Group operating profit (EBIT)								
Europe	**257**	631	**116**	224	**137**	194	**510**	1,049
Americas	**407**	462	**23**	238	**15**	92	**445**	792
	664	1,093	**139**	462	**152**	286	**955**	1,841
Profit on disposal of non-current assets (i)							**26**	69
Finance costs (net)							**(297)**	(343)
Group share of associates' profit after tax (ii)							**48**	61
Profit before tax							**732**	1,628

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1. Segment Information continued

A. Operating segments disclosures - Consolidated Income Statement data continued

Segment revenue includes €3,252 million (2008: €3,593 million) in respect of revenue applicable to construction contracts. Revenue derived through the supply of services and intersegment revenue is not material to the Group. The transfer pricing policy implemented by the Group between operating segments and across its constituent entities is described in greater detail in note 33. In addition, due to the nature of building materials, which exhibit a low value-to-weight ratio, the Group's revenue streams include a low level of cross-border transactions.

Asset impairment charges of €41 million (2008: €14 million) relate to Europe Materials €9 million (2008: €nil million), Europe Products €19 million (2008: €12 million) and Americas Products €13 million (2008: €2 million).

	Continuing operations - year ended 31st December							
	Materials		Products		Distribution		Total Group	
	2009 €m	2008 €m	2009 €m	2008 €m	2009 €m	2008 €m	2009 €m	2008 €m
(i) Profit on disposal of non-current assets								
Europe	4	16	1	15	5	15	10	46
Americas	17	20	(1)	2	-	1	16	23
	21	36	-	17	5	16	26	69
(ii) Group share of associates' profit after tax								
Europe	39	45	1	5	7	11	47	61
Americas	1	-	-	-	-	-	1	-
	40	45	1	5	7	11	48	61

B. Operating segments disclosures - Consolidated Balance Sheet

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	Continuing operations - year ended 31st December							
	Materials		Products		Distribution		Total Group	
	2009 €m	2008 €m	2009 €m	2008 €m	2009 €m	2008 €m	2009 €m	2008 €m
Total assets								
Europe	4,224	4,319	2,879	3,191	1,991	2,174	9,094	9,684
Americas	5,166	5,481	2,221	2,662	611	738	7,998	8,881
	9,390	9,800	5,100	5,853	2,602	2,912	17,092	18,565
Reconciliation to total assets as reported in the Consolidated Balance Sheet								
Investments accounted for using the equity method							962	743
Other financial assets							128	127
Derivative financial instruments (current and non-current)							249	426
Income tax assets (current and deferred)							414	333
Liquid investments							66	128
Cash and cash equivalents							1,372	799
Total assets as reported in the Consolidated Balance Sheet							20,283	21,121
Total liabilities								
Europe	954	966	802	759	457	465	2,213	2,190
Americas	722	896	354	569	151	204	1,227	1,669
	1,676	1,862	1,156	1,328	608	669	3,440	3,859
Reconciliation to total liabilities as reported in the Consolidated Balance Sheet								
Interest-bearing loans and borrowings (current and non-current)							5,324	7,298
Derivative financial instruments (current and non-current)							86	146
Income tax liabilities (current and deferred)							1,711	1,647
Capital grants							12	14
Total liabilities as reported in the Consolidated Balance Sheet							10,573	12,964

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1. Segment Information continued

C. Operating segments disclosures - other items

		Continuing operations - year ended 31st December							
		Materials		Products		Distribution		Total Group	
		2009 €m	2008 €m	2009 €m	2008 €m	2009 €m	2008 €m	2009 €m	2008 €m
Additions to non-current assets									
Europe	Property, plant and equipment (note 13)	**260**	429	**51**	106	**42**	70	**353**	605
	Financial assets (note 15)	**235**	1	**-**	-	**1**	157	**236**	158
Americas	Property, plant and equipment (note 13)	**125**	304	**51**	121	**3**	9	**179**	434
	Financial assets (note 15)	**8**	48	**-**	-	**-**	-	**8**	48
		628	782	**102**	227	**46**	236	**776**	1,245

D. Entity-wide disclosures

Section 1: Information about products and services

The Group's revenue from external customers in respect of its principal products and services is analysed in the disclosures above.

Section 2: Information about geographical areas and customers

CRH has a presence in 35 countries worldwide. The revenues from external customers and non-current assets (as defined in IFRS 8) attributable to the country of domicile and all foreign countries of operation are as follows; regions which exceed 10% of total external Group revenue have been highlighted separately on the basis of materiality.

	Year ended 31st December Revenues by destination		As at 31st December Non-current assets	
	2009 €m	2008 €m	2009 €m	2008 €m
Country of domicile - Republic of Ireland	**500**	870	**569**	595
Benelux (mainly Netherlands)	**2,762**	3,070	**1,458**	1,518
Americas (mainly the United States)	**7,997**	9,702	**6,200**	6,527
Other	**6,114**	7,245	**5,493**	5,226
Group totals	**17,373**	20,887	**13,720**	13,866

There are no material dependencies or concentrations on individual customers which would warrant disclosure under IFRS 8. The individual entities within the Group each have a large number of customers spread across various activities, end-uses and geographies.

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2. Proportionate Consolidation of Joint Ventures

The Group's share of the income and expenses of its joint ventures for the years ended 31st December 2009 and 2008, the assets and liabilities as at 31st December 2009 and 2008 and future purchase commitments for property, plant and equipment, which are proportionately consolidated in the Consolidated Financial Statements where appropriate, are as follows:

Impact on Consolidated Income Statement

	2009 €m	2008 €m
Group share of:		
Revenue	**1,095**	1,172
Cost of sales	**(768)**	(806)
Gross profit	**327**	366
Operating costs	**(233)**	(229)
Operating profit	**94**	137
Profit on disposal of non-current assets	**1**	1
Profit before finance costs	**95**	138
Finance costs (net)	**(7)**	(13)
Profit before tax	**88**	125
Income tax expense	**(19)**	(26)
Group profit for the financial year	**69**	99
Depreciation charge for year	**55**	50

Impact on Consolidated Balance Sheet

	2009 €m	2008 €m
Group share of:		
Non-current assets	**1,319**	1,333
Current assets	**395**	423
Total assets	**1,714**	1,756
Total equity	**1,158**	1,143
Non-current liabilities	**330**	333
Current liabilities	**226**	280
Total liabilities	**556**	613
Total equity and liabilities	**1,714**	1,756
Net debt included above	**114**	153

The Group's share of net debt in joint ventures is non-recourse to the Group.

Future purchase commitments for property, plant and equipment

	2009 €m	2008 €m
Contracted for but not provided in the financial statements	**15**	30
Authorised by the Directors but not contracted for	**120**	122

A listing of the principal joint ventures is contained on page 129.

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3. Operating Costs

	2009 €m	2008 €m
Selling and distribution costs	2,410	2,753
Administrative expenses	1,392	1,486
Other operating expenses	112	82
Other operating income	(6)	(13)
Total	3,908	4,308

Other operating expenses and income comprise the following charges/(credits):

	2009 €m	2008 €m
Other operating expenses		
Share-based payment expense (note 7)	28	24
Amortisation of intangible assets (note 14)	43	43
Impairment of intangible assets (note 14)	11	-
Impairment of property, plant and equipment (note 13)	30	14
Mark-to-market of undesignated derivative financial instruments (held-for-trading)	-	1
Total	112	82
Other operating income		
Excess of fair value of identifiable net assets over consideration paid (note 32)	-	(6)
Mark-to-market of undesignated derivative financial instruments (held-for-trading)	(1)	(2)
Income from financial assets	(3)	(2)
Capital grants released (note 29)	(2)	(3)
Total	(6)	(13)

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4. Group Operating Profit

Group operating profit has been arrived at after charging the following amounts (including the Group's proportionate share of amounts in joint ventures):

	2009 €m	2008 €m
Depreciation		
- included in cost of sales	570	563
- included in operating costs	194	204
Total	764	767
Foreign exchange gains and losses (net)		
- included in operating costs	2	(6)
Total	2	(6)
Operating lease rentals (minimum lease payments)		
- hire of plant and machinery	86	104
- land and buildings	152	145
- other operating leases	44	36
Total	282	285
Auditors' remuneration (included in administrative expenses)		
Audit fees (i)	13	14
Audit-related fees (ii)	1	2
Tax fees	1	1
All other fees (iii)	-	-
	15	17

(i) Audit fees include Sarbanes-Oxley attestation.

(ii) Audit-related fees include acquisition-related due diligence amounting to €nil million (2008: €1.3 million) and other attestation services that are closely related to the performance of the audit. In addition to the due diligence fees expensed in the Consolidated Income Statement and included in the audit-related fees caption above, further due diligence fees of €nil (2008: €0.6 million) paid to the auditors have been included in the fair value of purchase consideration of business combinations for the respective periods; these amounts are reflected in the totals presented in note 32.

(iii) All other fees relate principally to transaction advisory services.

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5. Directors' Emoluments and Interests

Directors' emoluments (which are included in administrative expenses in note 3) and interests are given in the Report on Directors' Remuneration on pages 51 to 59 of this Annual Report.

6. Employment

The average number of employees (including CRH's proportionate share of employees in joint ventures) is as follows:

Year ended 31st December 2009	**Materials**	**Products**	**Distribution**	**Total Group**
Europe	**12,599**	**18,454**	**10,997**	**42,050**
Americas	**18,075**	**16,349**	**3,348**	**37,772**
Total	**30,674**	**34,803**	**14,345**	**79,822**
Year ended 31st December 2008				
Europe	14,560	21,265	11,499	47,324
Americas	22,028	20,227	3,993	46,248
Total	36,588	41,492	15,492	93,572

Employment costs charged in the Consolidated Income Statement (including the Group's proportionate share of joint ventures' costs) are analysed as follows:

	2009 €m	2008 €m
Wages and salaries	**2,711**	3,077
Social welfare costs	**340**	377
Other employment-related costs	**418**	401
Share-based payment expense (note 7)	**28**	24
Total pension costs (note 28)	**179**	176
Total	**3,676**	4,055
Total charge analysed between:		
Cost of sales	**1,834**	2,061
Operating costs	**1,834**	2,009
Finance costs (net) - applicable to defined benefit pension schemes (note 8)	**8**	(15)
Total	**3,676**	4,055

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7. Share-based Payment Expense

	2009 €m	2008 €m
Share option expense	**18**	17
Performance Share Plan expense	**10**	7
	28	24

€2 million (2008: €1 million) of the total expense reported in the Consolidated Income Statement relates to the Directors.

Share Option Schemes

The Group operates share option schemes, which were approved by shareholders in May 2000 (replacing the schemes which were approved in May 1990), and savings-related share option schemes, also approved by shareholders in May 2000. The general terms and conditions applicable to the share options granted by CRH under the share option schemes are set out in the Report on Directors' Remuneration on pages 51 to 59.

The Group's employee share options are equity-settled share-based payments as defined in IFRS 2 *Share-based Payment*. The measurement requirements of IFRS 2 have been implemented in respect of share options that were granted after 7th November 2002. As options to acquire Ordinary Shares in the Company are traditionally granted in April of each year, the expense reflected in operating costs in the Consolidated Income Statement of €18 million (2008: €17 million) relates to options granted in April 2003 and in the subsequent periods. The expense has been arrived at through applying a trinomial valuation technique; this is a lattice option-pricing model in accordance with IFRS 2.

All unexercised options and share awards under the Group's various share plans have been adjusted for the bonus element of the Rights Issue completed in March 2009 - see note 30 (iii). Throughout this note, prior year disclosures for options and share awards have not been restated for this bonus element.

Details of options granted under the share option schemes (excluding savings-related share option schemes)

A summary of activity under the Company's share option schemes in the two years ended 31st December 2009 and 31st December 2008 together with the weighted average exercise price of the share options is as follows:

	Weighted average exercise price	Number of options 2009	Weighted average exercise price	Number of options 2008
Share options				
Outstanding at beginning of year	**€21.03 / Stg£16.46**	**24,025,246**	€20.38 / Stg£16.06	23,304,553
Rights Issue adjustment - March 2009	**n/a**	**2,594,915**	n/a	-
Granted (a)	**€16.93 / Stg£15.30**	**2,596,000**	€23.87 / Stg£19.06	2,912,000
Exercised (b)	**€14.92 / Stg£10.17**	**(3,562,399)**	€15.89 / Stg£13.06	(1,558,866)
Lapsed	**€21.92 / Stg£16.31**	**(1,027,740)**	€22.89 / Stg£18.22	(632,441)
Outstanding at end of year	**€19.21 / Stg£15.46**	**24,626,022**	€21.03 / Stg£16.46	24,025,246
Exercisable at end of year	**€16.00 / Stg£11.57**	**11,816,179**	€17.53 / Stg£12.48	14,118,956

(a) Pursuant to the 2000 share option schemes, employees were granted options over 2,596,000 (2008: 2,912,000) of the Company's Ordinary Shares on 14th April 2009. These options may be exercised after the expiration of three years from their date of grant, subject to specified EPS growth targets being achieved. All options granted have a life of ten years.

(b) The weighted average share price at the date of exercise of these options was €18.29 (2008: €23.53).

The weighted average remaining contractual life for the share options outstanding as at 31st December 2009 is 5.16 years (2008: 5.24 years). The range of exercise prices for the 24,626,022 (2008: 24,025,246) options outstanding at the end of the year was €11.86 - €29.86 for the 24,478,108 (2008: 23,878,042) euro-denominated options (2008: €13.15 - €33.12) and Stg£8.17 - Stg£20.23 for the 147,914 (2008: 147,204) sterling-denominated options (2008: Stg£9.06 - Stg£22.43).

The CRH share price at 31st December 2009 was €19.01 (approximately Stg£16.88) (2008: €17.85/approximately Stg£17.00). The following analysis shows the number of outstanding share options with prices lower/higher than the year-end share price:

	2009	2008
Number of options with prices lower than year-end price		
Exercisable	**11,816,179**	6,075,620
Not exercisable	**4,583,144**	2,009,145
	16,399,323	8,084,765
Number of options with prices higher than year-end price		
Exercisable	**-**	8,043,336
Not exercisable	**8,226,699**	7,897,145
	8,226,699	15,940,481
Total options outstanding	**24,626,022**	24,025,246

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7. Share-based Payment Expense continued

The weighted average fair values assigned to options granted in 2009 and 2008 under the 2000 Share Option Schemes, which were computed in accordance with the trinomial valuation methodology, were as follows:

	Denominated in	
	€ 3-year	Stg£* 3-year
Granted during 2009 (amounts in €)	**3.05**	**2.97**
Granted during 2008 (amounts in €)	4.46	4.46

** € equivalents at the date of grant*

The fair values of these options were determined using the following assumptions:

	2009 3-year	2008 3-year
Weighted average exercise price (amounts in €)	**16.92**	23.87
Risk-free interest rate (%)	**2.38**	3.61
Expected dividend payments over the expected life (€ cent)	**320.1**	401.26
Expected volatility (%)	**24.5**	21.7
Expected life in years	**5**	5

The expected volatility was determined using an historical sample of 61 month-end CRH share prices. Share options are granted at market value at the date of grant. The expected lives of the options are based on historical data and are therefore not necessarily indicative of exercise patterns that may materialise.

Other than the assumptions listed above, no other features of option grants were factored into the determination of fair value. The terms of the options granted under the share option schemes do not contain any market conditions within the meaning of IFRS 2. No relevant modifications were effected to the share option schemes during the course of 2009 or 2008.

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Details of options granted under the savings-related share option schemes

	Weighted average exercise price	Number of options 2009	Weighted average exercise price	Number of options 2008
Savings-related share options				
Outstanding at beginning of year	**€21.20 / Stg£15.51**	**1,033,071**	€18.37 / Stg£12.53	1,259,082
Rights Issue adjustment - March 2009	**n/a**	**103,787**	n/a	-
Granted (a)	**€11.18 / Stg£11.36**	**932,491**	€20.40 / Stg£16.07	520,741
Exercised (b)	**€13.23 / Stg£11.18**	**(118,477)**	€11.07 / Stg£8.34	(487,350)
Lapsed	**€18.58 / Stg£14.21**	**(580,220)**	€22.67 / Stg£15.88	(259,402)
Outstanding at end of year	**€13.85 / Stg£12.62**	**1,370,652**	€21.20 / Stg£15.51	1,033,071
Exercisable at end of year	**€19.60 / Stg£14.14**	**5,193**	€11.87 / Stg£10.69	20,086

(a) Pursuant to the savings-related share option schemes operated by the Company in the Republic of Ireland and the United Kingdom, employees were granted options over 932,491 of the Company's Ordinary Shares on 2nd April 2009 (2008: 302,405 share options on 16th May 2008 and 218,336 share options on 3rd April 2008). Options granted during the year comprise options over 511,689 (2008: 248,572) shares which are normally exercisable within a period of six months after the third anniversary of the contract. Options over the remaining 420,802 (2008: 272,169) shares are normally exercisable within a period of six months of the fifth anniversary of the contract. Options granted under the savings-related share option schemes are not subject to EPS growth targets. The exercise price at which the options are granted under the schemes represents a discount of 15% to the market price on the date of grant.

(b) The weighted average share price at the date of exercise of these options was €17.71 (2008: €17.21).

The weighted average remaining contractual life for the savings-related share options outstanding as at 31st December 2009 is 3.34 years (2008: 2.89 years). The range of exercise prices for the 1,370,652 (2008: 1,033,071) savings-related share options outstanding at the end of the year was €11.18 - €24.25 for the 665,886 (2008: 496,634) euro-denominated options (2008: €10.63 - €26.89) and Stg£11.16 - Stg£16.78 for the 704,766 (2008: 536,437) sterling-denominated options (2008: Stg£7.18 - Stg£18.61).

The weighted average fair values assigned to options issued under the savings-related share option schemes, which were computed in accordance with the trinomial valuation methodology, were as follows:

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7. Share-based Payment Expense continued

	Denominated in			
	€	€	Stg£*	Stg£*
	3-year	5-year	3-year	5-year
Granted during 2009 (amounts in €)	**6.86**	**6.92**	**5.67**	**5.77**
Granted during 2008 (amounts in €)	5.85	6.41	5.98	6.56

** € equivalents at the date of grant*

The fair values of these options were determined using the following assumptions:

	2009		2008	
	3-year	5-year	3-year	5-year
Weighted average exercise price (amounts in €)	**12.04**	**11.82**	20.72	20.57
Risk-free interest rate (%)	**1.80**	**2.40**	3.95/3.58	4.00/3.69
Expected dividend payments over the expected life (€ cent)	**188.75**	**320.10**	219.73	401.26
Expected volatility (%)	**28.1**	**24.5**	21.6/21.8	20.9/21.7
Expected life in years	**3**	**5**	3	5

The expected volatility was determined using an historical sample of 37 month-end CRH share prices in respect of the three-year savings-related share options and 61 month-end share prices in respect of the five-year savings-related share options. The expected lives of the options are based on historical data and are therefore not necessarily indicative of exercise patterns that may materialise.

Other than the assumptions listed above, no other features of option grants were factored into the determination of fair value. The terms of the options issued under the savings-related share option schemes do not contain any market conditions within the meaning of IFRS 2. No relevant modifications were effected to the savings-related share option schemes during the course of 2009 or 2008.

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Performance Share Plan

The Group operates a Performance Share Plan which was approved by shareholders in May 2006. The general terms and conditions applicable to shares awarded by CRH under this Plan are set out in the Report on Directors' Remuneration on pages 51 to 59.

Shares awarded under the Group's Performance Share Plan are equity-settled share-based payments as defined in IFRS 2 *Share-based Payment*. IFRS 2 requires that a recognised valuation methodology be employed to determine the fair value of shares awarded and stipulates that this methodology should be consistent with methodologies used for the pricing of financial instruments. The expense of €10 million (2008: €7 million) reported in the Consolidated Income Statement has been arrived at through applying a Monte Carlo simulation technique to model the combination of market-based and non-market-based performance conditions in the Plan.

	Share price at date of award*	Period to earliest release date	Number of Shares: Initial award	Rights Issue adjustment	Cumulative lapses/releases to date**	Net outstanding	Fair value
Granted in 2006	€24.82	3 years	627,750	62,249	689,999	-	€12.11
Granted in 2007	€33.29	3 years	594,750	60,122	45,218	609,654	€17.14
Granted in 2008	€23.45	3 years	741,000	76,331	43,272	774,059	€10.27
Granted in 2009	€17.00	3 years	1,658,000	-	-	1,658,000	€8.29

* Share prices in respect of awards prior to the Rights Issue have not been rights adjusted.

** In March 2009, 474,997 (74.99% of the initial award net of lapses and adjusted for the Rights Issue) of the shares awarded under the Performance Share Plan in 2006 vested and accordingly were released to the participants of the scheme.

The fair value of the shares awarded was determined using a Monte Carlo simulation technique taking account of peer group total shareholder return, volatilities and correlations, together with the following assumptions:

	2009	2008
Risk-free interest rate (%)	**1.77**	3.49
Expected volatility (%)	**28.1**	21.8

The expected volatility was determined using an historical sample of 37 month-end CRH share prices.

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8. Finance Costs and Finance Revenue

	2009 €m	2008 €m
Finance costs		
Interest payable on bank loans and overdrafts repayable wholly within five years:		
- by instalments	**4**	11
- not by instalments	**223**	275
Interest payable under finance leases and hire purchase contracts	**1**	2
Interest payable on other borrowings	**149**	123
Total interest payable	**377**	411
Unwinding of discount element of provisions for liabilities (note 26)	**15**	16
Unwinding of discount applicable to deferred and contingent acquisition consideration	**4**	5
Income on interest rate and currency swaps	**(77)**	(34)
Mark-to-market of derivatives and related fixed rate debt:		
- interest rate swaps (i)	**133**	(283)
- currency swaps and forward contracts	**7**	3
- fixed rate debt (i)	**(135)**	287
Interest cost on defined benefit pension scheme liabilities	**95**	98
Total finance costs	**419**	503
Finance revenue		
Interest receivable on loans to joint ventures and associates	**(3)**	(4)
Interest receivable on liquid investments	**(4)**	(8)
Interest receivable on cash and cash equivalents	**(28)**	(35)
	(35)	(47)
Expected return on defined benefit pension scheme assets	**(87)**	(113)
Total finance revenue	**(122)**	(160)
Finance costs (net)	**297**	343

(i) The Group uses interest rate swaps to convert fixed rate debt to floating rate. Fixed rate debt, which has been converted to floating rate through the use of interest rate swaps, is stated in the Consolidated Balance Sheet at adjusted fair value to reflect movements in underlying fixed rates. The movement on this adjustment, together with the offsetting movement in the fair value of the related interest rate swaps, is included in finance costs in each reporting period.

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9. Group Share of Associates' Profit after Tax

The Group's share of associates' profit after tax is equity-accounted and is presented as a single-line item in the Consolidated Income Statement. The Group's share of profit after tax generated by associates is analysed as follows between the principal Consolidated Income Statement captions:

	2009 €m	2008 €m
Group share of:		
Revenue	**1,029**	1,006
Profit before finance costs	**64**	86
Finance costs (net)	**(5)**	(3)
Profit before tax	**59**	83
Income tax expense	**(11)**	(22)
Profit after tax	**48**	61

An analysis of the profit after tax by operating segment is presented in note 1. The aggregated balance sheet data (analysed between current and non-current assets and liabilities) in respect of the Group's investment in associates is presented in note 15.

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10. Income Tax Expense

	2009 €m	2008 €m
Current tax		
Republic of Ireland		
Corporation tax at 12.5% (2008: 12.5%)	**(5)**	21
Less: manufacturing relief	**-**	(3)
Tax on disposal of non-current assets	**1**	3
	(4)	21
Overseas tax	**29**	239
Tax on disposal of non-current assets - Overseas	**11**	17
Total current tax	**36**	277
Deferred tax		
Origination and reversal of temporary differences:		
Defined benefit pension obligations	**11**	5
Share-based payment expense	**(3)**	2
Derivative financial instruments	**(11)**	(1)
Other items	**101**	83
Total deferred tax	**98**	89
Income tax expense	**134**	366

Reconciliation of applicable tax rate to effective tax rate

	2009	2008
Profit before tax (€m)	**732**	1,628
Tax charge expressed as a percentage of profit before tax (effective tax rate):		
- current tax expense only	**4.9%**	17.0%
- total income tax expense (current and deferred)	**18.3%**	22.5%

The following table reconciles the applicable Republic of Ireland statutory tax rate to the effective tax rate (current and deferred) of the Group:

	% of profit before tax	
Irish corporation tax rate	**12.5**	12.5
Manufacturing relief in the Republic of Ireland	**-**	(0.2)
Higher tax rates on overseas earnings	**3.8**	10.5
Other items (comprising items not chargeable to tax/expenses not deductible for tax)	**2.0**	(0.3)
Total effective tax rate	**18.3**	22.5

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Current and deferred tax movements recognised directly within equity

	€m	€m
Recognised within the Consolidated Statement of Comprehensive Income:		
Deferred tax		
Defined benefit pension obligations	**20**	67
Cash flow hedges	**(2)**	4
	18	71
Recognised within the Consolidated Statement of Changes in Equity:		
Current tax		
Share option exercises	**1**	2
Deferred tax		
Share-based payment expense	**2**	(15)
	3	(13)
Income tax recognised within equity	**21**	58

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10. Income Tax Expense continued

Factors that may affect future tax charges and other disclosure requirements

Excess of capital allowances over depreciation
Based on current capital investment plans, the Group expects to continue to be in a position to claim capital allowances in excess of depreciation in future years.

Investments in subsidiaries and associates and interests in joint ventures
No provision has been made for temporary differences applicable to investments in subsidiaries and interests in joint ventures as the Group is in a position to control the timing of reversal of the temporary differences and it is probable that the temporary differences will not reverse in the foreseeable future. Due to the absence of control in the context of associates (significant influence only), deferred tax liabilities are recognised where appropriate in respect of CRH's investments in these entities on the basis that the exercise of significant influence would not necessarily prevent earnings being remitted by other shareholders in the undertaking. Given that participation exemptions and tax credits would be available in the context of the Group's investments in subsidiaries and joint ventures in the majority of the jurisdictions in which the Group operates, the aggregate amount of temporary differences in respect of which deferred tax liabilities have not been recognised would be immaterial (with materiality defined in the context of the year-end 2009 financial statements).

Other considerations
The total tax charge in future periods will be affected by any changes to the corporation tax rates in force in the countries in which the Group operates. The current tax charge will also be impacted by changes in the excess of tax depreciation (capital allowances) over accounting depreciation and the use of tax credits.

11. Dividends

As shown in note 30, the Company has various classes of share capital in issue comprising Ordinary Shares, 5% Cumulative Preference Shares and 7% 'A' Cumulative Preference Shares. The dividends paid and proposed in respect of these classes of share capital are as follows:

	2009 €m	2008 €m
Dividends to shareholders		
Preference		
5% Cumulative Preference Shares €3,175 (2008: €3,175)	-	-
7% 'A' Cumulative Preference Shares €77,521 (2008: €77,521)	-	-
Equity (i)		
Final - 43.74c (restated) per Ordinary Share in May 2009 (43.28c, restated paid in May 2008)	258	260
Interim - paid 18.50c per Ordinary Share (2008: 18.48c, restated)	128	109
Total	386	369
Dividends proposed (memorandum disclosure)		
Equity (i)		
Final 2009 - proposed 44.00c per Ordinary Share (2008: 43.74c, restated)	307	258
Reconciliation to Consolidated Statement of Cash Flows		
Dividends to shareholders	386	369
Less: issue of shares in lieu of dividends (ii)	(148)	(22)
Dividends paid to equity holders of the Company	238	347
Dividends paid by subsidiaries to minority interest	7	5
Total dividends paid	245	352

(i) Comparative per share amounts for 2008 have been restated to reflect the bonus element of the March 2009 Rights Issue - see note 12 (iii) below.

(ii) In accordance with the scrip dividend scheme, shares to the value of €148 million (2008: €22 million) were issued in lieu of dividends.

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12. Earnings per Ordinary Share

	2009 €m	2008 €m
The computation of basic and diluted earnings per Ordinary Share is set out below:		
Numerator computations - basic and diluted earnings per Ordinary Share		
Group profit for the financial year	**598**	1,262
Profit attributable to minority interest	**(6)**	(14)
Profit attributable to equity holders of the Company	**592**	1,248
Preference dividends	**-**	-
Profit attributable to ordinary equity holders of the Company	**592**	1,248
Amortisation of intangible assets (including impairments)	**54**	43
Profit attributable to ordinary equity holders of the Company excluding amortisation of intangible assets	**646**	1,291
Depreciation charge (including impairments)	**794**	781
Numerator for "cash" earnings per Ordinary Share (i)	**1,440**	2,072
Denominator computations		Restated (iii)
Denominator for basic earnings per Ordinary Share		
Weighted average number of Ordinary Shares (millions) outstanding for the year (ii)	**670.8**	593.9
Effect of dilutive potential Ordinary Shares (employee share options) (millions) (ii) and (iv)	**2.7**	3.3
Denominator for diluted earnings per Ordinary Share	**673.5**	597.2
Basic earnings per Ordinary Share		
- including amortisation of intangible assets	**88.3c**	210.2c
- excluding amortisation of intangible assets	**96.3c**	217.4c
Diluted earnings per Ordinary Share		
- including amortisation of intangible assets	**87.9c**	209.0c
- excluding amortisation of intangible assets	**95.9c**	216.2c
"Cash" earnings per Ordinary Share (i)	**214.7c**	348.9c

(i) "Cash" earnings per Ordinary Share, which is computed through adding amortisation of intangible assets, depreciation and asset impairments to profit attributable to ordinary equity holders of the Company, is presented here for information as management believes it is a useful indicator of the Group's ability to generate cash from operations. Cash earnings per share is not a recognised measure under generally accepted accounting principles.

(ii) *Basic and diluted earnings per Ordinary Share*: The weighted average number of Ordinary Shares included in the computation of basic and diluted earnings per Ordinary Share has been adjusted to exclude shares held by the Employee Benefit Trust and Ordinary Shares re-purchased and held by the Company (CRH plc) as Treasury Shares given that these shares do not rank for dividend. The number of Ordinary Shares so held at the balance sheet date is detailed in note 30.

(iii) As set out in note 30 (iii) 152,087,952 new Ordinary/Income Shares were issued in March 2009 at €8.40 per share on the basis of two new Ordinary/Income Shares for every seven existing Ordinary/Income Shares under the terms of a Rights Issue. The actual cum rights price on 3rd March 2009, the last day of quotation cum rights, was €15.065, and the theoretical ex rights price for an Ordinary/Income Share was therefore €13.5839 per share. The comparative earnings per share figures have been calculated by applying a factor of 1.1090 to the average number of shares in issue for 2008 in order to adjust for the bonus element of the Rights Issue.

(iv) The issue of certain Ordinary Shares in respect of employee share options and Performance Share Plan awards are contingent upon the satisfaction of specified performance conditions in addition to the passage of time. In accordance with IAS 33 *Earnings per Share*, these contingently issuable Ordinary Shares (totalling 15,851,556 at 31st December 2009 and 13,036,617 on a rights-adjusted basis at 31st December 2008) are excluded from the computation of diluted earnings per Ordinary Share where the conditions governing exercisability have not been satisfied as at the end of the reporting period.

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13. Property, Plant and Equipment

	Land and buildings (i) €m	Plant and machinery €m	Transport €m	Assets in course of construction €m	Total €m
At 31st December 2009					
Cost/deemed cost	**5,710**	**7,113**	**803**	**416**	**14,042**
Accumulated depreciation (and impairment charges)	**(1,245)**	**(3,758)**	**(504)**	**-**	**(5,507)**
Net carrying amount	**4,465**	**3,355**	**299**	**416**	**8,535**
At 1st January 2009, net carrying amount	**4,321**	**3,567**	**380**	**620**	**8,888**
Translation adjustment	**(59)**	**(61)**	**(8)**	**(5)**	**(133)**
Reclassifications	**279**	**164**	**(2)**	**(441)**	**-**
Additions at cost (ii)	**70**	**207**	**17**	**238**	**532**
Arising on acquisition (note 32)	**46**	**51**	**9**	**4**	**110**
Disposals at net carrying amount	**(39)**	**(19)**	**(10)**	**-**	**(68)**
Depreciation charge for year	**(146)**	**(531)**	**(87)**	**-**	**(764)**
Impairment charge for year (iii)	**(7)**	**(23)**	**-**	**-**	**(30)**
At 31st December 2009, net carrying amount	**4,465**	**3,355**	**299**	**416**	**8,535**

The equivalent disclosure for the prior year is as follows:

	Land and buildings (i) €m	Plant and machinery €m	Transport €m	Assets in course of construction €m	Total €m
At 31st December 2008					
Cost/deemed cost	5,434	6,952	847	620	13,853
Accumulated depreciation (and impairment charges)	(1,113)	(3,385)	(467)	-	(4,965)
Net carrying amount	4,321	3,567	380	620	8,888
At 1st January 2008, net carrying amount	4,030	3,416	378	402	8,226
Translation adjustment	61	8	13	(26)	56
Reclassifications	58	128	(4)	(182)	-
Additions at cost (ii)	141	413	71	414	1,039
Arising on acquisition (note 32)	218	179	20	12	429
Disposals at net carrying amount	(41)	(33)	(7)	-	(81)
Depreciation charge for year	(140)	(536)	(91)	-	(767)
Impairment charge for year (iii)	(6)	(8)	-	-	(14)
At 31st December 2008, net carrying amount	4,321	3,567	380	620	8,888
At 1st January 2008					
Cost/deemed cost	4,963	6,303	731	402	12,399
Accumulated depreciation	(933)	(2,887)	(353)	-	(4,173)
Net carrying amount	4,030	3,416	378	402	8,226

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(i) The carrying value of mineral-bearing land included in the land and buildings category above amounted to €1,797 million at the balance sheet date (2008: €1,780 million).

(ii) Borrowing costs capitalised during the financial year amounted to €9.5 million (2008: €13 million). The average capitalisation rate employed to determine the amount of borrowing costs eligible for capitalisation was 5.5% (2008: 5.5%).

(iii) Property, plant and equipment assets are reviewed for potential impairment at each reporting date by applying a series of external and internal indicators specific to the assets under consideration; these indicators would encompass macroeconomic issues including the inherent cyclicality of the building materials sector, actual obsolescence or physical damage, a deterioration in forecast performance in the internal reporting cycle and restructuring and rationalisation programmes inter alia. In the event that there is an indication that an asset (or collection of assets) may be impaired, the Group measures the potential impairment using a discounted cash flow technique and records an impairment where the recoverable amount (being the higher of fair value less costs to sell and value-in-use) is less than the carrying amount. The impairment charge for 2009 of €30 million (2008: €14 million) represents charges across a number of business units in the Group, none of which is individually material.

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13. Property, Plant and Equipment continued

Assets held under finance leases

The net carrying amount and the depreciation charge during the period in respect of assets held under finance leases, and capitalised in property, plant and equipment, are as follows:

	2009 €m	2008 €m
Cost	79	91
Accumulated depreciation	(45)	(43)
Net carrying amount	34	48
Depreciation charge for year	9	8
Future purchase commitments for property, plant and equipment		
Contracted for but not provided in the financial statements	272	433
Authorised by the Directors but not contracted for	139	133

14. Intangible Assets

	Goodwill €m	Other intangible assets: Marketing-related €m	Customer-related (i) €m	Contract-based €m	Total €m
At 31st December 2009					
Cost	3,976	35	274	22	4,307
Accumulated amortisation (and impairment charges)	(57)	(20)	(128)	(7)	(212)
Net carrying amount	3,919	15	146	15	4,095
At 1st January 2009, net carrying amount	3,884	22	185	17	4,108
Translation adjustment	(21)	(1)	(2)	-	(24)
Arising on acquisition (note 32)	64	-	2	-	66
Disposals	(1)	-	-	-	(1)
Amortisation charge for year (ii)	-	(5)	(36)	(2)	(43)
Impairment charge for year	(7)	(1)	(3)	-	(11)
At 31st December 2009, net carrying amount	3,919	15	146	15	4,095

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The equivalent disclosure for the prior year is as follows:

	Goodwill €m	Marketing-related €m	Customer-related (i) €m	Contract-based €m	Total €m
At 31st December 2008					
Cost	3,934	36	278	22	4,270
Accumulated amortisation (and impairment charges)	(50)	(14)	(93)	(5)	(162)
Net carrying amount	3,884	22	185	17	4,108
At 1st January 2008, net carrying amount	3,482	18	175	17	3,692
Translation adjustment	37	-	4	1	42
Arising on acquisition (note 32)	366	9	42	1	418
Disposals	(1)	-	-	-	(1)
Amortisation charge for year (ii)	-	(5)	(36)	(2)	(43)
At 31st December 2008, net carrying amount	3,884	22	185	17	4,108
At 1st January 2008					
Cost	3,532	27	230	21	3,810
Accumulated amortisation (and impairment charges)	(50)	(9)	(55)	(4)	(118)
Net carrying amount	3,482	18	175	17	3,692

(i) The customer-related intangible assets relate predominantly to non-contractual customer relationships.

(ii) Goodwill is not subject to amortisation under IFRS. The useful lives of all other intangible assets are finite and, in general, range from one to ten years dependent on the nature of the asset.

Due to the asset-intensive nature of operations in the Materials business segments, no significant intangible assets are recognised on business combinations in these segments. Business combinations in the Group's Products and Distribution segments do not exhibit the same level of asset intensity and intangible assets are recognised, where appropriate, on such combination activity.

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14. Intangible Assets continued

Goodwill

The goodwill balances disclosed above include goodwill arising on the acquisition of joint ventures which are accounted for on the basis of proportionate consolidation. Goodwill arising in respect of investments in associates is included in financial assets in the Consolidated Balance Sheet (see note 15). The net book value of goodwill capitalised under previous GAAP (Irish GAAP) as at the transition date to IFRS (1st January 2004) has been treated as deemed cost. Goodwill arising on acquisition since that date is capitalised at cost.

Cash-generating units

Goodwill acquired through business combination activity has been allocated to cash-generating units (CGUs) that are expected to benefit from synergies in that combination. The cash-generating units represent the lowest level within the Group at which the associated goodwill is monitored for internal management purposes and are not larger than the operating segments determined in accordance with IFRS 8 *Operating Segments*. A total of 29 (2008: 27) cash-generating units have been identified and these are analysed below between the six business segments in the Group. All businesses within the various cash-generating units exhibit similar and/or consistent profit margin and asset intensity characteristics. Assets, liabilities, deferred tax and goodwill have been assigned to the cash-generating units on a reasonable and consistent basis. Investments accounted for using the equity method have not been allocated given that such investments fall to be assessed for impairment under IAS 39 *Financial Instruments: Recognition and Measurement*.

	Cash-generating units		Goodwill	
	2009	2008	**2009 €m**	2008 €m
Europe Materials	**11**	10	**751**	747
Europe Products	**3**	4	**707**	708
Europe Distribution	**1**	1	**573**	558
Americas Materials	**8**	6	**1,037**	992
Americas Products	**5**	5	**586**	603
Americas Distribution	**1**	1	**265**	276
Total cash-generating units	**29**	27	**3,919**	3,884

Impairment testing methodology and results

Goodwill is subject to impairment testing on an annual basis. The recoverable amount of each of the 29 cash-generating units is determined based on a value-in-use computation, which is the only methodology applied by the Group and which has been selected due to the impracticality of obtaining fair value less costs to sell measurements for each reporting period. The cash flow forecasts are based on a five-year strategic plan document formally approved by senior management and the Board of Directors and specifically exclude the impact of future development activity. These cash flows are projected forward for an additional five years to determine the basis for an annuity-based terminal value, calculated on the same basis as the Group's acquisition modelling methodology. As in prior years, the terminal value is based on a 20-year annuity, with the exception of certain long-lived cement assets, where an assumption of a 40-year annuity has been used in 2009. The projected cash flows assume zero growth in real cash flows beyond the initial evaluation period. The value-in-use represents the present value of the future cash flows, including the terminal value, discounted at a rate appropriate to each cash-generating unit. The real pre-tax discount rates used range from 7.9% to 12.0% (2008: 8.1% to 13.4%); the average rate is in line with the Group's estimated weighted average cost of capital, arrived at using the Capital Asset Pricing Model.

An impairment charge of €7 million (2008: €nil million) has been recognised by the Group; this charge relates to the rationalisation of two individual sites in Europe Products.

Key sources of estimation uncertainty

The cash flows have been arrived at taking account of the Group's strong financial position, its established history of earnings and cash flow generation and the nature of the building materials industry, where product obsolescence is very low. However, expected future cash flows are inherently uncertain and are therefore liable to material change over time. The key assumptions employed in arriving at the estimates of future cash flows factored into impairment testing are subjective and include projected EBITDA (i.e. operating profit before depreciation and amortisation of intangible assets) margins, net cash flows, discount rates used and the duration of the discounted cash flow model.

Sensitivity analysis

Sensitivity analysis has been performed in respect of 6 of the 29 CGUs. These 6 CGUs had aggregate goodwill of €784 million and an aggregate carrying value of €2,566 million at the date of testing. The table below identifies the amounts by which each of the following assumptions may either decline or increase to arrive at a zero excess of the present value of future cash flows over the book value of net assets in the 6 CGUs selected for sensitivity analysis testing:

Reduction in EBITDA margin	0.8 to 3.7 percentage points
Reduction in profit before tax	11.1% to 34.9%
Reduction in net cash flow	8.3% to 19.5%
Increase in pre-tax discount rate	1.1 to 2.6 percentage points

Additional disclosures - significant goodwill amounts

The goodwill allocated to each of the 29 (2008: 27) cash-generating units accounts for between 10% and 20% of the total carrying amount of €3,919 million in one instance and less than 10% of the total carrying amount in all other cases. The additional disclosures required under IAS 36 *Impairment of Assets* are as follows:

	Europe Distribution	
	2009	2008
Carrying amount of goodwill allocated to the cash-generating unit at date of testing	**€573m**	€492m
Carrying amount of indefinite-lived intangible assets allocated to the cash-generating unit	**Nil**	Nil
Basis on which the recoverable amount of the cash-generating unit has been assessed	**Value-in-use**	Value-in-use
Discount rate applied to the cash flow projections (real pre-tax)	**10.0%**	10.2%
Excess of value-in-use over carrying amount	**€307m**	€938m

The key assumptions, methodology used and values applied to each of the key assumptions for this cash-generating unit are in line with those addressed above. Given the magnitude of the excess of value-in-use over carrying amount, and the reasonableness of the key assumptions employed, no further disclosures relating to sensitivity of the value-in-use computations for this CGU were considered to be warranted.

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15. Financial Assets

	Investments accounted for using the equity method (i.e. associates)				
	Share of net assets €m	Goodwill €m	Loans €m	Total €m	Other (ii) €m
At 1st January 2009	**532**	**208**	**3**	**743**	**127**
Translation adjustment	**(13)**	**(3)**	**-**	**(16)**	**(3)**
Associate becoming a subsidiary (note 32)	**(7)**	**-**	**-**	**(7)**	**-**
Investments and advances (i)	**144**	**90**	**1**	**235**	**9**
Disposals and repayments	**(2)**	**-**	**(1)**	**(3)**	**(5)**
Retained profit	**16**	**(6)**	**-**	**10**	**-**
At 31st December 2009	**670**	**289**	**3**	**962**	**128**

The equivalent disclosure for the prior year is as follows:

	Share of net assets €m	Goodwill €m	Loans €m	Total €m	Other (ii) €m
At 1st January 2008	465	105	4	574	78
Translation adjustment	2	1	-	3	5
Arising on acquisition (note 32)	1	-	-	1	2
Investments and advances (i)	54	102	-	156	50
Disposals and repayments	(8)	-	(1)	(9)	(8)
Retained profit	18	-	-	18	-
At 31st December 2008	532	208	3	743	127

The total investment in associates is analysed as follows:

	2009 €m	2008 €m
Non-current assets	**1,065**	792
Current assets	**581**	469
Non-current liabilities	**(302)**	(248)
Current liabilities	**(382)**	(270)
Net assets	**962**	743

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A listing of the principal associates is contained on page 129.

The Group holds a 21.23% stake (2008: 21.66%) in Groupe SAMSE, a publicly-quoted distributor of building materials to the merchanting sector in France which is accounted for as an associate investment above. The fair value of this investment as at the balance sheet date amounted to €42 million (2008: €40 million).

(i) The major investment during the year was the purchase on 5th January 2009 of a 26% stake in Yatai Cement, the leading cement manufacturer in northeastern China, for a consideration of €224 million.

(ii) Other financial assets primarily comprise trade investments carried at historical cost and loans extended by the Group to joint ventures (which are treated as loans and receivables under IAS 39 *Financial Instruments: Recognition and Measurement* and are included within financial assets at amortised cost). The balance as at 31st December 2009 comprises €14 million primarily in respect of trade investments and €114 million in respect of loans to joint ventures (2008: €15 million and €112 million respectively).

16. Disposal of Non-current Assets

	2009 €m	2008 €m
Non-current assets disposed of at net carrying amount:		
- property, plant and equipment (note 13)	**68**	81
- intangible assets (note 14)	**1**	1
- financial assets (note 15)	**8**	17
Total	**77**	99
Profit on disposal of non-current assets	**26**	69
Proceeds from disposal of non-current assets - Consolidated Statement of Cash Flows	**103**	168

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17. Inventories

	2009 €m	2008 €m
Raw materials	**585**	749
Work-in-progress (i)	**82**	110
Finished goods	**1,341**	1,614
Total inventories at the lower of cost and net realisable value	**2,008**	2,473

(i) Work-in-progress includes €nil million (2008: €nil million) in respect of the cumulative costs incurred, net of amounts transferred to cost of sales under percentage-of-completion accounting, for construction contracts in progress at the balance sheet date.

Write-downs of inventories recognised as an expense within cost of sales amounted to €41 million (2008: €17 million).

None of the above carrying amounts has been pledged as security for liabilities entered into by the Group.

18. Trade and Other Receivables

	2009 €m	2008 €m
All current		
Trade receivables	**1,608**	2,100
Amounts receivable in respect of construction contracts (i)	**350**	458
Total trade receivables, gross	**1,958**	2,558
Provision for impairment	**(158)**	(161)
Total trade receivables, net	**1,800**	2,397
Other receivables (ii)	**477**	486
Amounts receivable from associates	**1**	-
Prepayments and accrued income	**176**	213
Total	**2,454**	3,096

(i) Unbilled revenue at the balance sheet date in respect of construction contracts amounting to €89 million (2008: €119 million).

(ii) Other receivables include retentions held by customers in respect of construction contracts at the balance sheet date amounting to €82 million (2008: €94 million).

Trade receivables and amounts receivable in respect of construction contracts are in general receivable within 90 days of the balance sheet date.

A general discussion of the terms and conditions applicable to related party receivables is provided in note 33 to the financial statements.

The carrying amounts of trade and other receivables approximate their fair value largely due to the short-term maturities of these instruments.

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Provision for impairment
The movements in the provision for impairment of receivables during the financial year were as follows:

	2009	2008
At 1st January	**161**	158
Translation adjustment	**(1)**	1
Provided during year	**71**	63
Written-off during year	**(68)**	(51)
Recovered during year	**(5)**	(10)
At 31st December	**158**	161

Information in relation to the Group's credit risk management is provided in note 21 to the financial statements.

Aged analysis
The aged analysis of gross trade receivables and amounts receivable in respect of construction contracts at the balance sheet date was as follows:

	2009	2008
Neither past due nor impaired	**1,528**	2,148
Past due but not impaired:		
- less than 60 days	**112**	71
- 60 days or greater but less than 120 days	**89**	65
- 120 days or greater	**32**	40
Past due and impaired (partial or full provision)	**197**	234
Total	**1,958**	2,558

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19. Trade and Other Payables

	2009 €m	2008 €m
Current		
Trade payables	1,172	1,440
Irish employment-related taxes	3	3
Other employment-related taxes	76	78
Value added tax	85	92
Deferred and contingent acquisition consideration	32	44
Other payables (i)	372	495
Accruals and deferred income	682	731
Amounts payable to associates	49	36
Subtotal – current	2,471	2,919
Non-current		
Other payables	74	36
Deferred and contingent acquisition consideration (stated at net present cost) due as follows:		
- between one and two years	16	33
- between two and five years	35	36
- after five years	30	32
Subtotal – non-current	155	137

(i) Other payables include billings in excess of costs incurred together with advances received from customers in respect of work to be performed under construction contracts and foreseeable losses thereon amounting to €174 million at the balance sheet date (2008: €190 million).

The carrying amounts of trade and other payables approximate their fair value largely due to the short-term maturities of these instruments.

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20. Movement in Working Capital

	Inventories €m	Trade and other receivables €m	Trade and other payables €m	Total €m
At 1st January 2009	2,473	3,096	(3,056)	2,513
Translation adjustment	(34)	(31)	14	(51)
Arising on acquisition (note 32)	11	22	(14)	19
Movement in finance-related receivables	-	115	-	115
Deferred and contingent acquisition consideration:				
- arising on acquisitions during the year (note 32)	-	-	(8)	(8)
- paid during the year	-	-	37	37
Interest accruals	-	4	(10)	(6)
(Decrease)/increase in working capital	(442)	(752)	411	(783)
At 31st December 2009	2,008	2,454	(2,626)	1,836

The equivalent disclosure for the prior year is as follows:

	Inventories €m	Trade and other receivables €m	Trade and other payables €m	Total €m
At 1st January 2008	2,226	3,199	(3,097)	2,328
Translation adjustment	8	26	(15)	19
Arising on acquisition (note 32)	66	126	(89)	103
Deferred and contingent acquisition consideration:				
- arising on acquisitions during the year (note 32)	-	-	(12)	(12)
- paid during the year	-	-	34	34
Interest accruals	-	(4)	(12)	(16)
Increase/(decrease) in working capital	173	(251)	135	57
At 31st December 2008	2,473	3,096	(3,056)	2,513

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21. Capital and Financial Risk Management

Capital management

Overall summary

The primary objectives of CRH's capital management strategy are to ensure that the Group maintains a strong credit rating to support its business and to create shareholder value by managing the debt and equity balance and the cost of capital.

The Board periodically reviews the capital structure of the Group, including the cost of capital and the risks associated with each class of capital. The Group manages and, if necessary, adjusts its capital structure taking account of underlying economic conditions; any material adjustments to the Group's capital structure in terms of the relative proportions of debt and equity are approved by the Board. In order to maintain or adjust the capital structure, the Group may issue new shares, dispose of assets, amend investment plans, alter dividend policy or return capital to shareholders. The Group is committed to optimising the use of its balance sheet within the confines of the overall objective to maintain an investment grade credit rating. Dividend cover for the year ended 31st December 2009 amounted to 1.4 times (2008: 3.4 times).

The capital structure of the Group, which comprises net debt and capital and reserves attributable to the Company's equity holders, may be summarised as follows:

	2009 €m	2008 €m
Capital and reserves attributable to the Company's equity holders	**9,637**	8,087
Net debt (note 25)	**3,723**	6,091
Capital and net debt	**13,360**	14,178

Financial risk management objectives and policies

The Group uses financial instruments throughout its businesses: interest-bearing loans and borrowings, cash and cash equivalents, short-dated liquid investments and finance leases are used to finance the Group's operations; trade receivables and trade payables arise directly from operations; and derivatives, principally interest rate and currency swaps and forward foreign exchange contracts, are used to manage interest rate risks and currency exposures and to achieve the desired profile of borrowings. The Group does not trade in financial instruments nor does it enter into any leveraged derivative transactions.

The Group's corporate treasury function provides services to the business units, co-ordinates access to domestic and international financial markets, and monitors and manages the financial risks relating to the operations of the Group. The Group Treasurer reports to the Finance Director and the activities of the corporate treasury function are subject to regular internal audit. Systems are in place to monitor and control the Group's liquidity risks. The Group's net debt position forms part of the monthly documentation presented to the Board of Directors.

The main risks attaching to the Group's financial instruments are interest rate risk, foreign currency risk, credit risk and liquidity risk. Commodity price risk is of minimal relevance given that exposure is confined to a small number of contracts entered into for the purpose of hedging future movements in energy costs. The Board reviews and agrees policies for the prudent management of each of these risks as documented below.

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Interest rate risk

The Group's exposure to market risk for changes in interest rates stems predominantly from its long-term debt obligations. Interest cost is managed by the Group's corporate treasury function using a mix of fixed and floating rate debt. With the objective of managing this mix in a cost-efficient manner, the Group enters into interest rate swaps, under which the Group contracts to exchange, at predetermined intervals, the difference between fixed and variable interest amounts calculated by reference to a pre-agreed notional principal. Such contracts enable the Group to mitigate the risk of changing interest rates on the fair value of issued fixed rate debt and the cash flow exposures of issued floating rate debt.

The majority of these swaps are designated under IAS 39 to hedge underlying debt obligations and qualify for hedge accounting; undesignated financial instruments are termed "not designated as hedges" in the analysis of derivative financial instruments presented in note 24. The following table demonstrates the impact on profit before tax of a range of possible changes in the interest rates applicable to net floating rate borrowings, with all other variables held constant:

Percentage change in cost of borrowings		+/- 1%	+/- 0.5%
Impact on profit before tax	**2009**	**-/+ €8m**	**-/+ €4m**
	2008	-/+ €32m	-/+ €16m

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21. Capital and Financial Risk Management continued

Foreign currency risk

Due to the nature of building materials, which in general exhibit a low value-to-weight ratio, CRH's activities are conducted primarily in the local currency of the country of operation resulting in low levels of foreign currency transaction risk; variances arising in this regard are reflected in operating costs or cost of sales in the Consolidated Income Statement in the period in which they arise and are shown in note 4.

Given the Group's presence in 35 countries worldwide, the principal foreign exchange risk arises from fluctuations in the euro value of the Group's net investment in a wide basket of currencies other than the euro; such changes are reported separately within the Consolidated Statement of Comprehensive Income. A currency profile of the Group's net debt and net worth is presented in note 25. The Group's established policy is to spread its net worth across the currencies of its various operations with the objective of limiting its exposure to individual currencies and thus promoting consistency with the geographical balance of its operations. In order to achieve this objective, the Group manages its borrowings, where practicable and cost effective, partially to hedge its foreign currency assets. Hedging is done using currency borrowings in the same currency as the assets being hedged or through the use of other hedging methods such as currency swaps.

The following table demonstrates the sensitivity of profit before tax and equity to selected movements in the relevant €/US$ exchange rate (with all other variables held constant); the US Dollar has been selected as the appropriate currency for this analysis given the materiality of the Group's activities in the United States:

Percentage change in relevant €/US$ exchange rate		+/- 5%	+/-2.5%
Impact on profit before tax	**2009**	**-/+ €14m**	**-/+ €7m**
	2008	-/+ €29m	-/+ €15m
Impact on equity *	**2009**	**-/+ €170m**	**-/+ €87m**
	2008	-/+ €160m	-/+ €82m
* Includes the impact on financial instruments which is as follows:	**2009**	**+/- €105m**	**+/- €54m**
	2008	+/- €139m	+/- €71m

Financial instruments include deposits, money market funds, bank loans, medium term notes and other fixed term debt, interest rate swaps, commodity swaps and foreign exchange contracts. It excludes trade receivables and trade payables.

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Credit risk

In addition to cash at bank and in hand, the Group holds significant cash balances which are invested on a short-term basis and are classified as either cash equivalents or liquid investments (see note 22). These deposits and other financial instruments (principally certain derivatives and loans and receivables included within financial assets) give rise to credit risk on amounts due from counterparties. Credit risk is managed by limiting the aggregate amount and duration of exposure to any one counterparty primarily depending on its credit rating and by regular review of these ratings. Acceptable credit ratings are high investment grade ratings - generally counterparties have ratings of A2/A or higher from Moody's/Standard & Poor's ratings agencies. The maximum exposure arising in the event of default on the part of the counterparty is the carrying value of the relevant financial instrument.

Credit risk arising in the context of the Group's operations is not significant with the total bad debt provision at the balance sheet date amounting to circa 8.1% of gross trade receivables (2008: 6.3%). Customer credit risk is managed at appropriate Group locations subject to established policies, procedures and controls. Customer credit quality is assessed in line with strict credit rating criteria and credit limits established where appropriate. Outstanding customer balances are regularly monitored and a review for indicators of impairment (evidence of financial difficulty of the customer, payment default, breach of contract etc.) is carried out at each reporting date. Significant balances are reviewed individually while smaller balances are grouped and assessed collectively. Receivables balances are in general unsecured and non-interest-bearing. The trade receivables balances disclosed in note 18 comprise a large number of customers spread across the Group's activities and geographies with balances classified as neither past due nor impaired representing 78% of the total receivables balance at the balance sheet date (2008: 84%); amounts receivable from related parties (notes 18 and 33) are immaterial. Factoring and credit guarantee arrangements are employed in certain of the Group's operations where deemed relevant by operational management.

Liquidity risk

The principal liquidity risks faced by the Group stem from the maturation of debt obligations and derivative transactions. The Group's corporate treasury function ensures that sufficient resources are available to meet such liabilities as they fall due through a combination of liquid investments, cash and cash equivalents, cash flows and undrawn committed bank facilities. Flexibility in funding sources is achieved through a variety of means including (i) maintaining cash and cash equivalents and liquid resources only with a diversity of highly-rated counterparties; (ii) limiting the maturity of such balances; (iii) borrowing the bulk of the Group's debt requirements under committed bank lines or other term financing; and (iv) having surplus committed lines of credit.

The undrawn committed facilities available to the Group as at the balance sheet date are quantified in note 23; these facilities span a wide number of highly-rated financial institutions thus minimising any potential exposure arising from concentrations in borrowing sources. The repayment schedule (analysed by maturity date) applicable to the Group's outstanding interest-bearing loans and borrowings as at the balance sheet date is also presented in note 23.

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21. Capital and Financial Risk Management continued

The tables below show the projected contractual undiscounted total cash outflows (principal and interest) arising from the Group's trade and other payables, gross debt and derivative financial instruments. The tables also include the gross cash inflows projected to arise from derivative financial instruments. These projections are based on the interest and foreign exchange rates applying at the end of the relevant financial year.

	Within 1 year €m	Between 1 and 2 years €m	Between 2 and 3 years €m	Between 3 and 4 years €m	Between 4 and 5 years €m	After 5 years €m	Total €m
At 31st December 2009							
Financial liabilities - cash outflows							
Trade and other payables	**2,471**	**91**	**13**	**14**	**15**	**39**	**2,643**
Finance leases	**4**	**2**	**2**	**1**	**1**	**3**	**13**
Interest-bearing loans and borrowings	**377**	**550**	**782**	**507**	**893**	**1,911**	**5,020**
Interest payments on finance leases	**1**	**1**	**1**	**-**	**-**	**1**	**4**
Interest payments on interest-bearing loans and borrowings	**323**	**303**	**241**	**220**	**163**	**464**	**1,714**
Interest rate swaps - net cash outflows	**6**	**6**	**6**	**6**	**5**	**40**	**69**
Cross-currency swaps - gross cash outflows	**790**	**274**	**42**	**427**	**24**	**327**	**1,884**
Other derivative financial instruments	**3**	**2**	**-**	**1**	**-**	**-**	**6**
Gross projected cash outflows	**3,975**	**1,229**	**1,087**	**1,176**	**1,101**	**2,785**	**11,353**
Derivative financial instruments - cash inflows							
Interest rate swaps - net cash inflows	**(114)**	**(111)**	**(72)**	**(57)**	**(37)**	**(132)**	**(523)**
Cross-currency swaps - gross cash inflows	**(776)**	**(257)**	**(26)**	**(424)**	**(23)**	**(289)**	**(1,795)**
Other derivative financial instruments	**(1)**	**(1)**	**-**	**-**	**-**	**-**	**(2)**
Gross projected cash inflows	**(891)**	**(369)**	**(98)**	**(481)**	**(60)**	**(421)**	**(2,320)**

The equivalent disclosure for the prior year is as follows:

At 31st December 2008							
Financial liabilities - cash outflows							
Trade and other payables	2,919	72	14	14	15	41	3,075
Finance leases	6	4	2	1	1	5	19
Interest-bearing loans and borrowings	1,016	1,303	783	1,043	571	2,129	6,845
Interest payments on finance leases	1	1	1	-	-	2	5
Interest payments on interest-bearing loans and borrowings	377	323	268	195	169	649	1,981
Cross-currency swaps - gross cash outflows	1,394	42	42	41	428	351	2,298
Other derivative financial instruments	14	4	2	1	-	-	21
Gross projected cash outflows	5,727	1,749	1,112	1,295	1,184	3,177	14,244
Derivative financial instruments - cash inflows							
Interest rate swaps - net cash inflows	(60)	(60)	(57)	(37)	(30)	(108)	(352)
Cross-currency swaps - gross cash inflows	(1,342)	(34)	(34)	(33)	(438)	(291)	(2,172)
Other derivative financial instruments	(3)	-	(1)	-	-	-	(4)
Gross projected cash inflows	(1,405)	(94)	(92)	(70)	(468)	(399)	(2,528)

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Commodity price risk

The Group's exposure to commodity price risk is minimal with the fair value of derivatives used to hedge future energy costs being €5 million unfavourable as at the balance sheet date (2008: €19 million unfavourable).

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22. Liquid Investments and Cash and Cash Equivalents

Liquid investments and cash and cash equivalents balances are spread across a wide number of highly-rated financial institutions with no material concentrations in credit or liquidity risk.

Liquid investments

Liquid investments comprise short-term deposits and current asset investments which are held as readily disposable stores of value and include investments in government gilts and commercial paper and deposits of less than one year in duration. The maturity of these investments falls outside the three months timeframe for classification as cash and cash equivalents under IAS 7 *Cash Flow Statements*, and accordingly, the related balances have been separately reported in the Consolidated Balance Sheet and have been categorised as either "held-for-trading" or "loans and receivables" in accordance with IAS 39 *Financial Instruments: Recognition and Measurement* in the table below. The credit risk attaching to these items is documented in note 21.

	2009 €m	2008 €m
Held-for-trading (fair value through profit or loss)	62	127
Loans and receivables	4	1
Total	66	128

Cash and cash equivalents

In accordance with IAS 7, cash and cash equivalents comprise cash balances held for the purposes of meeting short-term cash commitments and investments which are readily convertible to a known amount of cash and are subject to an insignificant risk of change in value. Where investments are categorised as cash equivalents, the related balances have a maturity of three months or less from the date of investment. Bank overdrafts are included within current interest-bearing loans and borrowings in the Consolidated Balance Sheet.

Cash and cash equivalents are reported at fair value and are analysed as follows:

	2009 €m	2008 €m
Cash at bank and in hand	406	483
Investments (short-term deposits)	966	316
Included in Consolidated Balance Sheet and Consolidated Statement of Cash Flows	1,372	799

Cash at bank earns interest at floating rates based on daily deposit bank rates. Short-term deposits are made for varying periods of between one day and three months depending on the immediate cash requirements of the Group, and earn interest at the respective short-term deposit rates.

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23. Interest-bearing Loans and Borrowings

	2009 €m	2008 €m
Bank loans and overdrafts:		
- unsecured	**169**	2,250
- secured *	**35**	28
Other term loans:		
- unsecured	**4,881**	4,754
- secured *	**16**	22
Group share of joint ventures' interest-bearing loans and borrowings (non-current and current):		
- unsecured	**198**	215
- secured *	**25**	29
Interest-bearing loans and borrowings (non-current and current)	**5,324**	7,298
Included in current liabilities in the Consolidated Balance Sheet:		
- loans repayable within one year	**(268)**	(872)
- bank overdrafts	**(113)**	(149)
Current interest-bearing loans and borrowings	**(381)**	(1,021)
Non-current interest-bearing loans and borrowings	**4,943**	6,277

** Secured on specific items of property, plant and equipment; these figures include finance leases*

Repayment schedule		
Within one year	**381**	1,021
Between one and two years	**570**	1,309
Between two and three years	**857**	811
Between three and four years	**547**	1,148
Between four and five years	**924**	631
After five years	**2,045**	2,378
	5,324	7,298

Categorisation by manner of repayment		
Loans fully repayable within five years:		
- not by instalments	**3,135**	4,747
- by instalments	**124**	145
Subtotal	**3,259**	4,892
Loans fully repayable in more than five years:		
- not by instalments	**2,037**	2,364
- by instalments **	**28**	42
Subtotal	**2,065**	2,406
Interest-bearing loans and borrowings (non-current and current)	**5,324**	7,298

*** €8 million (2008: €14 million) falls due for repayment after five years*

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23. Interest-bearing Loans and Borrowings continued

Borrowing facilities

The Group manages its borrowing ability by entering into committed borrowing agreements. Revolving committed bank facilities are generally available to the Group for periods of up to five years from the date of inception. The undrawn committed facilities available as at 31st December 2009 and 31st December 2008, in respect of which all conditions precedent had been met, mature as follows:

	2009 €m	2008 €m
Within one year	203	589
Between one and two years	391	519
Between two and three years	782	160
Between three and four years	164	196
Between four and five years	3	53
After five years	26	49
	1,569	1,566

Included in the figures above is an amount of €189 million in respect of the Group's share of facilities available to joint ventures (2008: €304 million).

Guarantees

The Company has given letters of guarantee to secure obligations of subsidiary undertakings as follows: €5,098 million in respect of loans, bank advances, derivative obligations and future lease obligations (2008: €7,051 million), €6 million in respect of deferred and contingent acquisition consideration (2008: €7 million), €319 million in respect of letters of credit (2008: €419 million) and €43 million in respect of other obligations (2008: €43 million).

Pursuant to the provisions of Section 17, Companies (Amendment) Act, 1986, the Company has guaranteed the liabilities of its wholly-owned subsidiary undertakings and the Oldcastle Finance Company and Oldcastle North America Funding Company general partnerships in the Republic of Ireland for the financial year ended 31st December 2009 and, as a result, such subsidiary undertakings and the general partnerships have been exempted from the filing provisions of Section 7, Companies (Amendment) Act, 1986 and Regulation 20 of the European Communities (Accounts Regulations), 1993 respectively.

The Company has not guaranteed any debt or other obligations of joint ventures or associates.

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Lender covenants

The Group's major bank facilities and debt issued pursuant to Note Purchase Agreements in private placements require the Group to maintain certain financial covenants. Non-compliance with financial covenants would give the relevant lenders the right to terminate facilities and demand early repayment of any sums drawn thereunder thus altering the maturity profile of the Group's debt and the Group's liquidity. Calculations for financial covenants are completed for twelve-month periods ending quarterly on 31st March, 30th June, 30th September and 31st December. CRH was in full compliance with its financial covenants throughout each of the periods presented. The Group is not aware of any stated events of default.

The financial covenants are:

(1) *Minimum interest cover* (excluding share of joint ventures) defined as EBITDA/net interest cover at no lower than 4.5 times. As at 31st December 2009 the ratio was 6.1 times (2008: 7.4 times);

(2) *Minimum interest cover* (excluding share of joint ventures) defined as EBITDA plus rentals/net interest plus rentals at no lower than 3.0 times. As at 31st December 2009 the ratio was 3.8 times (2008: 4.8 times);

(3) *Maximum debt cover* (excluding share of joint ventures) defined as consolidated total net debt/EBITDA (taking into account proforma adjustments for acquisitions and disposals) at no higher than 3.5 times. As at 31st December 2009 the ratio was 2.2 times (2008: 2.4 times).

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24. Derivative Financial Instruments

The fair values of derivative financial instruments are analysed by year of maturity and by accounting designation as follows:

	Total €m	Within 1 year €m	Between 1 and 2 years €m	Between 2 and 3 years €m	Between 3 and 4 years €m	Between 4 and 5 years €m	After 5 years €m
At 31st December 2009							
Assets							
Fair value hedges	**186**	**-**	**18**	**71**	**36**	**27**	**34**
Net investment hedges	**4**	**4**	**-**	**-**	**-**	**-**	**-**
Not designated as hedges (held-for-trading)	**59**	**1**	**1**	**-**	**-**	**-**	**57**
	249	**5**	**19**	**71**	**36**	**27**	**91**
Analysed as:							
Non-current assets	**244**						
Current assets	**5**						
Total	**249**						
Liabilities							
Fair value hedges	**(30)**	**-**	**-**	**-**	**(30)**	**-**	**-**
Cash flow hedges	**(51)**	**(3)**	**(2)**	**-**	**(1)**	**-**	**(45)**
Net investment hedges	**(5)**	**(5)**	**-**	**-**	**-**	**-**	**-**
	(86)	**(8)**	**(2)**	**-**	**(31)**	**-**	**(45)**
Analysed as:							
Non-current liabilities	**(78)**						
Current liabilities	**(8)**						
Total	**(86)**						
Net asset arising on derivative financial instruments	**163**						

The equivalent disclosure for the prior year is as follows:

	Total €m	Within 1 year €m	Between 1 and 2 years €m	Between 2 and 3 years €m	Between 3 and 4 years €m	Between 4 and 5 years €m	After 5 years €m
At 31st December 2008							
Assets							
Fair value hedges	301	-	-	26	100	57	118
Cash flow hedges	2	2	-	-	-	-	-
Net investment hedges	7	7	-	-	-	-	-
Not designated as hedges (held-for-trading)	116	1	-	1	-	-	114
	426	10	-	27	100	57	232
Analysed as:							
Non-current assets	416						
Current assets	10						
Total	426						
Liabilities							
Fair value hedges	(40)	(26)	-	-	-	(14)	-
Cash flow hedges	(81)	(13)	(4)	(3)	(1)	-	(60)
Net investment hedges	(23)	(23)	-	-	-	-	-
Not designated as hedges (held-for-trading)	(2)	-	-	-	-	-	(2)
	(146)	(62)	(4)	(3)	(1)	(14)	(62)
Analysed as:							
Non-current liabilities	(84)						
Current liabilities	(62)						
Total	(146)						
Net asset arising on derivative financial instruments	280						

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24. Derivative Financial Instruments continued

Components of other comprehensive income:

	2009 €m	2008 €m
Cash flow hedges:		
Gains/(losses) arising during the year:		
Currency forward contracts	**-**	2
Commodity forward contracts	**1**	(24)
Reclassification adjustments for (gains)/losses included in:		
- the Consolidated Income Statement	**16**	(6)
- property, plant and equipment	**(2)**	-
	15	(28)

Fair value hedges consist of interest rate swaps and currency swaps. These instruments hedge risks arising from changes in asset/liability fair values due to interest rate and foreign exchange rate movements. In accordance with IAS 39 *Financial Instruments: Recognition and Measurement*, fair value hedges and the related hedged items are marked-to-market at each reporting date with any movement in the fair values of the hedged item and the hedging instrument being reflected in the Consolidated Income Statement.

Cash flow hedges consist of forward foreign exchange and commodity contracts and interest rate and currency swaps. These instruments hedge risks arising to future cash flows from movements in foreign exchange rates, commodity prices and interest rates. Cash flow hedges are expected to affect profit and loss over the period to maturity. To the extent that the hedging instrument satisfies effectiveness testing, any movements in the fair values of the hedged item and the hedging instrument are reflected in equity. Ineffectiveness is reflected in the Consolidated Income Statement.

Net investment hedges comprise cross-currency swaps and hedge changes in the value of net investments due to currency movements.

The profit/(loss) arising on fair value, cash flow and net investment hedges reflected in the Consolidated Income Statement is shown below:

	2009 €m	2008 €m
Cash flow hedges - ineffectiveness	**(6)**	-
Fair value hedges	**(108)**	284
Fair value of the hedged item	**105**	(287)
Net investment hedges - ineffectiveness	**-**	2

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25. Analysis of Net Debt

Components of and reconciliation of opening to closing net debt

Net debt comprises cash and cash equivalents, liquid investments, derivative financial instrument assets and liabilities and interest-bearing loans and borrowings.

	At 1st January Book value €m	Cash flow €m	Acquisitions €m	Mark-to-market €m	Translation adjustment €m	At 31st December Book value €m	At 31st December Fair value (i) €m
31st December 2009							
Cash and cash equivalents (note 22)	**799**	**589**	**4**	**-**	**(20)**	**1,372**	**1,372**
Liquid investments (note 22)	**128**	**(65)**	**-**	**-**	**3**	**66**	**66**
Interest-bearing loans and borrowings (note 23)	**(7,298)**	**1,744**	**(3)**	**135**	**98**	**(5,324)**	**(5,432)**
Derivative financial instruments (net) (note 24)	**280**	**(16)**	**-**	**(140)**	**39**	**163**	**163**
Group net debt (including share of non-recourse debt in joint ventures)	**(6,091)**	**2,252**	**1**	**(5)**	**120**	**(3,723)**	**(3,831)**
Group net debt excluding proportionately consolidated joint ventures	**(5,938)**	**2,215**	**1**	**(5)**	**118**	**(3,609)**	**(3,717)**

The equivalent disclosure for the prior year is as follows:

31st December 2008							
Cash and cash equivalents (note 22)	1,006	(262)	68	-	(13)	799	799
Liquid investments (note 22)	318	(175)	-	-	(15)	128	128
Interest-bearing loans and borrowings (note 23)	(6,498)	(358)	(55)	(287)	(100)	(7,298)	(6,324)
Derivative financial instruments (net) (note 24)	11	100	-	281	(112)	280	280
Group net debt (including share of non-recourse debt in joint ventures)	(5,163)	(695)	13	(6)	(240)	(6,091)	(5,117)
Group net debt excluding proportionately consolidated joint ventures	(4,999)	(678)	(19)	(6)	(236)	(5,938)	(4,964)

(i) The fair values of cash and cash equivalents and floating rate loans and borrowings are based on their carrying amounts, which constitute a reasonable approximation of fair value. The carrying value of liquid investments is the market value of these investments with these values quoted on liquid markets. The carrying value of derivatives is fair value based on discounted future cash flows at current foreign exchange and interest rates. The fair value of fixed rate debt is calculated based on actual traded prices for publicly traded debt or discounted future cash flows reflecting market interest rate changes since issuance for other fixed rate debt.

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Fair value hierarchy

The table below analyses financial instruments carried at fair value, by valuation method. The different levels have been defined as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities
- Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices)
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs)

	Level 1 €m	Level 2 €m	Total €m
At 31st December 2009			
Assets measured at fair value			
Fair value hedges - interest rate swaps	**-**	**186**	**186**
Net investment hedges - cross currency swaps	**-**	**4**	**4**
Not designated as hedges (held-for-trading) - interest rate swaps	**-**	**59**	**59**
Held-for-trading (fair value through profit or loss)	**62**	**-**	**62**
	62	**249**	**311**
Liabilities measured at fair value			
Fair value hedges - interest rate swaps	**-**	**(30)**	**(30)**
Cash flow hedges - cross currency swaps	**-**	**(51)**	**(51)**
Liquid investments: Net investment hedges - cross currency swaps	**-**	**(5)**	**(5)**
	-	**(86)**	**(86)**

During the reporting period ending 31st December 2009, there were no transfers between Level 1 and Level 2 fair value measurements, and no transfers into and out of Level 3 fair value measurements.

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25. Analysis of Net Debt continued

Currency profile

The currency profile of the Group's net debt and net worth (capital and reserves attributable to the Company's equity holders) as at 31st December 2009 is as follows:

	euro €m	US Dollar €m	Pound Sterling €m	Swiss Franc €m	Other (ii) €m	Total €m
Cash and cash equivalents - floating rate	**441**	**678**	**39**	**88**	**126**	**1,372**
Liquid investments - floating rate	**24**	**-**	**9**	**-**	**33**	**66**
Interest-bearing loans and borrowings - fixed rate	**(775)**	**(3,837)**	**(282)**	**(1)**	**(5)**	**(4,900)**
Interest-bearing loans and borrowings - floating rate	**(200)**	**(117)**	**(27)**	**(4)**	**(76)**	**(424)**
Net (debt)/cash by major currency excluding derivative financial instruments	**(510)**	**(3,276)**	**(261)**	**83**	**78**	**(3,886)**
Derivative financial instruments (including mark-to-market)	**(642)**	**1,065**	**227**	**(352)**	**(135)**	**163**
Net debt by major currency including derivative financial instruments	**(1,152)**	**(2,211)**	**(34)**	**(269)**	**(57)**	**(3,723)**
Non-debt assets and liabilities analysed as follows:						
Non-current assets	**4,610**	**6,142**	**508**	**700**	**2,097**	**14,057**
Current assets	**1,690**	**1,856**	**212**	**325**	**456**	**4,539**
Non-current liabilities	**(706)**	**(1,196)**	**(193)**	**(108)**	**(177)**	**(2,380)**
Current liabilities	**(1,140)**	**(1,009)**	**(184)**	**(213)**	**(237)**	**(2,783)**
Minority interest	**(25)**	**(5)**	**-**	**(8)**	**(35)**	**(73)**
Capital and reserves attributable to the Company's equity holders	**3,277**	**3,577**	**309**	**427**	**2,047**	**9,637**

The equivalent disclosure for the prior year is as follows:

	euro €m	US Dollar €m	Pound Sterling €m	Swiss Franc €m	Other (ii) €m	Total €m
Cash and cash equivalents - floating rate	331	174	22	66	206	799
Liquid investments - floating rate	42	43	43	-	-	128
Interest-bearing loans and borrowings - fixed rate	(34)	(4,271)	(263)	(4)	(3)	(4,575)
Interest-bearing loans and borrowings - floating rate	(1,536)	(413)	(406)	(247)	(121)	(2,723)
Net (debt)/cash by major currency excluding derivative financial instruments	(1,197)	(4,467)	(604)	(185)	82	(6,371)
Derivative financial instruments (including mark-to-market)	(1,349)	1,543	542	(300)	(156)	280
Net debt by major currency including derivative financial instruments	(2,546)	(2,924)	(62)	(485)	(74)	(6,091)
Non-debt assets and liabilities analysed as follows:						
Non-current assets	4,662	6,512	470	790	1,765	14,199
Current assets	2,023	2,337	234	395	580	5,569
Non-current liabilities	(629)	(1,204)	(145)	(135)	(166)	(2,279)
Current liabilities	(1,200)	(1,365)	(181)	(196)	(299)	(3,241)
Minority interest	(27)	(6)	-	(8)	(29)	(70)
Capital and reserves attributable to the Company's equity holders	2,283	3,350	316	361	1,777	8,087

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25. Analysis of Net Debt continued

Interest profile and analysis of gross debt and effective interest rates

31st December 2009

The fixed rate interest-bearing loans and borrowings including the impact of derivative financial instruments (interest rate and cross-currency swaps) as at 31st December 2009 are as follows:

	euro €m	US Dollar €m	Pound Sterling €m	Swiss Franc €m	Other (ii) €m	Total €m
Interest-bearing loans and borrowings - fixed rate as above (iii)	**(775)**	**(3,837)**	**(282)**	**(1)**	**(5)**	**(4,900)**
Impact of derivative financial instruments on fixed rate debt	**(568)**	**2,306**	**282**	**-**	**-**	**2,020**
Net fixed rate interest-bearing loans and borrowings	**(1,343)**	**(1,531)**	**-**	**(1)**	**(5)**	**(2,880)**
Weighted average fixed interest rates	***6.4%***	***6.3%***	**-**	***5.0%***	***4.6%***	***6.3%***
Weighted average fixed periods - years	***4.0***	***7.6***	**-**	***1.7***	***4.7***	***5.9***
Gross debt by major currency - analysis of effective interest rates						
- interest rates excluding derivative financial instruments	***6.3%***	***6.6%***	***7.7%***	***2.9%***	***4.0%***	***6.5%***
- gross debt excluding derivative financial instruments	**(975)**	**(3,954)**	**(309)**	**(5)**	**(81)**	**(5,324)**
- interest rates including derivative financial instruments	***6.2%***	***4.6%***	***1.5%***	***0.4%***	***2.4%***	***4.7%***
- gross debt including derivative financial instruments	**(1,617)**	**(2,889)**	**(82)**	**(357)**	**(216)**	**(5,161)**

The equivalent disclosure for the prior year is as follows:

31st December 2008

The fixed rate interest-bearing loans and borrowings including the impact of derivative financial instruments (interest rate and cross-currency swaps) as at 31st December 2008 are as follows:

	euro €m	US Dollar €m	Pound Sterling €m	Swiss Franc €m	Other (ii) €m	Total €m
Interest-bearing loans and borrowings - fixed rate as above (iii)	(34)	(4,271)	(263)	(4)	(3)	(4,575)
Impact of derivative financial instruments on fixed rate debt	(1,124)	2,553	263	-	(22)	1,670
Net fixed rate interest-bearing loans and borrowings	(1,158)	(1,718)	-	(4)	(25)	(2,905)
Weighted average fixed interest rates	*5.5%*	*6.3%*	-	*4.2%*	*6.6%*	*5.9%*
Weighted average fixed periods - years	*4.1*	*8.5*	-	*1.5*	*1.7*	*6.7*
Gross debt by major currency - analysis of effective interest rates						
- interest rates excluding derivative financial instruments	*6.6%*	*6.5%*	*5.6%*	*2.9%*	*6.2%*	*6.3%*
- gross debt excluding derivative financial instruments	(1,570)	(4,684)	(669)	(251)	(124)	(7,298)
- interest rates including derivative financial instruments	*5.8%*	*6.1%*	*3.7%*	*2.0%*	*5.8%*	*5.6%*
- gross debt including derivative financial instruments	(2,919)	(3,141)	(127)	(551)	(280)	(7,018)

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(ii) The principal currencies included in this category are the Canadian Dollar, the Polish Zloty, the Argentine Peso, the Ukranian Hryvnya, the Israeli Shekel, the Turkish Lira, the Chinese Renminbi and the Indian Rupee.

(iii) Of the Group's gross fixed rate debt at 31st December 2009, €2,913 million (2008: €2,892 million) was hedged to floating rate at inception using interest rate swaps. In accordance with IAS 39 *Financial Instruments: Recognition and Measurement*, hedged fixed rate debt is recorded at amortised cost adjusted for the change in value arising from changes in underlying market interest rates and the related hedging instruments (interest rate swaps) are stated at fair value. Adjustments to fixed rate debt values and the changes in the fair value of the hedging instrument are reflected in the Consolidated Income Statement. The balance of gross fixed rate debt of €1,987 million (2008: €1,683 million) are financial liabilities measured at amortised cost in accordance with IAS 39.

Floating rate debt comprises bank borrowings and finance leases bearing interest at rates set in advance for periods ranging from overnight to less than one year largely by reference to inter-bank interest rates (US$ LIBOR, Sterling LIBOR, Swiss Franc LIBOR and Euribor).

Gains and losses arising on the re-translation of net worth are dealt with in the Consolidated Statement of Comprehensive Income. Transactional currency exposures arise in a number of the Group's operations and these result in net currency gains and losses which are recognised in the Consolidated Income Statement and are immaterial (with materiality defined in the context of the year-end 2009 financial statements).

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26. Provisions for Liabilities

	At 1st January €m	Translation adjustment €m	Arising on acquisition €m	Provided during year €m	Utilised during year €m	Reversed unused €m	Discount unwinding (note 8) €m	At 31st December €m
Net present cost								
31st December 2009								
Insurance (i)	**214**	**(3)**	**-**	**88**	**(108)**	**-**	**10**	**201**
Environment and remediation (ii)	**67**	**(1)**	**-**	**2**	**(5)**	**-**	**2**	**65**
Rationalisation and redundancy (iii)	**19**	**-**	**-**	**114**	**(109)**	**-**	**1**	**25**
Other (iv)	**89**	**-**	**1**	**11**	**(28)**	**(6)**	**2**	**69**
Total	**389**	**(4)**	**1**	**215**	**(250)**	**(6)**	**15**	**360**
Analysed as:								
Non-current liabilities	**253**							**240**
Current liabilities	**136**							**120**
Total	**389**							**360**

The equivalent disclosure for the prior year is as follows:

	At 1st January €m	Translation adjustment €m	Arising on acquisition €m	Provided during year €m	Utilised during year €m	Reversed unused €m	Discount unwinding (note 8) €m	At 31st December €m
31st December 2008								
Insurance (i)	209	7	1	66	(79)	-	10	214
Environment and remediation (ii)	64	3	1	9	(11)	(1)	2	67
Rationalisation and redundancy (iii)	13	-	-	23	(17)	(1)	1	19
Other (iv)	103	(2)	2	22	(27)	(12)	3	89
Total	389	8	4	120	(134)	(14)	16	389
Analysed as:								
Non-current liabilities	248							253
Current liabilities	141							136
Total	389							389

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(i) **Insurance**

This provision relates to workers' compensation (employers' liability) and third-party liabilities or claims covered under the Group's self-insurance schemes. Reflecting the operation of these self-insurance schemes, a substantial portion of the total provision relates to claims which are classified as incurred but not reported in respect of which the Group will bear an excess which will not be recoverable from insurers. In addition, due to the extended timeframe which is typically involved in such claims, a significant component of the total provision is subject to actuarial valuation through the application of historical claims triangles. Where actuarial valuation is either inappropriate or impractical, other external assessments are made. The claims triangles applied in valuation indicate that these provisions have an average life of four years (2008: three years).

(ii) **Environment and remediation**

This provision comprises obligations governing site remediation and improvement costs to be incurred in compliance with either local or national environmental regulations together with constructive obligations stemming from established best practice. Whilst a significant element of the total provision will reverse in the medium-term (two to ten years), the majority of the legal and constructive obligations applicable to long-lived assets (principally mineral-bearing land) will unwind over a 30-year timeframe. In discounting the related obligations, expected future cash outflows have been determined with due regard to extraction status and anticipated remaining life.

(iii) **Rationalisation and redundancy**

These provisions relate to irrevocable commitments under various rationalisation and redundancy programmes, none of which is individually material to the Group. The increased amount provided and utilised in 2009 reflects the additional cost reduction initiatives undertaken during the year. The Group expects that these provisions will be utilised within two years (2008: three years) of the balance sheet date.

(iv) **Other**

This includes provisions relating to guarantees and warranties of €20 million (2008: €22 million) throughout the Group at 31st December 2009. The Group expects that these provisions will be utilised within three years of the balance sheet date (2008: four years).

All provisions are discounted at a rate of 5% (2008: 5%), derived primarily from the average effective interest rate for the Group's borrowings.

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27. Deferred Income Tax

The deductible and taxable temporary differences at the balance sheet date in respect of which deferred tax has been recognised are analysed as follows:

	2009 €m	2008 €m
Deferred income tax assets (deductible temporary differences)		
Deficits on Group defined benefit pension obligations (note 28)	103	94
Revaluation of derivative financial instruments to fair value	21	13
Share-based payment expense	9	4
Provisions for liabilities and working capital related items	157	206
Other deductible temporary differences	47	16
Total	337	333

Deferred income tax assets have been recognised in respect of all deductible temporary differences.

	2009 €m	2008 €m
Deferred income tax liabilities (taxable temporary differences)		
Taxable temporary differences principally attributable to accelerated tax depreciation and fair value adjustments arising on acquisition (i)	1,498	1,441
Revaluation of derivative financial instruments to fair value	1	1
Rolled-over capital gains	20	19
Total	1,519	1,461

(i) Fair value adjustments arising on acquisition principally relate to property, plant and equipment.

	2009 €m	2008 €m
Movement in net deferred income tax liability		
At 1st January	1,128	976
Translation adjustment	(26)	17
Net charge for the year (note 10)	98	89
Arising on acquisition (note 32)	(2)	81
Movement in deferred tax asset on Group defined benefit pension obligations	(20)	(67)
Movement in deferred tax asset on share-based payment expense	(2)	15
Movement in deferred tax liability on cash flow hedges	2	(4)
Reclassification	4	21
At 31st December	1,182	1,128

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28. Retirement Benefit Obligations

The Group operates either defined benefit or defined contribution pension schemes in all of its principal operating areas. Scheme assets are held in separate trustee administered funds.

At the year-end, €46 million (2008: €43 million) was included in other payables in respect of defined contribution pension liabilities and €1 million (2008: €1 million) was included in other receivables in respect of defined contribution pension prepayments.

The Group operates defined benefit pension schemes in the Republic of Ireland, Britain and Northern Ireland, the Netherlands, Belgium, Germany, Portugal, Switzerland and the United States; for the purposes of the disclosures which follow, the schemes in the Republic of Ireland, the Netherlands, Belgium, Germany and Portugal (49% joint venture) have been aggregated into a "eurozone" category on the basis of common currency and financial assumptions. In line with the principle of proportionate consolidation, the assets, liabilities, income and expenses attaching to defined benefit pension schemes in joint ventures are reflected in the figures below on the basis of the Group's share of these entities. The majority of the defined benefit pension schemes operated by the Group are funded as disclosed in the analysis of the defined benefit obligation presented below with unfunded schemes restricted to one scheme in each of the Netherlands, Portugal and the United States and four schemes in Germany.

In addition to the aforementioned defined benefit pension schemes, provision has been made in the financial statements for post-retirement healthcare obligations in respect of certain current and former employees principally in the United States and in Portugal and for long-term service commitments in respect of certain employees in the eurozone and Switzerland. These obligations are unfunded in nature and the required disclosures are set out below.

In all cases, the projected unit credit method has been employed in determining the present value of the obligations arising, the related current service cost and, where applicable, past service cost.

The cumulative actuarial gains and losses attributable to the Group's defined benefit pension scheme obligations at 1st January 2004 (the date of transition to IFRS) were recognised in full as at that date and adjusted against retained income. Actuarial gains and losses and the associated movement in the net deferred tax asset are recognised via the Consolidated Statement of Comprehensive Income.

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28. Retirement Benefit Obligations continued

Actuarial valuations - funding requirements

The funding requirements in relation to the Group's defined benefit schemes are assessed in accordance with the advice of independent and qualified actuaries and valuations are prepared in this regard either annually, where local requirements mandate that this be done, or at triennial intervals at a maximum in all other cases. In Ireland and Britain, either the attained age or projected unit credit methods are used in the valuations. In the Netherlands and Switzerland, the actuarial valuations reflect the current unit method, while the valuations are performed in accordance with the projected unit credit methodology in Portugal and Germany. In the United States, valuations are performed using a variety of actuarial cost methodologies - current unit, projected unit and aggregate cost. The actuarial valuations range from April 2006 to December 2009.

The assumptions which have the most significant effect on the results of the actuarial valuations are those relating to the rate of return on investments and the rates of increase in remuneration and pensions. In the course of preparing the funding valuations, it was assumed that the rate of return on investments would, on average, exceed annual remuneration increases by 2% and pension increases by 3% per annum. In general, actuarial valuations are not available for public inspection; however, the results of valuations are advised to the members of the various schemes.

Financial assumptions

The financial assumptions employed in the valuation of the defined benefit liabilities arising on pension schemes, post-retirement healthcare obligations and long-term service commitments applying the projected unit credit methodology are as follows:

Scheme liabilities

The major long-term assumptions used by the Group's actuaries in the computation of scheme liabilities as at 31st December 2009 and 31st December 2008 are as follows:

	Eurozone		Britain and Northern Ireland		Switzerland		United States	
	2009	2008	2009	2008	2009	2008	2009	2008
	%	%	%	%	%	%	%	%
Rate of increase in:								
- salaries	4.00	3.80	4.50	3.50	2.25	2.25	3.50	3.50
- pensions in payment	2.00	1.80	3.50-3.70	2.75-3.25	0.50	0.50	-	-
Inflation	2.00	1.80	3.50	2.75	1.50	1.50	2.00	2.00
Discount rate	6.00	5.80	5.75	6.25	3.25	3.50	5.75	6.25
Medical cost trend rate	5.25	5.25	n/a	n/a	n/a	n/a	9.50	10.00

The mortality assumptions employed in determining the present value of scheme liabilities under IAS 19 are in accordance with the underlying funding valuations and represented actuarial best practice in the relevant jurisdictions taking account of mortality experience and industry circumstances. With regard to the most material of the Group's schemes, the future life expectations factored into the relevant valuations based on retirement at 65 years of age for current and future retirees, are as follows:

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	Republic of Ireland		Britain and Northern Ireland		Switzerland	
	2009	2008	2009	2008	2009	2008
Current retirees						
- male	20.7	19.8	22.7	21.9	18.5	18.4
- female	23.8	22.8	25.5	24.6	22.0	21.9
Future retirees						
- male	21.8	20.8	24.5	22.4	18.5	18.4
- female	24.8	23.8	27.2	25.1	22.0	21.9

The above data allow for future improvements in life expectancy.

Scheme assets

The long-term rates of return expected at 31st December 2009 and 31st December 2008, determined in conjunction with the Group's actuaries and analysed by class of investment, are as follows:

	Eurozone		Britain and Northern Ireland		Switzerland		United States	
	2009	2008	2009	2008	2009	2008	2009	2008
	%	%	%	%	%	%	%	%
Equities	8.00	9.00	8.00	9.00	6.75	7.50	8.00	9.00
Bonds	4.50	4.25	5.00	4.75	2.75	3.25	5.50	6.00
Property	7.00	7.00	7.00	7.00	4.75	4.50	7.00	7.00
Other	2.50	2.50	2.50	2.50	2.50	2.50	2.50	2.50

The methodology applied in relation to the expected return on equities is driven by prevailing risk-free rates in the four jurisdictions listed and the application of an equity risk premium (which varies by country) to those rates. The differences between the expected return on bonds and the yields used to discount the liabilities in each of the four jurisdictions listed are driven by the fact that the majority of the Group's schemes hold an amalgam of government and corporate bonds. The property and "other" (largely cash holdings) components of the asset portfolio are not material. In all cases, the reasonableness of the assumed rates of return is assessed by reference to actual and target asset allocations in the long-term and the Group's overall investment strategy as articulated to the trustees of the various defined benefit pension schemes in operation.

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28. Retirement Benefit Obligations continued

(a) Impact on Consolidated Income Statement

The total expense charged to the Consolidated Income Statement in respect of defined contribution and defined benefit pension schemes, post-retirement healthcare obligations and long-term service commitments is as follows:

	2009 €m	2008 €m
Total defined contribution pension expense	**139**	141
Defined benefit		
Pension schemes (funded and unfunded)	**39**	35
Long-term service commitments (unfunded)	**1**	-
Total defined benefit expense	**40**	35
Total expense in Consolidated Income Statement	**179**	176

Analysis of defined benefit expense

The total defined benefit expense (comprising funded and unfunded defined benefit pension schemes and unfunded post-retirement healthcare obligations and long-term service commitments) is analysed as follows:

	Eurozone		Britain and Northern Ireland		Switzerland		United States		Total Group	
	2009 €m	2008 €m	2009 €m	2008 €m	2009 €m	2008 €m	2009 €m	2008 €m	2009 €m	2008 €m
Charged in arriving at Group operating profit										
Current service cost	**13**	18	**8**	11	**17**	16	**6**	6	**44**	51
Past service cost: benefit enhancements	**11**	(2)	**-**	1	**-**	2	**1**	-	**12**	1
Curtailment gain (i)	**-**	-	**(1)**	(2)	**-**	-	**(23)**	-	**(24)**	(2)
Subtotal	**24**	16	**7**	10	**17**	18	**(16)**	6	**32**	50
Included in finance revenue and finance costs respectively										
Expected return on scheme assets	**(35)**	(52)	**(23)**	(30)	**(20)**	(21)	**(9)**	(10)	**(87)**	(113)
Interest cost on scheme liabilities	**42**	45	**24**	27	**17**	16	**12**	10	**95**	98
Subtotal	**7**	(7)	**1**	(3)	**(3)**	(5)	**3**	-	**8**	(15)
Net charge to Consolidated Income Statement	**31**	9	**8**	7	**14**	13	**(13)**	6	**40**	35
Actual return on pension scheme assets	**70**	(200)	**63**	(82)	**45**	(48)	**22**	(34)	**200**	(364)

(i) During 2009, the Group closed certain of its defined benefit pension schemes in the United States to future accrual, giving rise to a curtailment gain of €23 million and a reduction in liabilities of the same amount. In compensation for the closure to future accrual, provision has been made for additional defined contribution top-up payments amounting to €11 million; this obligation is reflected in the 2009 defined contribution expense of €139 million presented above.

Based on the assumptions employed for the valuation of assets and liabilities at year-end 2009, and excluding the once-off past-service costs and curtailment gains recognised above of €12 million, the net charge in the 2010 Consolidated Income Statement is anticipated to exhibit a small increase from the 2009 figure of €52 million at constant exchange rates.

No reimbursement rights have been recognised as assets in accordance with IAS 19 *Employee Benefits.*

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28. Retirement Benefit Obligations continued

(b) Impact on Consolidated Balance Sheet

The net pension liability (comprising funded and unfunded defined benefit pension schemes and unfunded post-retirement healthcare obligations and long-term service commitments) as at 31st December 2009 and 31st December 2008 is analysed as follows:

	Eurozone		Britain and Northern Ireland		Switzerland		United States		Total Group	
	2009	2008	**2009**	2008	**2009**	2008	**2009**	2008	**2009**	2008
	€m	€m	**€m**	€m	**€m**	€m	**€m**	€m	**€m**	€m
Equities	**318**	258	**215**	169	**133**	94	**78**	58	**744**	579
Bonds	**209**	214	**144**	114	**230**	216	**51**	50	**634**	594
Property	**35**	49	**14**	12	**85**	99	**-**	-	**134**	160
Other	**22**	10	**11**	5	**56**	59	**4**	7	**93**	81
Bid value of assets	**584**	531	**384**	300	**504**	468	**133**	115	**1,605**	1,414
Actuarial value of liabilities (present value)	**(814)**	(759)	**(534)**	(372)	**(519)**	(500)	**(192)**	(197)	**(2,059)**	(1,828)
Recoverable deficit in schemes	**(230)**	(228)	**(150)**	(72)	**(15)**	(32)	**(59)**	(82)	**(454)**	(414)
Related deferred income tax asset	**35**	35	**42**	20	**3**	7	**23**	32	**103**	94
Net pension liability	**(195)**	(193)	**(108)**	(52)	**(12)**	(25)	**(36)**	(50)	**(351)**	(320)
Analysis of liabilities - funded and unfunded										
Funded										
Defined benefit pension schemes	**(770)**	(715)	**(534)**	(372)	**(514)**	(495)	**(180)**	(186)	**(1,998)**	(1,768)
Unfunded										
Defined benefit pension schemes	**(29)**	(29)	**-**	-	**-**	-	**(5)**	(4)	**(34)**	(33)
Total - defined benefit pension schemes	**(799)**	(744)	**(534)**	(372)	**(514)**	(495)	**(185)**	(190)	**(2,032)**	(1,801)
Post-retirement healthcare obligations (unfunded)	**(7)**	(8)	**-**	-	**-**	-	**(7)**	(7)	**(14)**	(15)
Long-term service commitments (unfunded)	**(8)**	(7)	**-**	-	**(5)**	(5)	**-**	-	**(13)**	(12)
Actuarial value of liabilities (present value)	**(814)**	(759)	**(534)**	(372)	**(519)**	(500)	**(192)**	(197)	**(2,059)**	(1,828)

The assumption made in relation to discount rates is a material source of estimation uncertainty as defined in IAS 1 *Presentation of Financial Statements*. The impact of a reduction of 25 basis points in the discount rates applied would be as follows with a corresponding increase in discount rates being inversely proportional:

	Eurozone 2009	Eurozone 2008	Britain and Northern Ireland 2009	Britain and Northern Ireland 2008	Switzerland 2009	Switzerland 2008	United States 2009	United States 2008	Total Group 2009	Total Group 2008
Revised discount rate	**5.75**	5.55	**5.50**	6.00	**3.00**	3.25	**5.50**	6.00	**n/a**	n/a
Revised liabilities figure	**(842)**	(789)	**(562)**	(392)	**(540)**	(519)	**(198)**	(204)	**(2,142)**	(1,904)
Split of asset values	**%**	%	**%**	%	**%**	%	**%**	%	**%**	%
Equities	**54.4**	48.6	**56.0**	56.3	**26.4**	20.1	**58.6**	50.4	**46.4**	41.0
Bonds	**35.8**	40.3	**37.5**	38.0	**45.6**	46.2	**38.4**	43.5	**39.5**	42.0
Property	**6.0**	9.2	**3.6**	4.0	**16.9**	21.1	**-**	-	**8.3**	11.3
Other	**3.8**	1.9	**2.9**	1.7	**11.1**	12.6	**3.0**	6.1	**5.8**	5.7
Total	**100**	100	**100**	100	**100**	100	**100**	100	**100**	100

The asset values above include €3 million in respect of investment in Ordinary Shares of the Company (CRH plc) as at 31st December 2009 (2008: €3 million).

Analysis of amounts included in the Consolidated Statement of Comprehensive Income

	Eurozone 2009	Eurozone 2008	Britain and Northern Ireland 2009	Britain and Northern Ireland 2008	Switzerland 2009	Switzerland 2008	United States 2009	United States 2008	Total Group 2009	Total Group 2008
Actual return less expected return on scheme assets	**35**	(252)	**40**	(112)	**25**	(69)	**13**	(44)	**113**	(477)
Experience (loss)/gain arising on scheme liabilities (present value)	**(12)**	(11)	**(5)**	(3)	**7**	1	**(3)**	(2)	**(13)**	(15)
Assumptions (loss)/gain arising on scheme liabilities (present value)	**(21)**	59	**(117)**	61	**(17)**	17	**(12)**	(3)	**(167)**	134
Asset limit adjustment	**-**	-	**-**	-	**-**	10	**-**	-	**-**	10
Actuarial gain/(loss) recognised	**2**	(204)	**(82)**	(54)	**15**	(41)	**(2)**	(49)	**(67)**	(348)

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28. Retirement Benefit Obligations continued

	Eurozone		Britain and Northern Ireland		Switzerland		United States		Total Group	
	2009 €m	2008 €m	2009 €m	2008 €m	2009 €m	2008 €m	2009 €m	2008 €m	2009 €m	2008 €m
Actuarial gains and losses recognised in the Consolidated Statement of Comprehensive Income										
Actual return less expected return on scheme assets	**35**	(252)	**40**	(112)	**25**	(69)	**13**	(44)	**113**	(477)
% of scheme assets	**6.0%**	(47.5%)	**10.4%**	(37.3%)	**5.0%**	(14.7%)	**9.8%**	(38.3%)	**7.0%**	(33.7%)
Experience (loss)/gain arising on scheme liabilities (present value)	**(12)**	(11)	**(5)**	(3)	**7**	1	**(3)**	(2)	**(13)**	(15)
% of scheme liabilities (present value)	**1.5%**	1.4%	**0.9%**	0.8%	**(1.3%)**	(0.2%)	**1.6%**	1.0%	**0.6%**	0.8%
Actuarial gain/(loss) recognised	**2**	(204)	**(82)**	(54)	**15**	(41)	**(2)**	(49)	**(67)**	(348)
% of scheme liabilities (present value)	**(0.2%)**	26.9%	**15.4%**	14.5%	**(2.9%)**	8.2%	**1.0%**	24.9%	**3.3%**	19.0%

The cumulative actuarial loss recognised in the Consolidated Statement of Comprehensive Income, following transition to IFRS on 1st January 2004, is as follows:

	€m
Recognised in 2004 financial year	**(119)**
Recognised in 2005 financial year	**(86)**
Recognised in 2006 financial year	**155**
Recognised in 2007 financial year	**159**
Recognised in 2008 financial year	**(348)**
Recognised in 2009 financial year	**(67)**
Cumulative actuarial loss recognised	**(306)**

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28. Retirement Benefit Obligations continued

	Eurozone		Britain and Northern Ireland		Switzerland		United States		Total Group	
	2009 €m	2008 €m	**2009 €m**	2008 €m	**2009 €m**	2008 €m	**2009 €m**	2008 €m	**2009 €m**	2008 €m
Reconciliation of scheme assets (bid value)										
At 1st January	**531**	767	**300**	478	**468**	458	**115**	143	**1,414**	1,846
Movement in year										
Translation adjustment	**-**	-	**22**	(97)	**1**	51	**(5)**	6	**18**	(40)
Arising on acquisition (note 32)	**-**	-	**-**	-	**-**	10	**-**	-	**-**	10
Employer contributions paid	**27**	17	**18**	20	**15**	15	**10**	7	**70**	59
Contributions paid by plan participants	**4**	5	**2**	4	**10**	10	**-**	-	**16**	19
Benefit payments	**(48)**	(58)	**(21)**	(23)	**(35)**	(28)	**(9)**	(7)	**(113)**	(116)
Actual return on scheme assets	**70**	(200)	**63**	(82)	**45**	(48)	**22**	(34)	**200**	(364)
At 31st December	**584**	531	**384**	300	**504**	468	**133**	115	**1,605**	1,414
Reconciliation of actuarial value of liabilities										
At 1st January	**(759)**	(793)	**(372)**	(526)	**(500)**	(439)	**(197)**	(173)	**(1,828)**	(1,931)
Movement in year										
Translation adjustment	**-**	-	**(28)**	114	**-**	(51)	**7**	(10)	**(21)**	53
Arising on acquisition (note 32)	**-**	(6)	**-**	-	**-**	(12)	**-**	-	**-**	(18)
Current service cost	**(13)**	(18)	**(8)**	(11)	**(17)**	(16)	**(6)**	(6)	**(44)**	(51)
Contributions paid by plan participants	**(4)**	(5)	**(2)**	(4)	**(10)**	(10)	**-**	-	**(16)**	(19)
Benefit payments	**48**	58	**21**	23	**35**	28	**9**	7	**113**	116
Past service cost: benefit enhancements	**(11)**	2	**-**	(1)	**-**	(2)	**(1)**	-	**(12)**	(1)
Interest cost on scheme liabilities	**(42)**	(45)	**(24)**	(27)	**(17)**	(16)	**(12)**	(10)	**(95)**	(98)
Actuarial (loss)/gain arising on:										
- experience variations	**(12)**	(11)	**(5)**	(3)	**7**	1	**(3)**	(2)	**(13)**	(15)
- changes in assumptions	**(21)**	59	**(117)**	61	**(17)**	17	**(12)**	(3)	**(167)**	134
Curtailment gain	**-**	-	**1**	2	**-**	-	**23**	-	**24**	2
At 31st December	**(814)**	(759)	**(534)**	(372)	**(519)**	(500)	**(192)**	(197)	**(2,059)**	(1,828)

Anticipated employer contributions payable in the 2010 financial year (expressed using average exchange rates for 2009) amount to €65 million in aggregate; the difference between the actual employer contributions paid in 2009 and the expectation of €55 million included in the 2008 Annual Report is largely attributable to a cash payment pertaining to the benefit enhancement of €11 million in the eurozone and movements in exchange rates. Employer contributions are reflected in the reconciliation of scheme assets as paid.

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	2009 €m	2008 €m	2007 €m	2006 €m	2005 €m
History of scheme assets, liabilities and actuarial gains and losses					
Bid value of assets	**1,605**	1,414	1,846	1,739	1,771
Actuarial value of liabilities (present value)	**(2,059)**	(1,828)	(1,931)	(2,001)	(2,221)
Asset limit adjustment	**-**	-	(10)	-	-
Recoverable deficit	**(454)**	(414)	(95)	(262)	(450)
Actual return less expected return on scheme assets	**113**	(477)	(61)	45	177
% of scheme assets	**7.0%**	(33.7%)	(3.3%)	2.6%	10.0%
Experience (loss)/gain arising on scheme liabilities (present value)	**(13)**	(15)	(25)	(6)	42
% of scheme liabilities (present value)	**0.6%**	0.8%	1.3%	0.3%	(1.9%)

Post-retirement healthcare benefits - sensitivity analysis on key actuarial assumptions

The impact of the sensitivity analysis on the key actuarial assumptions employed in the valuation of post-retirement healthcare benefits as required under IAS 19 *Employee Benefits* is not material to the Group (with materiality defined in the context of the year-end 2009 financial statements).

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29. Capital Grants

	2009 €m	2008 €m
At 1st January	14	11
Arising on acquisition (note 32)	-	2
Received	-	4
	14	17
Released to Consolidated Income Statement	(2)	(3)
At 31st December	12	14

30. Share Capital and Reserves

	2009		2008	
Equity Share Capital	Ordinary Shares of €0.32 each (i) €m	Income Shares of €0.02 each (ii) €m	Ordinary Shares of €0.32 each (i) €m	Income Shares of €0.02 each (ii) €m
Authorised				
At 1st January	235	15	235	15
Increase in authorised share capital	85	5	-	-
At 31st December	320	20	235	15
Number of Shares at 1st January ('000s)	735,000	735,000	735,000	735,000
Increase in number of Shares	265,000	265,000	-	-
Number of Shares at 31st December ('000s)	1,000,000	1,000,000	735,000	735,000
Allotted, called-up and fully paid				
At 1st January	175	11	175	11
Rights Issue (iii)	49	3	-	-
Share options and share participation schemes (iv)	-	-	-	-
Shares issued in lieu of dividends (v)	3	-	-	-
At 31st December	227	14	175	11

The movement in the number of shares (expressed in '000s) during the financial year was as follows:

	2009 Ordinary	2009 Income	2008 Ordinary	2008 Income
At 1st January	548,502	548,502	547,208	547,208
Rights Issue (iii)	152,088	152,088	-	-
Share options and share participation schemes (iv)	-	-	401	401
Shares issued in lieu of dividends (v)	9,895	9,895	893	893
At 31st December	710,485	710,485	548,502	548,502

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(i) **Ordinary Shares**
The Ordinary Shares represent 93.66% of the total issued share capital.

(ii) **Income Shares**
The Income Shares, which represent 5.85% of the total issued share capital, were created on 29th August 1988 for the express purpose of giving shareholders the choice of receiving dividends on either their Ordinary Shares or on their Income Shares (by notice of election to the Company). The Income Shares carried a different tax credit to the Ordinary Shares. The creation of the Income Shares was achieved by the allotment of fully paid Income Shares to each shareholder equal to his/her holding of Ordinary Shares but the shareholder is not entitled to an Income Share certificate, as a certificate for Ordinary Shares is deemed to include an equal number of Income Shares and a shareholder may only sell, transfer or transmit Income Shares with an equivalent number of Ordinary Shares. Income Shares carry no voting rights. Due to changes in Irish tax legislation since the creation of the Income Shares, dividends on the Company's shares no longer carry a tax credit. As elections made by shareholders to receive dividends on their holding of Income Shares were no longer relevant, the Articles of Association were amended on 8th May 2002 to cancel such elections.

(iii) **Rights Issue**
152,087,952 new Ordinary/Income Shares were issued in March 2009 at €8.40 per share under the terms of a Rights Issue on the basis of two new Ordinary/Income Shares for every seven existing Ordinary/Income Shares (excluding Treasury Shares). The aggregate nominal value of the Shares issued was €52 million and the total consideration amounted to €1.24 billion net of associated expenses.

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30. Share Capital and Reserves continued

(iv) **Share schemes**

Share option schemes

Details of share options granted under the Company's share option schemes and savings-related share option schemes and the terms attaching thereto are provided in note 7 to the financial statements. Under these schemes, options over a total of 3,680,876 Ordinary Shares were exercised during the financial year (2008: 2,046,216). Of this total, 3,553,043 (2008: 1,944,501) were satisfied by the re-issue of Treasury Shares and 127,833 (2008: 82,335) by the purchase of Ordinary Shares on the market by the Employee Benefit Trust. No new shares were issued in 2009 to satisfy share options exercised during the financial year (2008: 19,380).

Share participation schemes

At 31st December 2009, 6,778,469 (2008: 6,466,707) Ordinary Shares had been appropriated to participation schemes. In the financial year ended 31st December 2009, the appropriation of 311,762 shares was satisfied by the re-issue of Treasury Shares (2008: 55,849). The Ordinary Shares appropriated pursuant to these schemes were issued at market value on the dates of appropriation. The shares issued pursuant to these schemes are excluded from the scope of IFRS 2 *Share-based Payment* and are hence not factored into the expense computation and the associated disclosures in note 7.

During the ten-year period commencing on 3rd May 2000, the total number of Ordinary Shares which may be issued in respect of the share option schemes, the savings-related share option schemes, the share participation schemes and any subsequent share option schemes, may not exceed 15% in aggregate of the issued Ordinary share capital from time to time.

(v) **Shares issued in lieu of dividends**

In May 2009, 6,588,110 (2008: 893,242) Ordinary Shares were issued to the holders of Ordinary Shares who elected to receive additional Ordinary Shares at a price of €13.83 (2008: €24.15) per share, instead of part or all of the cash element of their 2008 and 2007 final dividends. In November 2009, 3,307,480 (2008: nil) Ordinary Shares were issued to the holders of Ordinary Shares who elected to receive additional Ordinary Shares at a price of €17.20 per share, instead of part or all of the cash element of their 2009 interim dividend. The 2008 interim dividend was paid wholly in cash.

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Preference Share Capital	**5% Cumulative Preference Shares of €1.27 each** (vi) **€m**	**7% 'A' Cumulative Preference Shares of €1.27 each** (vii) **€m**
Authorised		
At 1st January 2009 and 31st December 2009	-	1
Number of Shares at 1st January 2009 and 31st December 2009 ('000s)	**150**	**872**
Allotted, called-up and fully paid		
At 1st January 2009 and 31st December 2009	-	1
Number of Shares at 1st January 2009 and 31st December 2009 ('000s)	**50**	**872**

There was no movement in the number of cumulative preference shares in either the current or the prior year.

(vi) **5% Cumulative Preference Shares**

The holders of the 5% Cumulative Preference Shares are entitled to a fixed cumulative preference dividend at a rate of 5% per annum and priority in a winding-up to repayment of capital, but have no further right to participate in profits or assets and are not entitled to be present or vote at general meetings unless their dividend is in arrears. Dividends on the 5% Cumulative Preference Shares are payable half-yearly on 15th April and 15th October in each year. The 5% Cumulative Preference Shares represent 0.03% of the total issued share capital.

(vii) **7% 'A' Cumulative Preference Shares**

The holders of the 7% 'A' Cumulative Preference Shares are entitled to a fixed cumulative preference dividend at a rate of 7% per annum, and subject to the rights of the holders of the 5% Cumulative Preference Shares, priority in a winding-up to repayment of capital but have no further right to participate in profits or assets and are not entitled to be present or vote at general meetings unless their dividend is in arrears or unless the business of the meeting includes certain matters, which are specified in the Articles of Association. Dividends on the 7% 'A' Cumulative Preference Shares are payable half-yearly on 5th April and 5th October in each year. The 7% 'A' Cumulative Preference Shares represent 0.46% of the total issued share capital.

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30. Share Capital and Reserves continued

Treasury Shares/own shares	2009 €m	2008 €m
At 1st January	(378)	(19)
Performance Share Plan expense	-	7
Shares acquired by CRH plc (Treasury Shares)	-	(411)
Treasury/own shares re-issued	114	48
Shares acquired by Employee Benefit Trust (own shares)	(2)	(3)
Reclassification of Performance Share Plan expense	(13)	-
At 31st December	(279)	(378)

As at the balance sheet date, the total number of Treasury Shares held was 12,339,200 (2008: 16,204,005); the nominal value of these shares was €4 million (2008: €6 million). During the year ended 31st December 2009, 3,864,805 Shares were re-issued (2008: 2,000,350) to satisfy exercises and appropriations under the Group's share option and share participation schemes (see (iv) above). These re-issued Treasury Shares were previously purchased at an average price of €25.35 (2008: €23.94). No Treasury Shares were purchased during the year ended 31st December 2009 (2008: 18,204,355).

In accordance with the terms of the Performance Share Plan (see note 7), which was approved by shareholders at the 2006 Annual General Meeting, Ordinary Shares have been purchased by the Employee Benefit Trust on behalf of CRH plc. The number of these shares held as at the balance sheet date was as follows:

	Ordinary shares	
	2009	2008
At 1st January	937,750	937,750
Released to the participants of the Performance Share Plan	(474,997)	-
At 31st December	462,753	937,750

The nominal value of own shares, on which dividends have been waived by the Trustees of the Performance Share Plan, amounted to €0.2 million at 31st December 2009 (2008: €0.3 million).

In accordance with section 148(8) of the Companies Act, 1963 and section 7(1A) of the Companies (Amendment) Act, 1986, the Company is availing of the exemption from presenting its individual profit and loss account to the Annual General Meeting and from filing it with the Registrar of Companies.

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Reconciliation of shares issued to proceeds shown in Consolidated Statement of Cash Flows

	2009 €m	2008 €m
Shares issued at nominal amount:		
- shares issued in respect of Rights Issue	52	-
- share options and share participation schemes	-	-
- shares issued in lieu of dividends	3	-
Premium on shares issued	1,370	28
Total value of shares issued	1,425	28
Shares issued in lieu of dividends (note 11)	(148)	(22)
Proceeds from issue of shares	1,277	6
Expenses paid in respect of share issues	(40)	-
Net proceeds from issue of shares - Consolidated Statement of Cash Flows	1,237	6

Share Premium

	2009 €m	2008 €m
At 1st January	2,448	2,420
Premium arising on shares issued	1,370	28
Expenses paid in respect of shares issued	(40)	-
At 31st December	3,778	2,448

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31. Commitments under Operating and Finance Leases

Operating leases

Future minimum rentals payable under non-cancellable operating leases at 31st December are as follows:

	2009 €m	2008 €m
Within one year	**230**	240
After one year but not more than five years	**506**	548
More than five years	**358**	396
	1,094	1,184

Finance leases

Future minimum lease payments under finance leases together with the present value of the net minimum lease payments are as follows:

	2009		2008	
	Minimum payments €m	Present value of payments €m	Minimum payments €m	Present value of payments €m
Within one year	**5**	**4**	8	6
After one year but not more than five years	**8**	**6**	10	8
More than five years	**4**	**3**	5	5
Total minimum lease payments	**17**		23	
Less: amounts allocated to future finance costs	**(4)**		(4)	
Present value of minimum lease payments	**13**	**13**	19	19

32. Acquisition of Subsidiaries and Joint Ventures

The principal acquisitions completed during the year ended 31st December 2009 by reportable segment, together with the completion dates, are detailed below; these transactions entailed the acquisition of a 100% stake where not indicated to the contrary:

Europe Materials

Poland: Increased stake in Grupa Silikaty to 73.2% (27th August); *Portugal*: Quimipedra quarry (23rd April).

Europe Distribution

Belgium: Creyns N.V. (8th January).

Americas Materials

Kansas: Holland Corporation (11th May); *Kentucky*: Cat Daddy (29th July); *Missouri*: Hilty Quarries (2nd November), selected assets of Lafarge (30th December); *New Hampshire*: Interstate 93 (26th March); *New York*: Cleason (30th July); *Texas*: Wheeler Companies (11th December); *Utah*: Backus Pit (10th July); Burdick Paving Corporation (24th December); *West Virginia*: certain assets of Appalachian Paving Products (5th March).

Americas Distribution

Utah: Warburton Acoustical Products (11th March).

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32. Acquisition of Subsidiaries and Joint Ventures continued

The identifiable net assets acquired excluding net debt assumed and including adjustments to provisional fair values were as follows:

	2009 €m	2008 €m
Assets		
Non-current assets		
Property, plant and equipment	**110**	429
Intangible assets: - goodwill	**64**	366
- excess of fair value of identifiable net assets over consideration paid	**-**	(6)
- other intangible assets	**2**	52
Investments in associates	**-**	1
Other financial assets	**-**	2
Deferred income tax assets	**4**	1
Total non-current assets	**180**	845
Current assets		
Inventories	**11**	66
Trade and other receivables	**22**	126
Total current assets	**33**	192
Equity		
Minority interest	**(4)**	4
Total equity	**(4)**	4
Liabilities		
Non-current liabilities		
Deferred income tax liabilities	**(2)**	(82)
Retirement benefit obligations	**-**	(8)
Provisions for liabilities (stated at net present cost)	**(1)**	-
Capital grants	**-**	(2)
Total non-current liabilities	**(3)**	(92)
Current liabilities		
Trade and other payables	**(14)**	(89)
Current income tax liabilities	**-**	(12)
Provisions for liabilities (stated at net present cost)	**-**	(4)
Total current liabilities	**(14)**	(105)
Total consideration (enterprise value)	**192**	844
Consideration satisfied by		
Cash payments	**178**	837
Professional fees incurred on business combinations	**-**	8
Cash and cash equivalents acquired on acquisition	**(4)**	(68)
Net cash outflow	**174**	777
Net debt (other than cash and cash equivalents) assumed on acquisition:		
- non-current interest-bearing loans and borrowings and finance leases	**2**	9
- current interest-bearing loans and borrowings and finance leases	**1**	46
Deferred and contingent acquisition consideration (stated at net present cost)	**8**	12
Associate becoming a subsidiary (note 15)	**7**	-
Total consideration (enterprise value)	**192**	844

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None of the acquisitions completed during the financial year was considered sufficiently material to warrant separate disclosure of the attributable fair values. No contingent liabilities were recognised on the acquisitions completed during the financial year or the prior financial year. The principal factor contributing to the recognition of goodwill on acquisitions entered into by the Group is the realisation of cost savings and synergies with existing entities in the Group.

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32. Acquisition of Subsidiaries and Joint Ventures continued

The carrying amounts of the assets and liabilities acquired determined in accordance with IFRS before completion of the acquisition, together with the adjustments made to those carrying values to arrive at the fair values disclosed above, were as follows:

	Book values €m	Fair value adjustment €m	Accounting policy alignments €m	Adjustments to provisional fair values €m	Fair value €m
Non-current assets (excluding goodwill)	87	28	-	1	116
Current assets	33	1	-	(1)	33
Non-current liabilities	(2)	(1)	-	-	(3)
Current liabilities	(15)	1	-	-	(14)
Minority interest	-	(4)	-	-	(4)
Identifiable net assets acquired (excluding goodwill and net debt assumed)	103	25	-	-	128
Goodwill arising on acquisition	91	(25)	-	(2)	64
Total consideration (enterprise value)	194	-	-	(2)	192

The initial assignment of fair values to identifiable net assets acquired has been performed on a provisional basis in respect of a number of the acquisitions disclosed above given the timing of closure of these deals; any amendments to these fair values made during the subsequent reporting window (within the twelve-month timeframe from the acquisition date imposed by IFRS 3) will be subject to subsequent disclosure.

The following table analyses the 14 acquisitions (2008: 52 acquisitions) by reportable segment and provides details of the goodwill and consideration figures arising in each of those segments:

	Number		Goodwill		Consideration	
	2009	2008	2009 €m	2008 €m	2009 €m	2008 €m
Reportable segments						
Europe Materials	2	8	2	125	20	293
Europe Products	-	9	-	111	-	202
Europe Distribution	1	7	4	57	9	177
Americas Materials	10	19	60	32	164	101
Americas Products	-	8	-	18	-	52
Americas Distribution	1	1	-	4	1	8
	14	52	66	347	194	833

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The post-acquisition impact of acquisitions completed during the year on Group profit for the financial year was as follows:

	2009 €m	2008 €m
Revenue	43	530
Cost of sales	(35)	(392)
Gross profit	8	138
Operating costs	(5)	(85)
Group operating profit	3	53
Profit on disposal of non-current assets	-	-
Profit before finance costs	3	53
Finance costs (net)	(1)	(26)
Profit before tax	2	27
Income tax expense	(1)	(8)
Group profit for the financial year	1	19

The revenue and profit of the Group for the financial year determined in accordance with IFRS as though the acquisition date for all acquisitions effected during the year had been the beginning of that year would be as follows:

	Pro-forma 2009			
	2009 acquisitions €m	CRH Group excluding 2009 acquisitions €m	Pro-forma consolidated Group €m	Pro-forma 2008 €m
Revenue	188	17,330	17,518	21,174
Group profit for the financial year	19	597	616	1,271

There have been no acquisitions completed subsequent to the balance sheet date which would be individually material to the Group, thereby requiring disclosure under either IFRS 3 or IAS 10 *Events after the Balance Sheet Date*. Development updates, giving details of acquisitions which do not require separate disclosure, are published in January and July each year.

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33. Related Party Transactions

The principal related party relationships requiring disclosure in the Consolidated Financial Statements of the Group under IAS 24 *Related Party Disclosures* pertain to: the existence of subsidiaries, joint ventures and associates; transactions with these entities entered into by the Group; and the identification and compensation of key management personnel.

Subsidiaries, joint ventures and associates

The Consolidated Financial Statements include the financial statements of the Company (CRH plc, the ultimate parent) and its subsidiaries, joint ventures and associates as documented in the accounting policies on pages 66 to 71. The Group's principal subsidiaries, joint ventures and associates are disclosed on pages 124 to 129.

Sales to and purchases from, together with outstanding payables to and receivables from, subsidiaries and joint ventures are eliminated in the preparation of the Consolidated Financial Statements (either in full or to the extent of the Group's interest) in accordance with IAS 27 *Consolidated and Separate Financial Statements* and IAS 31 *Interests in Joint Ventures*. The amounts in respect of joint ventures are immaterial in the context of the year-end 2009 financial statements. Loans extended by the Group to joint ventures and associates (see note 15) are included in financial assets (whilst the Group's share of the corresponding loans payable by joint ventures is included in interest-bearing loans and borrowings due to the application of proportionate consolidation in accounting for the Group's interests in these entities). Sales to and purchases from associates during the financial year ended 31st December 2009 amounted to €17 million (2008: €17 million) and €458 million (2008: €584 million) respectively. Amounts receivable from and payable to associates (arising from the aforementioned sales and purchases transactions) as at the balance sheet date are included as separate line items in notes 18 and 19 to the Consolidated Financial Statements.

Terms and conditions of transactions with subsidiaries, joint ventures and associates

In general, the transfer pricing policy implemented by the Group across its subsidiaries is market-based. Sales to and purchases from other related parties (being joint ventures and associates) are conducted in the ordinary course of business and on terms equivalent to those that prevail in arm's-length transactions. The outstanding balances included in receivables and payables as at the balance sheet date in respect of transactions with associates are unsecured and settlement arises in cash. No guarantees have been either requested or provided in relation to related party receivables and payables. Loans to joint ventures and associates (the respective amounts being disclosed in note 15) are extended on normal commercial terms in the ordinary course of business with interest accruing and, in general, paid to the Group at predetermined intervals.

Key management personnel

For the purposes of the disclosure requirements of IAS 24, the term "key management personnel" (i.e. those persons having authority and responsibility for planning, directing and controlling the activities of the Company) comprises the Board of Directors which manages the business and affairs of the Company. As identified in the Report on Directors' Remuneration on pages 51 to 59, the Directors, other than the non-executive Directors, serve as executive officers of the Company. Full disclosure in relation to the 2009 and 2008 compensation entitlements of the Board of Directors is provided in the Report on Directors' Remuneration with disclosure of the share-based payment expense relating to the Board of Directors provided in note 7 to the Consolidated Financial Statements. Other than these compensation entitlements, there were no other transactions involving key management personnel.

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34. Board Approval

The Board of Directors approved and authorised for issue the financial statements on pages 62 to 115 in respect of the year ended 31st December 2009 on 1st March 2010.

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Company Balance Sheet

as at 31st December 2009

Notes		2009 €m	2008 €m
	Non-current assets		
2	Financial assets	**491**	460
	Current assets		
3	Debtors	**7,922**	5,683
	Cash at bank and in hand	**152**	149
		8,074	5,832
	Creditors (amounts falling due within one year)		
4	Trade and other creditors	**2,814**	1,636
	Corporation tax liability	**-**	2
	Bank loans and overdrafts	**2**	1
		2,816	1,639
	Total assets less liabilities	**5,749**	4,653
	Capital and reserves		
6	Called-up share capital	**241**	186
6	Preference share capital	**1**	1
6	Share premium	**3,782**	2,452
7	Treasury Shares and own shares	**(279)**	(378)
7	Revaluation reserve	**42**	42
7	Other reserves	**118**	827
7	Profit and loss account	**1,844**	1,523
	Shareholders' funds	**5,749**	4,653

K. McGowan, M. Lee, Directors

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Notes to the Company Balance Sheet

1. Accounting Policies

Basis of accounting

The financial statements have been prepared under the historical cost convention in accordance with the Companies Acts, 1963 to 2009 and Generally Accepted Accounting Practice in the Republic of Ireland ("Irish GAAP"). The following paragraphs describe the principal accounting policies under Irish GAAP, which have been applied consistently.

Operating income and expense

Operating income and expense arises from the Company's principal activities as a holding company for the Group and is accounted for on an accruals basis.

Financial assets

Fixed asset investments, including investments in subsidiaries, are stated at cost (and at valuation at 31st December 1980 for those investments in existence at that date) less any accumulated impairments and are reviewed for impairment if there are indications that the carrying value may not be recoverable.

Foreign currencies

The reporting currency of the Company is euro. Transactions in foreign currencies are translated at the rates of exchange ruling at the transaction date. Monetary assets and liabilities denominated in foreign currencies are translated into euro at the rates of exchange ruling at the balance sheet date, with a corresponding charge or credit to the profit and loss account.

Share issue expenses and share premium account

Costs of share issues are written-off against the premium arising on issues of share capital.

Share-based payments

The Company has applied the requirements of FRS 20 *Share-based Payment*.

The accounting policy applicable to share-based payments is consistent with that applied under IFRS and is accordingly addressed in detail on page 68 of the Consolidated Financial Statements.

Cash flow statement

The Company has taken advantage of the exemption afforded by FRS 1 *Cash Flow Statements* not to provide a statement of cash flows.

Treasury Shares and own shares

Treasury Shares
Own equity instruments (i.e. Ordinary Shares) acquired by the Company are deducted from equity and presented on the face of the Company Balance Sheet. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the Company's Ordinary Shares.

Own shares
Ordinary Shares purchased by the Employee Benefit Trust on behalf of the Company under the terms of the Performance Share Plan are recorded as a deduction from equity on the face of the Company Balance Sheet.

Dividends

Dividends on Ordinary Shares are recognised as a liability in the Company's Financial Statements in the period in which they are declared by the Company.

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2. Financial Assets

The Company's investment in its subsidiaries is as follows:

	2009		
	Shares (i) **€m**	**Other €m**	**Total €m**
At 1st January 2009 at cost/valuation	**377**	**83**	**460**
Capital contribution in respect of share-based payments	**-**	**34**	**34**
Impairment	**(3)**	**-**	**(3)**
At 31st December 2009 at cost/valuation	**374**	**117**	**491**

The equivalent disclosure for the prior year is as follows:

	2008		
	Shares (i) €m	Other €m	Total €m
At 1st January 2008 at cost/valuation	251	60	311
Additions	126	-	126
Capital contribution in respect of share-based payments	-	23	23
At 31st December 2008 at cost/valuation	377	83	460

(i) The Company's investment in shares in its subsidiaries was revalued at 31st December 1980 to reflect the surplus on revaluation of certain property, plant and equipment (land and buildings) of subsidiaries. The original historical cost of the shares equated to approximately €9 million. The analysis of the closing balance between amounts carried at valuation and at cost is as follows:

	2009 €m	2008 €m
At valuation 31st December 1980	**47**	47
At cost post 31st December 1980	**327**	330
Total	**374**	377

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3. Debtors

	2009 €m	2008 €m
Amounts owed by subsidiary undertakings	**7,922**	5,683

4. Trade and Other Creditors

	2009 €m	2008 €m
Amounts falling due within one year		
Amounts owed to subsidiary undertakings	**2,814**	1,636

5. Dividends Proposed (Memorandum Disclosure)

Details in respect of dividends proposed of €307 million (2008: €258 million) are presented in the dividends note (note 11) on page 83 of the notes to the Consolidated Financial Statements.

6. Called-up Share Capital

Details in respect of called-up share capital, Treasury Shares and own shares are presented in the share capital and reserves note (note 30) on pages 109 to 111 of the notes to the Consolidated Financial Statements.

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7. Movement in Shareholders' Funds

	2009					
	Issued share capital €m	Share premium account €m	Treasury Shares/ own shares €m	Revaluation reserve €m	Other reserves €m	Profit and loss account €m
At 1st January 2009	187	2,452	(378)	42	827	1,523
Currency translation effects	-	-	-	-	-	1
Issue of share capital (net of expenses)	55	1,330	-	-	-	-
Transfer to profit and loss account	-	-	-	-	(750)	750
Profit after tax before dividends	-	-	-	-	-	10
Treasury/own shares re-issued	-	-	114	-	-	(114)
Shares acquired by Employee Benefit Trust (own shares)	-	-	(2)	-	-	-
Share option exercises	-	-	-	-	-	60
Share-based payment expense	-	-	-	-	28	-
Reclassification of Performance Share Plan expense	-	-	(13)	-	13	-
Dividends (including shares issued in lieu of dividends)	-	-	-	-	-	(386)
At 31st December 2009	242	3,782	(279)	42	118	1,844

	2008					
	Issued share capital €m	Share premium account €m	Treasury Shares/ own shares €m	Revaluation reserve €m	Other reserves €m	Profit and loss account €m
At 1st January 2008	187	2,424	(19)	42	60	812
Currency translation effects	-	-	-	-	-	4
Issue of share capital (net of expenses)	-	28	-	-	-	-
Profit after tax before dividends	-	-	-	-	750	1,093
Shares acquired by CRH plc (Treasury Shares)	-	-	(411)	-	-	-
Treasury/own shares re-issued	-	-	48	-	-	(48)
Shares acquired by Employee Benefit Trust (own shares)	-	-	(3)	-	-	-
Share option exercises	-	-	-	-	-	31
Share-based payment expense	-	-	7	-	17	-
Dividends (including shares issued in lieu of dividends)	-	-	-	-	-	(369)
At 31st December 2008	187	2,452	(378)	42	827	1,523

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In accordance with section 148(8) of the Companies Act, 1963 and section 7(1A) of the Companies (Amendment) Act, 1986, the Company is availing of the exemption from presenting its individual profit and loss account to the Annual General Meeting and from filing it with the Registrar of Companies. The loss retained for the financial year dealt with in the Company Financial Statements amounted to €376 million (2008: profit retained of €1,474 million).

8. Share-based Payments

The total expense of €28 million (2008: €24 million) reflected in note 7 to the Consolidated Financial Statements attributable to employee share options and the Performance Share Plan has been included as a capital contribution in financial assets (note 2) in addition to any payments to/from subsidiaries.

9. Section 17 Guarantees

Pursuant to the provisions of Section 17, Companies (Amendment) Act, 1986, the Company has guaranteed the liabilities of its wholly-owned subsidiary undertakings and the Oldcastle Finance Company and Oldcastle North America Funding Company general partnerships in the Republic of Ireland for the financial year ended 31st December 2009 and, as a result, such subsidiary undertakings and the general partnerships have been exempted from the filing provisions of Section 7, Companies (Amendment) Act, 1986 and Regulation 20 of the European Communities (Accounts Regulations), 1993 respectively.

The Company has not guaranteed any debt or other obligations of joint ventures or associates.

Details in relation to other guarantees provided by the Company are provided in the interest-bearing loans and borrowings note (note 23) on pages 95 and 96 of the notes to the Consolidated Financial Statements.

10. Related Party Transactions

The Company has taken advantage of the exemption in FRS 8 not to disclose transactions with wholly-owned subsidiaries.

11. Approval by Board

The Board of Directors approved and authorised for issue the Company Financial Statements on pages 116 to 119 in respect of the year ended 31st December 2009 on 1st March 2010.

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Gotthard Base Tunnel is part of the Swiss Alp Transit project, also known as the New Railway Link through the Alps. With a planned length of 57 km it will, on completion, be the longest railway/road tunnel in the world. Planning for the project started in 1993 with mechanical excavation commencing in 2003. The project features two separate tunnels containing one track each. Final break-through is expected in Winter 2010 with an opening date planned for 2017. Jura Cement, a CRH company, under contract to ARGE AGN, has to date (2003-2009) delivered circa 215,000 tonnes of cement to this project.

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