

CRH
CAISSE DE REFINANCEMENT DE L'HABITAT

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Only the contents of the French *Actualisation du Document de Reference*
are binding on CRH.

UPDATING OF THE REGISTRATION DOCUMENT
(ACTUALISATION DU DOCUMENT DE RÉFÉRENCE)
NO. D. 07-0086 RECORDED FEBRUARY 6, 2006 WITH THE

FRENCH FINANCIAL MARKETS SUPERVISORY AUTHORITY
(AUTORITÉ DES MARCHÉS FINANCIERS)

ADDITIONAL INFORMATION RECORDED
WITH THE FRENCH FINANCIAL MARKETS SUPERVISORY AUTHORITY
(AUTORITÉ DES MARCHÉS FINANCIERS) AUGUST 7, 2007

Credit institution licensed as a finance company (*société financière*)
A French corporation (*société anonyme*) with capital stock of EUR 129,664,924.50
Registered office: 35 rue La Boétie, 75008 Paris - France
Paris Trade and Companies Register No: 333 614 980 - APE code: 652C
Telephone: +33 (0)1 42 89 49 10 Fax: +33 (0)1 42 89 29 67

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Registration document in compliance with Appendix XI to Regulation 809/2004/EC of the European Parliament

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INTERIM BUSINESS REPORT

BUSINESS REVIEW

The company extended €3,075 million in new loans to its shareholders during the first half of 2007, compared with €2,850 million for the period from January 1 through June 30 2006.

At June 30, 2007, CRH had extended a total of €43.4 billion in loans since it was established. In accordance with CRH's corporate purpose, this equals the total amount of bonds issued.

In the absence of any final repayments or contractual early repayments, total loans outstanding set a new record of €28.7 billion at June 30, 2007, compared with €25.7 billion at December 31, 2006 and €20.9 billion at June 30, 2006. During the coming months, in order to be able to continue to meet its shareholders' seemingly ever-increasing funding needs, the company will need to increase the amount of its Tier 1 capital.

EARNINGS, FINANCIAL POSITION AND DEBT

Preliminary remarks

On January 1, 2007, in accordance with the provisions of French Accounting Regulations Commission (CRC) Regulation 2005-01, the company changed its method of accounting for securities assets and, symmetrically, bond liabilities: these changes of method did not affect either shareholders' equity or earnings.

Until that time, all promissory notes and bonds were recorded at their nominal value. All differences between the value at which these items were carried in the financial statements and their nominal value were recorded in the accrual accounts, as either assets or liabilities, depending on the particular case. These variances were amortized on a straight-line basis over the life of the corresponding items.

As of January 1, promissory notes are recognized on the asset side at their purchase price. Any difference between the purchase price and the nominal value of these notes is amortized on a yield-to-maturity basis. On the liability side of the balance sheet, the same method is used to account for bonds.

The financial statements and the associated notes at June 30, 2007 present the historical data at June 30, 2006 and at December 31, 2006. These financial statements are also presented on a pro forma basis.

a) Earnings

Funding transactions, i.e., lending, borrowing and repayment, have no direct impact on earnings. CRH does not generate an interest margin on these transactions, and lends all capital raised on the financial markets to its shareholders at the same rates and with the same maturities.

As a result, CRH's earnings represent the proceeds of capital invested in the money market net of general and administrative expenses and the service on the subordinated borrowings from its shareholders.

During the six months ended June 30, 2007, the company generated net income of €1.17 million, compared with €0.36 million during the period from January 1 through June 30, 2006. This

result was obtained using an average investment rate of 3.76%, or 3 basis points above the average Eonia rate during the period.

The increase in earnings reflected mainly the rise in money market interest rates and the conversion of subordinated borrowings into Tier 1 capital in October 2006.

General and administrative expenses were 4% higher than the previous year due primarily to the 45% increase in rent expense. For the full year, these general and administrative expenses will include additional charges linked notably to the ongoing overhaul of the company's information system.

b) Financial position

CRH had shareholders' equity of €136.3 million at June 30, 2007 (excluding subordinated borrowings), compared with €136.2 million at December 31, 2006 and €105.4 million at June 30, 2006.

CRH's capital adequacy ratio, at the same level as required by both the Basel I and Basel II accords, amounted to 8.89% at June 30, 2007, compared with 8.94% at December 31, 2006 and 9.14% at June 30, 2006. The Basel II ratio is calculated using the standard method for credit risk and the basic approach for operational risk.

c) Debt

CRH borrows on behalf of banks, not for its own account. Debtor banks contribute the amounts required to service the debt when the interest and principal payments come due. CRH therefore does not have to generate operating cash flow to service and amortize its debt and does not collect a brokerage fee. As a result, an analysis of its debt is of only limited significance.

**REPORT OF THE STATUTORY AUDITORS ON THE LIMITED AUDIT OF THE INTERIM
FINANCIAL STATEMENTS AT JUNE 30, 2007**

To the shareholders,

As requested, and in our capacity as statutory auditors of Caisse de Refinancement de l'Habitat, we have performed a limited audit of the accompanying interim financial statements for the period from January 1 through June 30, 2007.

The financial statements have been prepared under the authority of the Board of Directors. Our role is to express an opinion on these financial statements based on our limited audit.

We performed our limited audit in accordance with professional standards generally accepted in France. A limited audit of interim financial statements consists of obtaining all information judged necessary, primarily from those persons responsible for the accounting and financial aspects, and of performing all appropriate analyses and other types of procedures. This type of assessment does not include all of the controls used for audits performed in accordance with professional standards generally accepted in France. It does not allow us to guarantee that we have identified all of the important points that could have been identified as part of a full audit, and as such we do not provide an audit opinion.

Our limited audit revealed no material misstatements that would call into question the true and fair view that the financial statements present of the Company's financial position and its assets and liabilities at June 30, 2007 and of the results of its operations for the six months then ended in accordance with accounting principles generally accepted in France.

Without calling into question the opinion expressed above, we draw your attention to the change of accounting method that took place during the first half of 2007 resulting from the first time adoption of French Accounting Regulations Commission (CRC) Regulation 2005-01, in accordance with the methods presented in Note 2 of the notes to the financial statements.

Paris-La Défense and Paris – August 3, 2007

The Statutory Auditors

KPMG AUDIT

A division of KPMG S.A.

Represented by

Marie-Christine Ferron-Jolys

AUDITEURS & CONSEILS ASSOCIES

NEXIA INTERNATIONAL

Represented by

Fabrice Huglin

CHAPTER 1 - RESPONSIBILITY

1.1. PERSON RESPONSIBLE FOR THE REGISTRATION DOCUMENT AND THE ADDITIONAL INFORMATION

Henry Raymond, Chairman of the board of directors and Chief Executive Officer of CRH.

1.2. STATEMENT OF THE PERSON RESPONSIBLE

To the best of our knowledge, and having taken all reasonable measures in this respect, all of the information provided in this updating document is true; it includes updates of all the information investors require to form an opinion of the assets, the business, the financial position, the earnings and the prospects of the issuer; no omissions have been made that would alter that opinion.

The Company has obtained an end of mission letter from its statutory auditors in which they affirm having audited, in accordance with all laws and professional standards applicable in France, the information concerning the financial position and the financial statements provided in this update, and having read the entire document.

Paris – August 3, 2007

Henry Raymond
The Chairman and Chief Executive Officer

CHAPTER 2

STATUTORY AUDITORS

2.1. STATUTORY AUDITORS

2.1.1. Principal statutory auditors

1) **Auditeurs & Conseils Associés S.A.**

Nexia International

Member of « *Compagnie régionale des commissaires aux comptes de Versailles* »

Address: 33 rue Daru 75008 Paris

Represented by: François Mahé

Dates of appointment: Initially appointed on April 16, 1991, renewed on March 4, 1997 and on March 4, 2003.

Term of office: The present six-year term expires on closure of the Regular Shareholders' Meeting called to approve the financial statements for the year ended December 31, 2008.

2) **KPMG Audit**

A division of KPMG S.A.

Member of « *Compagnie régionale des commissaires aux comptes de Versailles* »

Address: Immeuble Palatin 3 cours du Triangle 92939 Paris la défense

Represented by: Marie-Christine Ferron-Jolys

Dates of appointment: Initially appointed on April 16, 1991, renewed on March 4, 1997 and on March 4, 2003.

Term of office: The present six-year term expires on closure of the Regular Shareholders' Meeting called to approve the financial statements for the year ended December 31, 2008.

2.1.2. Deputy statutory auditors

1) **Olivier Lelong**

Deputy statutory auditor for Auditeurs & Conseils Associés S.A.

Address: 33 rue Daru 75008 Paris

Date of appointment: Initially appointed on March 4, 2003.

Term of office: The present six-year term expires on closure of the Regular Shareholders' Meeting called to approve the financial statements for the year ended December 31, 2008.

2) **Pascal Brouard**

Deputy statutory auditor for KPMG Audit

Address: Immeuble Palatin 3 cours du Triangle 92939 Paris la défense

Date of appointment: Initially appointed on March 4, 2003.

Term of office:

The present six-year term expires on closure of the Regular Shareholders' Meeting called to approve the financial statements for the year ended December 31, 2008.

CHAPTER 4 - INFORMATION REGARDING THE ISSUER

4.1. HISTORICAL INFORMATION, RECENT DEVELOPMENTS, APPLICABLE LAW

4.1.4. Registered office – Legal form – Applicable law – Other statutory information – General information concerning the company’s capital

4.1.4.3. Applicable law

A) The following laws and regulations are applicable to the business in which CRH engages:

- (1) Article 13 of Act 85-695 of July 11, 1985, as complemented by Article 36 of Act 2006-872 of July 13, 2006;
- (2) Articles L.313-42 to L.313-49 of the French Monetary and Financial Code, recovering the provisions of Article 16 of Act 69-1263 of December 31, 1969, as modified by Articles 12 and 13 of Act 85-695 of July 11, 1985 and by Article 113 of Act 99-532 of June 25, 1999;
- (3) Articles R. 313-20 to R. 313-25 of the French Monetary and Financial Code, recovering the provisions of Decree 2000-664 of July 17, 2000, as modified by Decree 2003-144 of February 19, 2003 and Decree 2007-745 of May 9, 2007 (see Appendix 1, page 53);
- (4) French Banking and Financial Regulatory Committee (CRBF) Regulation 99-10 concerning the valuation of financed assets to be taken into account for calculating the eligible portion of a loan, as modified by Regulation 2002-02 and the Order of 7 May 2007 (see Appendix 2, page 55).

B) New provisions

The transposition into French law of the provisions of the EU “Capital Requirements Directive” for covered bonds has modified the following points of the provisions governing the business engaged in by CRH:

- the criteria for the so-called *couperet* financing percentage is replaced by that of the maximum fundable portion of an eligible loan,
- the description of the independent expert performing the valuation of the asset financed is specified,
- the cost threshold below which the valuation may be based on the total cost of the transaction is increased from €350,000 to €450,000,
- a new dispensation allows the total cost of the transaction to be used when the remaining principal balance on the eligible loan is less than €360,000,
- the requirement to provide a minimum personal down payment on guaranteed loans has been eliminated,
- the cap on the total amount of guaranteed loans that can be pledged is increased from 20% to 35% of the total amount pledged by a borrowing establishment.

4.1.4.5. General information concerning the company’s capital

The Shareholders’ Meeting of September 12, 2006 authorized the Board of Directors to increase the capital stock, in one or several transactions, from EUR 99,963,750 to a maximum amount of EUR 199,927,500 at any time within the following five years.

This authorization was partially used on October the 17, 2006, increasing the capital stock from 99,963,750 euros to 129,664,924.50 euros by the creation of 1,311,382 actions with a par value of 15.25 euros.

The board of directors' meeting of July 10, 2007 decided to increase before October 16, 2007 the capital from 129,664,924.50 euros to 149,663,500.00 euros, by the creation of 1,311,382 actions with a par value of 15,25 euros and an issue premium of 0.54 euros, fully paid through incorporation of subordinated loans.

4.2. BONDS

A) CRH issuing policy

CRH issues by are listed below:

Year launched	Number of issues in the year	Nominal amount (EUR millions)	
1985 (4 th quarter)	2	551.87	25 Government guaranteed issues totaling EUR 5,774.77 million
1986	6	1,506.20	
1987	8	1,783.65	
1988	9	1,933.05	
1988	1	152.45	141 issues without Government guarantees totaling EUR 37,623.26 million
1989	6	1,184.53	
1990	8	1,219.59	
1991	10	1,829.39	
1992	8	1,387.29	
1993	11	1,585.47	
1994	1	91.47	
1995	2	266.79	
1996	2	525.95	
1997	2	304.90	
1998 *	6	2,143.43	
1999 *	12	3,055.00	
2000	9	2,553.00	
2001	9	1,384.00	
2002	9	1,798.00	
2003	8	1,802.00	
2004	9	2,560.00	
2005	10	3,050.00	
2006	12	7,655.00	
2007 (six months)	6	3,075.00	
Total	166	43,398.03	43,398.03

* Including exchange offer during the course of the year.

B) Bonds issued during the year

During the first half of the year, 6 bond issues were launched for a total of EUR 3,075 million.

These issues were made for the 4% October 2009, 5% October 2013, 4,10% October 2015, 3.50% April 2017 loan and a new 4% April 2018. Their characteristics are provided below:

Issue No	Bond	ISIN code	BALO publication date	AMF filing No.
07-01	4.00 % October 2009	FR0000188864	26/01/07	07-024 of Jan. 23, 2007
	5.00 % October 2013	FR0000488702		
	4.00 % Avril 2018	FR0010345181		
07-02	4.00 % October 2009	FR0000188864	19/03/07	07-086 of March 15, 2007
	5.00 % October 2013	FR0000488702		
	3.50 % April 2017	FR0010261495		
07-03	4.00 % October 2009	FR0000188864	27/04/07	07-133 of April 24, 2007
	3.50 % April 2017	FR0010261495		
07-04	4.00 % October 2009	FR0000188864	25/05/07	07-155 of May 21, 2007
	4.10 % October 2015	FR0010134379		
07-05	4.00 % April 2018	FR0010345181	08/06/07	07-168 of June 5, 2007
07-06	4.00 % October 2009	FR0000188864	29/06/07	07-223 of June 27, 2007
	4.00 % April 2018	FR0010345181		

Issue No.	Bond	Amount (EUR mill ions)	All-in yield (%)	Reoffer yield (%)	Swap spread versus Euribor 6 months reoffer
07-01	4.00 % October 2009	30	4.06	3.98	-15.3 c
	5.00 % October 2013	50	4.16	4.12	-4.5 c
	4.00 % Avril 2018	210	4.32	4.28	1.1 c
07-02	4.00 % October 2009	130	4.09	4.01	-18 c
	5.00 % October 2013	200	4.16	4.12	-4.5 c
	3.50 % April 2017	270	4.18	4.14	-1.6 c
07-03	4.00 % October 2009	160	4.15	4.10	-14.8 c
	3.50 % April 2017	585	4.36	4.33	-0.4 c
07-04	4.00 % October 2009	220	4.28	4.23	-14.9 c
	4.10 % October 2015	100	4.45	4.42	-3.6 c
07-05	4.00 % April 2018	80	4.60	4.58	-1.9 c
07-06	4.00 % October 2009	740	4.68	4.63	-14.7 c
	4.00 % April 2018	300	4.95	4.93	-2.6 c
TOTAL		3,075			

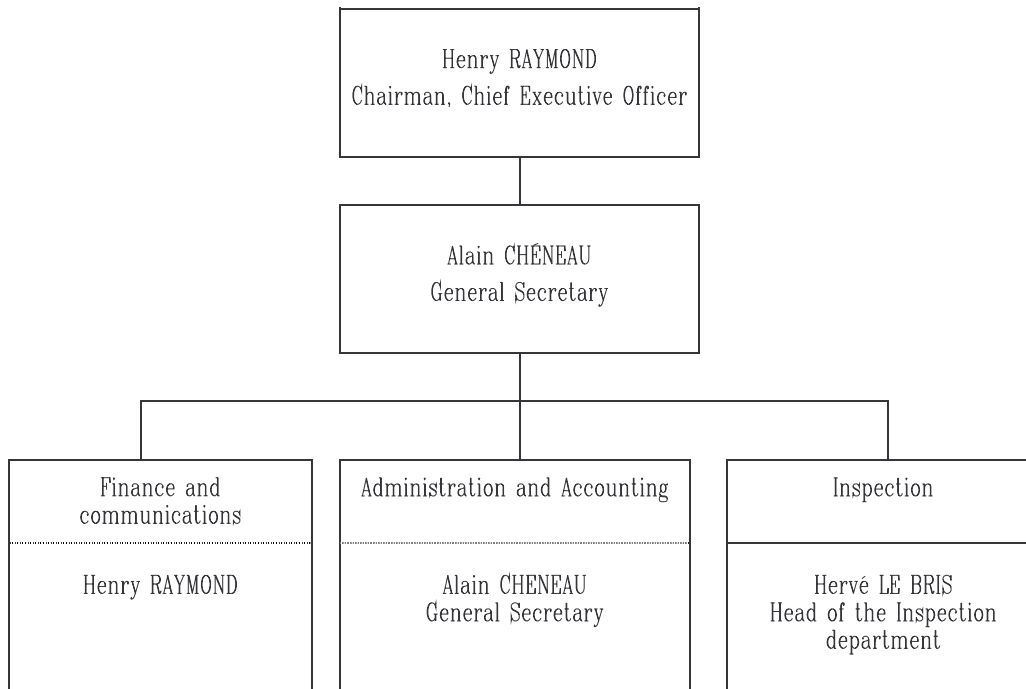
These terms place CRH among the most credit-worthy European issuers.

C) CRH bond maturities at June 30, 2007

Bond	Redemption date	ISIN code	Number of shares	Nominal unit value	Outstandings (EUR millions)
CRH 5.00 % April 2008	Apr. 25, 2008	FR0000572620	3,530,847,080	1	3,530.8
CRH 4.00 % October 2009	Oct. 25, 2009	FR0000188864	2,565,000,000	1	2,565.0
CRH 5.75 % April 2010	Apr. 25, 2010	FR0000186561	1,900,500,000	1	1,900.5
CRH 4.20 % April 2011	Apr. 25, 2011	FR0000186249	3,506,131	1,000	3,506.1
CRH 5.00 % October 2013	Oct. 25, 2013	FR0000488702	3,195,000,000	1	3,195.0
CRH 4.25 % October 2014	Oct. 25, 2014	FR0010018275	2,360,000,000	1	2,360.0
CRH 4.10 % October 2015	Oct. 25, 2015	FR0010134379	4,270,000,000	1	4,270.0
CRH 3.50 % April 2017	Apr. 25, 2017	FR0010261495	4,870,000,000	1	4,870.0
CRH 4.00 % April 2018	Apr. 25, 2018	FR0010345181	2,540,000,000	1	2,540.0
TOTAL					28,737.4

CHAPTER 6
ORGANIZATION CHART

6. ORGANIZATION OF THE COMPANY



CHAPTER 7

TREND DATA

7.1. PRINCIPAL TRENDS AFFECTING THE COMPANY'S ACTIVITY DURING THE FIRST HALF OF 2007

7.1.1. New and outstanding loans and outstanding loans eligible for CRH funding, and housing loan funding and real estate trends in France

A) New loans

The following table summarizes total lending by CRH over the past three years.

(EUR billions)	2004	2005	2006	2007 (6 months)
New loans granted	2.6	3.0	7.7	3.1

B) Outstanding loans

The table below demonstrates the growth in CRH's total outstanding loans since December 31, 2004.

Borrowing credit institutions	(EUR millions)				
	Déc. 31, 2004	Déc. 31, 2005	Déc. 31, 2006	Jun. 30, 2007	Jun. 30, 2007 (in %)
Crédit Agricole SA	5,642	6,748	6,811	7,611	26.5
Crédit Lyonnais	1,756	1,405	4,655	4,655	16.2
Caisse Centrale du Crédit Mutuel	2,315	2,655	3,029	3,369	11.7
Crédit Industriel et Commercial *	1,444	1,966	2,690	2,930	10.2
Banque Fédérative du Crédit Mutuel	1,468	1,445	2,510	2,920	10.2
BNP Paribas	1,106	1,157	1,907	2,232	7.8
Société Générale	544	644	1,144	1,644	5.7
Crédit Mutuel de Bretagne (CICM+CFCM)	887	1,005	1,305	1,355	4.7
Banque Fédérale des Banques Populaires	480	615	825	1,105	3.8
Crédit du Nord	99	184	384	484	1.7
Banque Patrimoine et Immobilier	390	352	260	260	0.9
Autres Emprunteurs	378	302	142	172	0.6
Total	16,509	18,479	25,662	28,737	100

at the request of the Group Crédit Industriel et Commercial, the loans granted by the CRH to the Crédit Industriel de l'Ouest, Lyonnaise de Banque and the Société Nancéienne Varin Bernier were gathered with those granted to the Crédit Industriel et Commercial, at June 30, 2006. The amounts concerned at December 31, 2004 and December 31, 2005 were reprocessed.

D) Housing loan funding in France

The following table presents some overall figures:

Situation at December 31, 2006

(EUR billions)

Application of funds by Credit Institutions		Sources of funds of Credit Institutions	
Housing loans to households granted by credit institutions	572.6	Regulated sources (without Livret A and Livret Bleu)	535.8
		COFF mortgage bonds	60.2
		CIF Euromortgage mortgage bonds	14.8
		CRH bonds	25.7
Other applications	5,468.3	Other sources: - of which, shareholders' equity: 435.8 - of which, non-regulated deposits: 548.5	5,404.4
Total applications	6,040.9	Total sources	6,040.9

Sources: 2006 Annual Report of the Commission Bancaire, periodic bulletins of the Banque de France, COFF and CIF Euromortgage publications.

Generally, it is of course difficult to match up specific sources of funds to a given application.

Some observations may, nevertheless, be made:

- the amount of regulated bank sources largely exceeds that of housing loans, which reduces the need for housing financing in France;

- the mortgage bonds of Compagnie de Financement Foncier (COFF) finance housing loans granted in France but also mortgage loans to industrial and commercial companies, loans to the public sector and local and regional governments and - as is also the case for CIF Euromortgage bonds - shares of foreign debt securitization funds and Residential Mortgage Backed Securities (RMBS), whereas CRH only finances home-purchase loans granted in France;

- that the securitization transactions not explicitly shown in this table and of a modest overall amount in France are represented primarily in the CIF Euromortgage and COFF transactions above.

CHAPTER 9
CORPORATE GOVERNANCE

9.1. INFORMATION CONCERNING THE MEMBERS OF THE ADMINISTRATIVE, EXECUTIVE AND SUPERVISORY BODIES

9.1.0 Honorary Chairman

- **Mr Claude Pierre-Brossolette**

9.1.1 Board of directors

- **Mr Henry Raymond**
Appointed March 13, 2007
Chairman
and Chief Executive Officer
- **Banque Fédérale des Banques Populaires**
represented by Mr Patrick Menu
Head of the Treasury department
At Groupe Banque Fédérale des Banques des Banques Populaires
Le Ponant de Paris 5 rue Leblanc 75015 PARIS
First appointed October 21, 1985 by Caisse Centrale des Banques Populaires.
Appointment renewed for 6 years on March 4, 2003.
Director
- **BNP Paribas**
represented by Mr Alain Fonteneau
Head of Asset-Liability Management
CAAOAC1
3 rue d'Antin 75078 Paris Cedex 02
First appointed October 21, 1985 by Banque Nationale de Paris.
Appointment renewed for 6 years on March 4, 2003.
Director
- **Caisse Centrale du Crédit Mutuel**
represented by Mrs Sophie Olivier
Head of the Retail Market division
88/90 rue Cardinet 75847 Paris Cedex 17
First appointed April 10, 1990.
Appointment renewed for 6 years on March 4, 2003.
Director
- **Crédit Agricole S.A.**
represented by Mr Christophe Le Beaudour
Head of the Shareholders' Equity
and Prudential Oversight division
91/93 boulevard Pasteur 75015 Paris
First appointed May 12, 1987 by Caisse Nationale de Crédit Agricole.
Appointment renewed for 6 years on March 4, 2003.
Director

- **Crédit Industriel and Commercial**
represented by Mr Jean-François TAURAND Director
Head of Finance/Assets-Liabilities Management department
Finance department Box 10
6 avenue de Provence 75452 Paris Cedex 09
Cooptation of Compagnie Financière de CIC et de l'UE
by the Board of Directors meeting held on October 17, 1995 and
confirmed by the Shareholders' Meeting held on February 27, 1996.
Appointment renewed for six years on March 6, 2001.
- **Crédit Lyonnais**
represented by Mr Issiaka Béréte Director
Head of the Asset-Liability Management department
19 boulevard des Italiens 75002 Paris
First appointed April 19, 1988.
Appointment renewed for 6 years on March 4, 2003.
- **GE Money Bank**
represented by Mr Francis Daniel Director
Head Treasury & Funding
Tour Europlaza - La Défense 4
20 avenue André Prothin 92063 Paris La Défense Cedex
BFIM Sovac appointed October 21, 1985.
Appointment renewed for six years on March 6, 2001.
- **Société Générale**
represented by Mrs Agathe Zinzindohoué Director
Head of Group Funding
17 cours Valmy 92972 Paris La Défense Cedex
First appointed October 21, 1985.
Appointment renewed for 6 years on March 4, 2003.
-

9.1.2 MANAGEMENT

- Mr Henry Raymond

Chairman
and Chief executive Officer

who has elected domicile at the registered office of the company.

- Mr Alain Chéneau

Secretary of the Board of
Directors

who has elected domicile at the registered office of the company.

9.1.3 COMPENSATION COMMITTEE

- Caisse Centrale du Crédit Mutuel
Mrs Sophie Olivier

- Crédit Agricole S.A.
Mr Christophe Le Beaudour

- Société Générale
Mrs Agathe Zinzindohoué

CHAPTER 10

PRINCIPAL SHAREHOLDERS

10.1. IDENTIFICATION OF SHAREHOLDERS OR GROUPS OF SHAREHOLDERS HOLDING MORE THAN 3% OF VOTING RIGHTS AT JUNE 30, 2007

Shareholders	Number of shares	%	Voting rights	%
Groupe CRÉDIT AGRICOLE - CRÉDIT LYONNAIS	3,799,049	44.68	2,188	29.11
Groupe CRÉDIT MUTUEL - CRÉDIT INDUSTRIEL ET COMMERCIAL	3,159,089	37.15	3,510	46.71
BNP PARIBAS	631,716	7.43	743	9.89
Groupe SOCIÉTÉ GÉNÉRALE	506,307	5.96	596	7.93
BANQUE FÉDÉRALE DES BANQUES POPULAIRES	273,344	3.21	321	4.27
Other shareolders	133,113	1.57	158	2.09
Total	8,502,618	100	7,516	100

CHAPTER 11

FINANCIAL DATA CONCERNING THE ISSUER'S ASSETS, FINANCIAL SITUATION AND EARNINGS

11.1. HISTORICAL FINANCIAL INFORMATION (change of accounting method at January 31, 2007 see Note 2 page 33)

BALANCE SHEET

(EUR thousands)

Assets	Jun. 30, 2007	Jun. 30, 2006	Dec. 31, 2006	Pro forma Jun. 30,	Pro forma Dec. 31,
Cash, central banks, post office banks	1	1	1	1	1
Loans and advances to credit institutions	268,593	199,226	242,467	199,226	242,467
- Demand deposits	185,188	118,465	160,486	118,465	160,486
- Time deposits	82,308	80,036	81,237	80,036	81,237
- Accrued interest	1,097	725	744	725	744
Bonds and other fixed-income securities	29,000,527	21,238,033	26,193,893	21,182,641	26,043,183
- Mortgage notes	28,504,618	20,857,478	25,662,478	20,802,441	25,507,547
- Accrued interest	495,909	380,555	531,415	380,200	535,636
Intangible assets	9	4	7	4	7
Tangible fixed assets	36	14	13	14	13
- Office furniture	1	2	2	2	2
- Fittings	2	0	0	0	0
- Miscellaneous equipment	10	11	11	11	11
- IT equipment	23	1	0	1	0
Other assets	378	235	178	235	178
- Interest rate options purchased	0	4	0	4	0
- Miscellaneous debtors	378	231	178	231	178
Prepaid expenses and other assets	167	476,152	561,347	131	93
- Deferred charges and other prepaid expenses					
. issue premiums on bonds issued below par	0	256,536	346,612	0	0
. premiums on mortgage notes bought above par	0	219,485	214,642	0	0
. other prepaid expenses	167	131	93	131	93
Total	29,269,711	21,913,665	26,997,906	21,382,252	26,285,942

BALANCE SHEET

(EUR thousands)

Liabilities and shareholders' equity	Jun. 30, 2007	Jun. 30, 2006	Dec. 31, 2006	Pro forma 30/06/06	Pro forma 31/12/06
Debt securities	29,000,527	21,238,033	26,193,893	21,182,641	26,043,183
- Bonds	28,504,618	20,857,478	25,662,478	20,802,441	25,507,547
- Accrued interest	495,909	380,555	531,415	380,200	535,636
Other liabilities	411	159	390	159	390
- Miscellaneous creditors	411	159	390	159	390
Accrued expenses and other liabilities	774	476,389	561,466	368	212
- Deferred income					
. premiums on mortgage notes bought below par	0	256,536	346,612	0	0
. issue premiums on bonds issued above par	0	219,485	214,642	0	0
- Accrued expenses	774	368	212	368	212
Provisions for contingencies and losses	59	54	59	54	59
Subordinated debt	130,437	93,261	104,827	93,261	104,827
- Subordinated loans	128,378	92,300	102,409	92,300	102,409
- Accrued interest	2,059	961	2,418	961	2,418
Fund for general banking risk (FRBG)	2,026	1,942	2,026	1,942	2,026
Shareholders' equity excluding FRBG	135,477	103,827	135,245	103,827	135,245
- Subscribed capital	129,665	99,964	129,665	99,964	129,665
- Share premium	1,897	868	1,897	868	1,897
- Legal reserve	2,680	2,620	2,620	2,620	2,620
- Retained earnings	68	15	15	15	15
- Net income	1,167	360	1,048	360	1,048
TOTAL	29,269,711	21,913,665	26,997,906	21,382,252	26,285,942

OFF-BALANCE SHEET COMMITMENTS

(EUR thousands)

Commitments received	Jun. 30, 2007	Jun. 30, 2006	Dec. 31, 2006	Pro forma 30/06/06	Pro forma 31/12/06
Loan commitments received from credit institutions	1,436,874	1,042,874	1,283,124	1,042,874	1,283,124
Guarantees received from credit institutions	368,949	368,953	377,710	368,957	377,785
Forward financial instruments	0	70,000	70,000	70,000	70,000

INCOME STATEMENT

(EUR thousands)

	Jun. 30, 2007	Jun. 30, 2006	Dec. 31, 2006	Pro forma 30/06/06	Pro forma 31/12/06
+ Interest and other income	587,880	483,853	1,032,451	443,236	953,487
- On transactions with credit institutions					
. demand deposits	3,112	1,303	3,419	1,303	3,419
. term accounts and loans	1,524	987	2,224	987	2,224
. securities purchased under	0	322	322	322	322
- On bonds and other fixed-income					
. accrued interest on mortgage notes	583,244	442,241	939,499	440,624	947,522
. accrued premiums on mortgage notes bought below par	0	20,320	49,332	0	0
- other interest and income					
. accrued issue premiums on bonds issued above par	0	18,680	37,655	0	0
- Interest and other expense	(585,303)	(482,524)	(1,029,226)	(441,907)	(950,262)
- On transactions with credit institutions					
. subordinated loans	(2,059)	(961)	(2,418)	(961)	(2,418)
. interest on advances under Article 5.3 of CRH's internal rules and regulations	0	(322)	(322)	(322)	(322)
- On bonds and other fixed-income					
. accrued interest	(583,244)	(442,241)	(939,499)	(440,624)	(947,522)
. amortization of issue premiums on bonds issued below par	0	(20,320)	(49,332)	0	0
. deduction of accrued premiums on mortgage notes bought above par	0	(18,680)	(37,655)	0	0
- Fees paid	(1)	(1)	(3)	(1)	(3)
+/- Gains or losses on trading portfolio transactions	0	0	0	0	0
+ Other income from banking operations	0	0	0	0	0
- Other expense from banking operations	0	0	(2)	0	(2)
NET INCOME FROM BANKING	2,576	1,328	3,220	1,328	3,220
- General operating expenses	(810)	(786)	(1,551)	(786)	(1,551)
- Personnel expenses	(467)	(482)	(965)	(482)	(965)
- Other administrative expenses					
. taxes other than income tax	(102)	(79)	(167)	(79)	(167)
. external services	(241)	(225)	(419)	(225)	(419)
- Depreciation, amortization and provisions	(6)	(2)	(7)	(2)	(7)
OPERATING INCOME	1,760	540	1,662	540	1,662
+/- Cost of risk	0	0	0	0	0
NET OPERATING INCOME	1,760	540	1,662	540	1,662
+/- Gains or losses on fixed assets	0	0	0	0	0
NET INCOME BEFORE TAXES	1,760	540	1,662	540	1,662
+/- Non-recurring items	2	0	0	0	0
- Income tax	(595)	(180)	(530)	(180)	(530)
+/- Increases/uses of FRBG and regulated	0	0	(84)	0	(84)
NET INCOME	1,167	360	1,048	360	1,048

NOTES TO THE FINANCIAL STATEMENTS

APPENDIX

NOTES TO THE FINANCIAL STATEMENTS

PRESENTATION OF THE FINANCIAL STATEMENTS ACCOUNTING PRINCIPLES AND VALUATION METHODS

NOTE 1 – Presentation of the financial statements

CRH's financial statements have been prepared and presented in accordance with the generally accepted accounting principles and regulations applicable to companies subject to the authority of the French Banking and Financial Regulatory Committee (CRBF) in France.

The condensed, interim financial statements at June 30, 2007 have been prepared in accordance with French Accounting Regulations Commission (CRC) Regulation 2000-03.

NOTE 2 – Change of accounting method during the period

French Accounting Regulations Commission Regulation 2005-01 regarding the recognition of securities transactions is intended to ensure the convergence of certain provisions within French Banking and Financial Regulatory Committee (CRBF) Regulation 90-01 regarding the recognition of securities transactions with those of IAS 39, especially those regarding held-to-maturity securities.

Therefore, the second paragraph of Article 8 of Regulation 90-01, as modified, requires that, henceforth, all premiums and discounts on held-to-maturity securities be amortized on a yield-to-maturity basis. The option of either amortizing these items on a straight-line basis, as CRH had up to now, or using the yield-to-maturity method has thus been eliminated.

Accordingly, on January 1, 2007, CRH changed its method of accounting for securities assets and, symmetrically, bond liabilities: these changes of method did not affect either shareholders' equity or earnings.

Until that time, all promissory notes and bonds were recorded at their nominal value. All differences between the value at which these items were recognized in the financial statements and their nominal value were recorded in the accrual accounts, as either assets or liabilities, depending on the particular case. These variances were amortized on a straight-line basis over the life of the corresponding items.

From now on, promissory notes are recognized on the asset side at their purchase price. Any difference between the purchase price and the nominal value of these notes is amortized on a yield-to-maturity basis. On the liability side of the balance sheet, the same method is used to account for bonds.

In accordance with the provisions of the French General Chart of Accounts, the change of method was applied retrospectively, by recalculating the actuarial amortization of the promissory notes and bonds as from the beginning.

The implementation of the provisions of Regulation 2005-01 also affected the method used to calculate the interest accrued on the promissory notes and bonds. This interest, which had until that time been calculated on the basis of a 360 day year for both the numerator and the denominator, i.e. 12 months consisting of 30 days each, will henceforth be calculated using the exact number of days in both the numerator and the denominator.

To ensure the clarity and comparability of the financial statements, CRH has presented its financial information both before (historical financial statements) and after (pro forma) the change of accounting method. The pro forma financial statements were prepared using the retrospective method.

NOTE 3 – Accounting principles and valuation methods

A - Bonds

Bonds are recorded on the line “debt securities” at their issue price. When the issue price is different from the redemption price, that difference is amortized on a yield-to-maturity (YTM) basis.

Amortization on a YTM basis is non-linear, and is calculated using the effective interest rate (EIR). The EIR is the discount rate at which the carrying value of the financial instrument is equal to the discounted value of the future cash flows it will generate through maturity.

The annual amortization charge on a YTM basis is equal to the difference between the flows of the period calculated at the nominal rate and the actuarial flows calculate by applying the EIR to the actuarial amortized value obtained at the end of the preceding calculation period.

Specific costs are assigned to each bond issued. These costs include both those generated by each new issue (issuance fees, French Financial Markets Authority (AMF) fee, listing costs, advertising expenses, etc.) and those related to the general management of all outstanding bonds (finance department, securities department, annual Euronext Paris SA subscription fee, etc.).

Regardless of type, these costs are all assumed by the borrowers. The first type is allocated in proportion to the share of the new issue acquired and is paid immediately. All other costs are allocated on the basis of the proportional weighting of each bond issue, and are paid once per year.

B – Securities transactions

“Securities transactions” include all types of marketable securities, from treasury bonds and negotiable debt securities to interbank instruments, and generally include all debts represented by a security that may be traded on a market.

These securities are classified in the annual financial statements by type of income generated (fixed or variable), while for accounting purposes they are classified on the basis of the intention behind their initial acquisition or reclassification.

The portfolio held by CRH consists solely of fixed-income securities, i.e. the promissory notes subscribed by its shareholders.

These notes are booked as held-to-maturity securities. In accordance with French Banking and Financial Regulatory Committee (CRBF) Regulation 90-01, they are intended to be held until their maturity, and are matched by and allocated to specific funding (the bonds). All maturities and interest rates are perfectly matched. Consequently, the notes are recorded on the asset side of the balance sheet at their purchase price, which is equal to the issue price of the corresponding bonds recorded on the liability side.

When the purchase price is different from the redemption price, the difference is amortized on a yield-to-maturity basis, under exactly the same conditions as for the bonds.

Sales of held-to-maturity securities¹ consist solely of early repayments of promissory notes, either through the delivery of the bonds in question by the shareholders concerned or through the acquisition of the bonds by CRH under a public exchange offer. In the case of a public exchange offer, in exchange for these sales, the CRH acquires new promissory notes matched to the bonds in question issued as part of the public exchange offer. CRH has not engaged in any such transactions during the last three years.

These sales have no impact on the earnings of CRH.

C - Fund for general banking risk

In compliance with French Banking and Financial Regulatory Committee (CRBF) Regulation 90-02, these funds are appropriated at the discretion of the company's officers and directors into a regulated reserve for risk relating to medium- and long-term credit operations, to cover the general risks associated with CRH's lending activity.

The fund may be used to cover any concrete manifestation of these risks over the course of the year.

D – Fixed assets

Under the new accounting regulations for fixed assets, (CRC Regulations 2002-10 and 2003-12), fixed assets are still reported on the balance sheet at their historical cost. Depreciation and amortization schedules established using the rates approved by the tax authorities also remain unchanged.

Intangible assets consist of a certificate for the deposit guarantee fund (*Fonds de garantie des dépôts*) and software amortized on a straight-line basis over twelve months.

Tangible fixed assets are depreciated on a straight-line or declining balance basis, depending on their expected useful life:

- Office furniture	10 years	straight-line
- Fittings	5 years	straight-line
- Office equipment	5 to 10 years	straight-line and declining balance
- IT equipment	3 years	declining balance

¹ No held-to-maturity securities were sold during either the first six months of 2007 or the full twelve months of 2006.

E – Retirement benefits

Benefits to which CRH employees are entitled on retirement are paid by the French social security system, with a supplementary portion paid by third-party bodies that manage the distribution of funds paid in.

The employer's share of such payments is charged to expense each year as they are incurred. In addition, CRH makes a lump-sum payment to retiring employees in an amount determined by the number of years spent with the company.

The company's liability pursuant to these policies is revised at the end of each fiscal year.

F – Financial instruments

The portfolio of financial instruments held by CRH consists solely of purchases of interest-rate floors.

These transactions are accounted for in accordance with the provisions of CRBF Regulation 88-02 as amended and Banking Commission Instruction 94-04. The nominal value of the commitment is shown as an off balance sheet item. This amount relates to the capital amount covered by the interest-rate floor and is not a reflection of CRH's exposure to market risk.

The premiums and, where applicable, accrued interests are recorded in the income statement *pro rata temporis*. Unrealized losses are covered by a provision for contingencies and losses, which takes into account any differential on unrealized accrued interest as well as the amount of premium deferred.

NOTES TO THE BALANCE SHEET

Note 4 - Mortgage notes and bonds issued

Mortgage notes are the instruments representing the loans granted by CRH, while its borrowings are in the form of bond issues.

Related items on the asset and liability sides of the balance sheet show a perfect match between borrowing and lending.

(EUR thousands)

	Jun. 30, 2007		Jun. 30, 2006		Dec. 31, 2006	
	Assets	Liabilities	Assets	Liabilities	Assets	Liabilities
Securities transactions						
- Bonds and other fixed-income securities						
. mortgage notes(1)	28,504,618		20,857,478		25,662,478	
. accrued interest not yet due on mortgage notes	495,909		380,555		531,415	
- Debt securities						
. bonds(2)		28,504,618		20,857,478		25,662,478
. accrued interest not yet due on bonds		495,909		380,555		531,415
Prepaid expenses and other assets						
- Deferred charges and other prepaid expenses (excerpt)						
. issue premiums on bonds issued below par	0		256,536		346,612	
. premiums on mortgage notes bought above par	0		219,485		214,642	
- Deferred income						
. premiums on mortgage notes bought below par		0		256,536		346,612
. issue premiums on bonds issued above par		0		219,485		214,642
Total	29,000,527	29,000,527	21,714,054	21,714,054	26,755,147	26,755,147

(1) Nominal value at June 30, 2007 of mortgages notes in EUR thousands 28,737,478

(2) Nominal value at June 30, 2007 of bonds in EUR thousands 28,737,478

Pro forma

(EUR thousands)

	Jun. 30, 2006		Dec. 31, 2006	
	Assets	Liabilities	Assets	Liabilities
Securities transactions				
- Bonds and other fixed-income securities				
. mortgage notes	20,802,441		25,507,547	
. accrued interest not yet due on mortgage notes	380,200		535,636	
- Debt securities				
. bonds		20,802,441		25,507,547
. accrued interest not yet due on bonds		380,200		535,636
Prepaid expenses and other assets				
- Deferred charges and other prepaid expenses (excerpt)				
. issue premiums on bonds issued below par	0		0	
. premiums on mortgage notes bought above par	0		0	
- Deferred income				
. premiums on mortgage notes bought below par		0		0
. issue premiums on bonds issued above par		0		0
Total	21,182,641	21,182,641	26,043,183	26,043,183

Note 5 - Breakdown of receivables and debt by current maturity

(EUR thousands)

Claim	Jun. 30, 2007	Jun. 30, 2007	Dec.31, 2006	Pro forma Jun. 30, 2006	Pro forma Dec. 31, 2006
Credit institutions: term deposits					
- less than 3 months	26,071	25,444	25,725	25,444	25,725
- 3 months to 1 year	56,237	54,592	45,191	54,592	45,191
- 1 to 5 years	0	0	10,321	0	10,321
Total	82,308	80,036	81,237	80,036	81,237
Mortgage notes					
- less than 3 months	0	0	0	0	0
- 3 months to 1 year	3,538,451	0	0	0	0
- 1 to 5 years	7,824,132	9,732,478	10,222,478	9,581,301	10,083,876
- over 5 years	17,142,035	11,125,000	15,440,000	11,221,140	15,423,671
Total	28,504,618	20,857,478	25,662,478	20,802,441	25,507,547

(EUR thousands)

Debt	Jun. 30, 2007	Jun. 30, 2007	Dec.31, 2006	Pro forma Jun. 30, 2006	Pro forma Dec. 31, 2007
Bonds					
- less than 3 months	0	0	0	0	0
- 3 months to 1 year	3,538,451	0	0	0	0
- 1 to 5 years	7,824,132	9,732,478	10,222,478	9,581,301	10,083,876
- over 5 years	17,142,035	11,125,000	15,440,000	11,221,140	15,423,671
Total	28,504,618	20,857,478	25,662,478	20,802,441	25,507,547

Note 6 - Other assets, other liabilities, prepayments and accrual accounts

(EUR thousands)

ASSETS	Jun. 30, 2007	Jun. 30, 2006	Dec. 31, 2006
Interest-rate options purchased	0	4	0
Residual premiums on floors purchased	0	4	0
Miscellaneous debtors	378	231	178
Government – income tax	264	136	0
Government – local business tax (<i>taxe professionnelle</i>)	0	0	0
Expenses paid on behalf of borrowers	77	60	140
Guarantee deposits with the <i>Fonds de Garantie des Dépôts</i>	12	11	13
Other guarantee deposits and miscellaneous	25	24	25
Deferred charges and other prepaid expenses (1)	167	131	93
Total	545	366	271

(1) excluding the CRH lending and bond issue transactions described in Note 4.

(EUR thousands)

LIABILITIES	Jun. 30, 2007	Jun. 30, 2006	Dec. 31, 2006
Miscellaneous creditors	411	159	390
Government – income tax	0	0	256
Government – VAT	0	0	2
Social security and payroll tax	98	100	98
Bonds and coupons on standby of payment	237	23	0
Other	76	36	34
Accrued expenses	774	368	212
Personnel and related expense	106	114	143
Estimated income tax at June 30, 2006	595	180	
Other	73	74	69
Total	1,185	527	602

Note 7 - Provisions for contingencies and losses

(EUR thousands)

	Balance at June 30, 2006	+Charges - Writebacks	Balance at December 31, 2006	+Charges -Writebacks	Balance at June 30, 2007
Provision for retirement benefits (Note 17)	50	9	59	0	59
Provision on interest rate options purchased	4	-4	0	0	0
Total	54	5	59	0	59

Note 8 - Shareholders' equity and fund for general banking risk

(EUR thousands)

	Balance at June 30, 2006	+Charges - Writebacks	Balance at December 31, 2006	+Charges -Writebacks	Balance at June 30, 2007
Subscribed capital	99,964	29,701	129,665	0	129,665
Share premium	868	1,029	1,897	0	1,897
Legal reserve	2,620	0	2,620	60	2,680
Retained earnings	15	0	15	53	68
Fund for general banking risk	1,942	84	2,026	0	2,026
TOTAL	105,409	30,814	136,223	113	136,336

The increase in shareholders' equity includes the allocation of 2006 net income, the increase in the fund for general banking risk for 2006 and the new increase of capital, with an issue premium, realized during the second half of 2007.

CRH's capital is fully subscribed. The company's stock has a par value of EUR 15.25 per share. A total of 8,502,618 shares have been issued.

Note 9 - Subordinated loans

Pursuant to the by-laws, shareholders are required to provide the equity capital needed to comply with banking regulations.

In calculating the solvency ratio, total capital includes shareholders' equity (Note 8) and secondary capital in the form of subordinated loans by shareholders in proportion to their outstanding borrowings.

These loans ensure that CRH will be able to continue operations in compliance with banking regulations despite any losses it might suffer.

CRH is required to repay these loans as the related risks are amortized, provided this does not impact compliance with prudential ratios. In the event of CRH's liquidation, subordinated loans would be repaid only after settlement of all other loans.

Interest is partly fixed and partly contingent on results for the previous year, and is payable only if CRH shows income for the year after allocation of this charge.

In view of these provisions, the Banking Commission allows funds from subordinated loans to be treated as Tier 2 capital under CRBF Regulation 90-02, Article 4c.

The following table summarizes changes in total subordinated loans since June 30, 2006:

(EUR thousands)	
Transaction	Amount
Balance at June 30, 2006	92,300
Increase	
- Payments relating to acquisitions of mortgage notes	40,842
- Incorporation to shareholder's equity	(30,733)
Balance at December 31, 2006	102,409
Increase	
- Payments relating to acquisitions of mortgage notes	26,138
Diminution	
- Repayments relating to the allocation of 2006 net income	(85)
- Repayments relating to 2006 appropriation to the fund for general banking risk	(84)
Balance at June 30, 2007	128,378

NOTES TO THE OFF-BALANCE SHEET

Note 10 - Loan commitments from credit institutions

Pursuant to the by-laws, shareholders are obligated to provide cash advances required for CRH operations up to 5% of total outstanding loans. This requirement is defined in CRH internal rules and regulations, approved by the Regular Meeting of Shareholders of February 27, 1996.

At June 30, 2007, these commitments represented a total of EUR 1,436,873,900.

Note 11 - Guarantees received from credit institutions

Principal and interest on certain mortgage notes held by CRH are guaranteed by a credit institution.

				(EUR thousands)	
	Jun. 30, 2007	Jun. 30, 2006	Dec. 31, 2006	Pro forma 30/06/06	Pro forma 31/12/06
Principal	365,743	365,742	365,743	365,742	365,743
Accrued interest not yet due	3,206	3,211	11,967	3,215	12,042
Total	368,949	368,953	377,710	368,957	377,785

Note 12 - Other guarantees received

The principal and interest of each note are secured by a portfolio representing secured housing loans, a first residential mortgage or property offering an equivalent guarantee, or a guarantee given by a credit institution or insurance company which is not a consolidated affiliate of the credit institution issuing the note.

Mortgages pledged to CRH as collateral amounted to EUR 41.9 billion at June 30, 2007.

NOTES TO THE INCOME STATEMENT

Note 13 - Income and expense from banking operations

A - Analysis of results of bond issue and lending operations

CRH lends at the same interest rates and maturities at which it borrows on the financial market. Its lending activities do not generate income.

The net zero impact of borrowing and lending activities is illustrated in the following table:

(EUR thousands)

	Jun. 30, 2007		Jun. 30, 2006		Dec. 31, 2006	
	Expense	Income	Expense	Income	Expense	Income
Interest						
Bonds issued	583,244		442,241		939,499	
Mortgage notes		583,244		442,241		939,499
Subtotal	583,244	583,244	442,241	442,241	939,499	939,499
Recoveries (Issue premiums on bonds, discounts or premiums on mortgage notes)						
Deferred charges	0		39,000		86,987	
Deferred income		0		39,000		86,987
Subtotal	0	0	39,000	39,000	86,987	86,987
Total	583,244	583,244	481,241	481,241	1,026,486	1,026,486

Pro forma

	Jun. 30, 2006		Dec. 31, 2006	
	Expense	Income	Expense	Income
Interest				
Bonds issued	440,624		947,522	
Mortgage notes		440,624		947,522
Subtotal	440,624	440,624	947,522	947,522
Recoveries (Issue premiums on bonds, discounts or premiums on mortgage notes)				
Deferred charges	0		0	
Deferred income		0		0
Subtotal	0	0	0	0
Total	440,624	440,624	947,522	947,522

These transactions thus have no impact on CRH's earnings.

B - Other income and expense from banking operations

In the first half of 2007, other income consists primarily of:

- 1) interest earned on capital invested in the money market in sight and term deposits with maturities of less than 18 months. This interest income fluctuates from year to year in close correlation with the average level of market interest rates. The rate of return on average capital invested came to 3.76% in the first half of 2007, compared with 2.51% for the first half of 2006, and 2.85% in 2006.
- 2) investment income on collateralized reverse repo operations, carried out in connection with the advances requested by CRH of its shareholders as provided in Article 5.3. of the company's internal rules and regulations in order to ensure its bond redemptions.

Interest paid on the advances is included in expense from banking operations together with interest paid to shareholders on subordinated loans granted to CRH.

As provided by contract, interest payable on these subordinated loans consists of two components:

. a fixed portion calculated each quarter as the quarterly average overnight interbank rate less 5%, but not less than 1%. Interest calculated on this basis amounted to EUR 555,217.57 at June 30, 2007, compared with EUR 388,148.93 at June 30, 2006 and EUR 860,207.94 at December 31, 2006,

. a variable portion determined by the Board of Directors on the basis of results for the year. The amount calculated on this basis came to EUR 1,503,802.94 at June 30, 2007, compared with EUR 572,758.84 at June 30, 2006 and EUR 1,557,801.24 in 2006.

The average interest rate paid on subordinated loans was 3.76% at June 30, 2007, compared with 2.51% at June 30, 2006 and 2.85% in 2006.

(EUR thousands)

	At June 30 2007	At June 30 2006	At December 31, 2006
Interest on cash management transactions	4,636	2,290	5,643
Interest on securities purchased under collateralized reverse repos	0	322	322
Writeback of provisions for contingencies and losses on financial instruments	0	4	9
Other income	0	0	0
A - Total other income from banking operations	4,636	2,616	5,974
Interest on subordinated loans	2,059	961	2,418
Interest on advances under Article 5.3 of CRH's internal rules and regulations	0	322	322
Other interest and expense	0	1	3
Fees on securities transactions	1	0	1
Amortization of premiums on interest rate options purchased	0	4	9
Contribution to the deposit guarantee fund	0	0	1
Charges to provisions for contingencies and losses on financial instruments			
B - Total other expense from banking operations	2,060	1,288	2,754
NET INCOME FROM BANKING OPERATIONS	2,576	1,328	3,220

Note 14 - Other general operating expenses

CRH's total administrative expenses, including depreciation and amortization, came to EUR 0.8 million at June 30, 2007, compared with EUR 0.8 million at June 30, 2006 and EUR 1.56 million at December 31, 2006.

Total administrative expense represented 0.0062% of average outstanding loans to shareholders at June 30, 2007, compared with 0.0083% at June 30, 2006 and 0.008% at December 31, 2006.

Main items are shown in the table below:

	(EUR thousands)		
	At June 30, 2007	At June 30, 2006	At December 31, 2006
Wages and salaries	291	304	605
Retirement payments (1)	31	31	66
Other social security charges	105	106	212
Taxes and other levies on payroll	40	41	82
Total personnel expenses	467	482	965
Taxes other than income tax	102	79	167
Rental and leasing	67	38	88
Other external services and miscellaneous administrative expense	174	187	331
Total other administrative expenses	241	225	419
Amortization of intangible assets	3	0	2
Depreciation of tangible fixed assets	3	2	5
Total depreciation and amortization	6	2	7

(1) including a provision for retirement benefits of EUR 9,000 at December 31, 2006.

Note 15 - Income tax

Estimated Tax on 2007 earnings at June 30, came to EUR 588,324 and concerned only income from banking operations. Must be added there the social contribution of 3.3% estimated at 6,825 euros.

OTHER INFORMATION

Note 16 - Staff

CRH had an average of eight employees during the first half of 2007, compared with an average of nine in the previous fiscal year.

Note 17 - Provision for retirement benefits

Provisions set aside to cover retirement payments required by French law amount to EUR 59,000 and cover the full amount of CRH's liability as assessed as of December 31, 2006. It's amount will be actualized at December 31, 2007.

ADDITIONAL INFORMATION

NET CASH FLOW STATEMENT			
(EUR thousands)			
	At June 30, 2007	At June 30, 2006	At December 31, 2006
Cash flow from operating activities			
Net income before taxes	1,762	405	1,577
Non-cash items:			
Depreciation and amortization	6	2	8
Provisions	0	(4)	84
Other non-cash items	(845)	(378)	1,117
Total non-cash items included in net income and other adjustments	(839)	(380)	1,209
Changes in transactions with credit institutions:			
Increase in term deposits	(32,167)	(31,004)	(72,751)
Term deposits having reached maturity	31,095	30,105	70,652
Changes in non-financial assets and liabilities:			
Other assets	64	49	(25)
Other liabilities	21	(138)	(167)
Taxes paid	(264)	(136)	(273)
Net change in assets and liabilities from operating activities	(1,251)	(1,124)	2,564
Net cash flow from operating activities (A)	(328)	(1,099)	222
Cash flow from investing activities			
Acquisitions of tangible fixed assets	(5)	(5)	(8)
Acquisitions of intangible and financial fixed assets	0	0	(5)
Net cash flow from investing activities (B)	(5)	(5)	(13)
Cash flow from financing activities			
Proceeds from bond issues	3,043,553	2,807,432	7,595,365
Bond repayments	0	(471,603)	(471,603)
Acquisition of investment securities (mortgage notes)	(3,043,553)	(2,807,432)	(7,595,365)
Investment securities having reached maturity	0	471,603	471,603
Proceeds from subordinated debt issues	43,320	29,476	70,319
Repayment of subordinated loans	(17,351)	(8,511)	(8,510)
Dividends paid	(935)	(524)	(525)
Net cash flow from financing activities (C)	25,034	20,441	61,284
Impact of exchange rates (D)	0	0	0
Net cash flow (A + B + C + D)	24,701	19,337	61,493
Net cash and equivalents at the beginning of the period	160,487	98,994	98,994
Net cash and equivalents at the end of the period	185,188	118,466	160,487
Net change in cash position	24,701	19,472	61,493

Solvency ratio

CRH had a solvency ratio of 8.89% at June 30, 2006, compared with 9.14% at June 30, 2006 and 8.94% at December 31, 2006. The ratio is at the same level in the reference frame of “Basle I” and “Basle II”. Calculation of the ratio “Basle II” is made using the standard method for the credit risk and the basic approach for the operational risk.

11.4. DATE OF THE MOST RECENT FINANCIAL STATEMENTS

The most recently audited financial statements are those for the first half of the year 2007.

11.5. INTERIM FINANCIAL STATEMENTS AND OTHER

CRH has not released any quarterly or six-month data subsequent to the June 30, 2007 financial statements.

11.6. LEGAL PROCEEDINGS AND ARBITRAGE EVENTS

On the date of filing this document, there are no legal, fiscal or regulatory proceedings underway likely to have a material impact on CRH's financial position, assets or liabilities.

On the date of filing this document there is no exceptional facts or litigations having had in a recent past or likely to have a significant incidence not reflected in the accounts stopped at June 30, 2007 on the financial position, the activity or the results of CRH.

11.7. MATERIAL CHANGES IN THE SITUATION OF THE ISSUER

On the date of filing this document, there are no exceptional events or litigation that have had in the recent past or are likely to have a material impact on the financial situation, the activity or the earnings of CRH that have not been reflected in the financial statements prepared at June 30, 2007.

CHAPTER 14

DOCUMENTS AVAILABLE TO THE PUBLIC

All registration documents (which contain the by-laws of the company) and the documents updating them may be consulted at CRH's registered office at 35 rue La Boétie 75008 Paris or on the *Autorité des Marchés Financiers* (AMF) and *Association des Sociétés Financières* (ASF) websites :

The following links concern the 2006 annual report:

<http://www.amf-france.org/Docdoif/txtint/rapostpdf/2007/2007-008600.pdf>

http://www.asf-france.com/asfmembres/indexoui/ra2006_crh.pdf

These documents may be obtained free of charge and without obligation by requesting them from CRH.

- by telephone: +33 (0)1 42 89 49 10, by fax: +33 (0)1 42 89 29 67, or by mail:

CRH – Caisse de Refinancement de l'Habitat

35 rue La Boétie

75008 Paris

APPENDIX 1 - FRENCH MONETARY AND FINANCIAL CODE

ARTICLES R. 313-20 TO R. 313-25

REGULATORY SECTION

Codifying the provisions of Decree 2000-664 of July 17, 2000, as modified by Decree 2003-144 of February 19, 2003 and Decree 2007-745 of May 9, 2007

Article R. 313-20

- I. In application of the provisions of this Article, the portion of a secured receivable, within the meaning of Article L. 313-42, that may be funded may not exceed the lesser of the two following values:
 1. The remaining principal balance of the receivable;
 2. The product of the financing percentage defined in section II multiplied by the value of the asset that is financed or provided as collateral.

- II. The financing percentage cited in I.2. is equal to:
 1. 60% of the value of the asset financed (in the case of secured receivables) or of the asset provided as collateral on mortgage loans;
 2. 80% of the value of the asset, in the case of loans provided by a company to natural persons holding promissory notes issued by that company, when these loans are used to finance the construction or acquisition of housing, or to finance both the acquisition of a buildable lot and the cost of building the housing.
All work performed to create or transform an inhabitable area by enlarging or renovating it for the purpose of building a residence is considered to be equivalent to the construction of housing.

- III. Assets that are financed or provided as collateral corresponding to funded receivables are evaluated by the issuers of promissory notes using the methods provided for by order of the minister of finance.

Article R. 313-21

The percentage cited in Article R. 313-20 Paragraph II.2. is increased to:

1. 90% of the value of the asset when the value of the funded receivables is at least 25% more than the value of the promissory notes they guarantee;
2. 100% of the value of the asset provided as collateral, in the case of the social housing ownership loans guaranteed by the Fonds de Garantie à l'Accession Sociale cited in Article L. 312-1 of the French Construction and Housing Code, or by any person or entity taking its place, or in the case of covered loans, for that portion exceeding the percentage established, by a guarantee meeting the conditions established in Article L. 313-42 of the present code, or by the guarantee of one or more public-law corporations cited in Article L. 515-15 of the present code.

Article R. 313-22

A real estate guarantee, which provides a guarantee equivalent to a senior mortgage, within the meaning of Article L. 313-42, is one that confers upon a creditor, regardless of the legal position of the debtor, the right to force the sale of the building covered by this guarantee regardless of who may be occupying it, and to receive payment from the proceeds of the sale with seniority over other creditors.

Article R. 313-23

Repealed.

Article R. 313-24

For the application of Article L. 515-14 Paragraph I.2., eligible secured receivables are defined as those for which a credit institution or insurance company with capital of at least €12 million has provided a binding guarantee.

The total value of secured receivables funded may not exceed 35% of the total receivables extended to the institution holding the promissory notes issued in application of Articles L. 313-42 to L. 313-48.

Article R. 313-25

The issuance agreement for bonds issued under the terms of Article L. 313-42 must explicitly state:

- 1° The purpose of the funding;
- 2° The exclusive purpose of the issuing credit institution;
- 3° The dispensation provided for in Article R. 214-7;
- 4° The preferential claim enjoyed by the issuing credit institution, under the terms of the provisions of Articles L. 313-42 to L. 313-49.

APPENDIX 2

Extract from CRBF Regulation No. 99-10 relative to *sociétés de crédit foncier* (real-estate credit institutions) as amended by Regulation No. 2002-02 of July 15, 2002 and by ARRETE of May 7, 2007

Chapter 1

The valuation of real estate

...

Section 1. – Real estate financed by loans eligible as assets of *sociétés de crédit foncier* or contributed in guarantee of such loans shall be valued on a prudent basis excluding any amount of a speculative nature.

Section 2. – The valuation shall be based on the real-estate's long-term and permanent characteristics, usual and local market conditions, the current use of the asset and other uses to which it may be put.

Such mortgage value shall be determined in writing, in a clear and transparent way, and shall not exceed the market value.

By derogation, the valuation may be based on the total cost of the operation when this cost is less than EUR 450,000 or when the sum of the remaining principal balances of the loans guaranteed by the asset financed is less than EUR 360,000.