

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 merchandising 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.

A. Operating segments disclosures - Consolidated Income Statement data

	Continuing operations - year ended 31st December							
	Materials		Products		Distribution		Total Group	
	2009	2008	2009	2008	2009	2008	2009	2008
	€m	€m	€m	€m	€m	€m	€m	€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

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

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
<i>Reconciliation to total assets as reported in the Consolidated Balance Sheet</i>								
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
<i>Reconciliation to total liabilities as reported in the Consolidated Balance Sheet</i>								
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

1. Segment Information continued

C. Operating segments disclosures - other items

Continuing operations - year ended 31st December

		Materials		Products		Distribution		Total Group	
		2009	2008	2009	2008	2009	2008	2009	2008
		€m	€m	€m	€m	€m	€m	€m	€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		As at 31st December	
	Revenues by destination		Non-current assets	
	2009	2008	2009	2008
	€m	€m	€m	€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.

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

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

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.

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):

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)

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)	-	-
Total	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.

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	2008
	€m	€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

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

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.

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:

7. Share-based Payment Expense continued

	Denominated in			
	€ 3-year	€ 5-year	Stg£* 3-year	Stg£* 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.

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			Net outstanding	Fair value
			Initial award	Rights Issue adjustment	Cumulative lapses/releases to date**		
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.

8. Finance Costs and Finance Revenue

	2009 €m	2008 €m
<i>Finance costs</i>		
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
<i>Finance revenue</i>		
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.

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.

10. Income Tax Expense

	2009 €m	2008 €m
Current tax		
<i>Republic of Ireland</i>		
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

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

Current and deferred tax movements recognised directly within equity

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

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		
<i>Preference</i>		
5% Cumulative Preference Shares €3,175 (2008: €3,175)	-	-
7% 'A' Cumulative Preference Shares €77,521 (2008: €77,521)	-	-
<i>Equity (i)</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)		
<i>Equity (i)</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.

12. Earnings per Ordinary Share

	2009 €m	2008 €m
The computation of basic and diluted earnings per Ordinary Share is set out below:		
<i>Numerator computations - basic and diluted earnings per Ordinary Share</i>		
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
<i>Denominator computations</i>		
		Restated (iii)
<i>Denominator for basic earnings per Ordinary Share</i>		
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.

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:

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

- (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.

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

	Other intangible assets				Total €m
	Goodwill €m	Marketing- related €m	Customer- related (i) €m	Contract- based €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

The equivalent disclosure for the prior year is as follows:

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

Cost	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.

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.

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:

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

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

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
<i>All current</i>		
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.

Provision for impairment

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

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:

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

19. Trade and Other Payables

	2009 €m	2008 €m
<i>Current</i>		
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
<i>Non-current</i>		
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.

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:

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

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.

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

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.

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.

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							
<i>Financial liabilities - cash outflows</i>							
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
<i>Derivative financial instruments - cash inflows</i>							
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

<i>Financial liabilities - cash outflows</i>							
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
<i>Derivative financial instruments - cash inflows</i>							
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)

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).

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	2008
	€m	€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	2008
	€m	€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.

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

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	2008
	€m	€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.

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).

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:

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						

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

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.

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.

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:

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

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)
<i>Weighted average fixed interest rates</i>	6.4%	6.3%	-	5.0%	4.6%	6.3%
<i>Weighted average fixed periods - years</i>	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:

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)
<i>Weighted average fixed interest rates</i>	5.5%	6.3%	-	4.2%	6.6%	5.9%
<i>Weighted average fixed periods - years</i>	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)

(ii) The principal currencies included in this category are the Canadian Dollar, the Polish Zloty, the Argentine Peso, the Ukrainian 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).

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:

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

(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.

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.

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.

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

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.

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:

	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.

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
<i>Charged in arriving at Group operating profit</i>										
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
Curtailed gain (i)	-	-	(1)	(2)	-	-	(23)	-	(24)	(2)
Subtotal	24	16	7	10	17	18	(16)	6	32	50
<i>Included in finance revenue and finance costs respectively</i>										
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*.

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 €m	2008 €m	2009 €m	2008 €m	2009 €m	2008 €m	2009 €m	2008 €m	2009 €m	2008 €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)
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Unfunded

Defined benefit pension schemes	(29)	(29)	-	-	-	-	(5)	(4)	(34)	(33)
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Total - defined benefit pension schemes	(799)	(744)	(534)	(372)	(514)	(495)	(185)	(190)	(2,032)	(1,801)
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Post-retirement healthcare obligations (unfunded)	(7)	(8)	-	-	-	-	(7)	(7)	(14)	(15)
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Long-term service commitments (unfunded)	(8)	(7)	-	-	(5)	(5)	-	-	(13)	(12)
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Actuarial value of liabilities (present value)	(814)	(759)	(534)	(372)	(519)	(500)	(192)	(197)	(2,059)	(1,828)
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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:

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

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)

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)

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
<i>Movement in year</i>										
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)
<i>Movement in year</i>										
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.

	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).

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	
	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
Equity Share Capital				
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:

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

(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.

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.

	5% Cumulative Preference Shares of €1.27 each	7% 'A' Cumulative Preference Shares of €1.27 each
Preference Share Capital	(vi) €m	(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.

30. Share Capital and Reserves continued

Treasury Shares/own shares	2009	2008
	€m	€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.

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

	2009	2008
	€m	€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	2008
	€m	€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

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 Siliikaty to 73.2% (27th August); *Portugal*: Quimipiedra 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).

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
<i>Consideration satisfied by</i>		
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

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.

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

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			Pro-forma 2008 €m
	2009 acquisitions €m	CRH Group excluding 2009 acquisitions €m	Pro-forma consolidated Group €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.

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.

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.