# IRISH CONTINENTAL GROUP

## HALF YEARLY FINANCIAL REPORT

## FOR THE HALF YEAR ENDED 30 JUNE 2013

| **Financial Highlights** | **Six months to 30 June** | | **Change %** | **Financial Year** |
|---|---|---|---|---|
| | **2013** | **2012*** | | **2012** |
| Revenue | €120.9m | €117.0m | +3.3% | €256.1m |
| EBITDA | €15.8m | €14.1m | +12.1% | €45.8m |
| Operating Profit | €6.4m | €4.9m | +30.6% | €24.4m |
| Profit before tax | €3.3m | €3.7m | -10.8% | €21.0m |
| EPS – continuing operations | | | | |
| EPS Basic | 16.4c | 13.7c | +19.7% | 88.6c |
| EPS Adjusted | 21.8c | 16.9c | +29.0% | 104.6c |
| Dividend | 33.0c | 33.0c | - | 100.0c |

| **Operational Highlights** | **Six months to 30 June** | | |
|---|---|---|---|
| | **2013** | **2012** | **Change %** |
| **Volumes** | **000** | **000** | |
| Passengers | 678.4 | 676.7 | +0.3% |
| Cars | 142.5 | 148.7 | -4.2% |
| RoRo Freight | 99.7 | 92.4 | +7.9% |
| Container Freight (teu.**) | 140.6 | 126.3* | +11.3% |
| Port Lifts | 86.4 | 89.5 | -3.5% |

*****As restated to reflect the effect of discontinued operations.
**teu.: twenty foot equivalent units

- Good volume growth in freight
- Passenger and car markets mixed in first half but summer trading satisfactory
- Increase in Revenue (up 3.3%), EBITDA (up 12.1%) and Basic EPS (up 19.7%)
- Net Debt down to €105.4 million from €116.0 million at 31 December 2012
- Interim dividend maintained at 33 cent
- Volume growth in summer, in both freight and passenger, although weaker sterling is a headwind

**Comment**

In a comment John B. McGuckian Chairman stated;

''This was a positive half years trading with increases in revenue and operating profit driven mainly by higher freight carryings and lower fuel costs, partially offset by weaker passenger markets. Summer trading has been encouraging across most business areas, with volume growth in passenger and freight offset by weaker sterling, which affects tourism yields.''

29 August 2013


| | | |
|---|---|---|
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## RESULTS

In the prior year the Group disposed of its subsidiary Feederlink and the comparatives set out in the Interim Management Report have been restated to exclude trading from discontinued operations. The Board of Irish Continental Group plc (ICG) reports that, in the seasonally less profitable first half of the year, the Group recorded revenue of €120.9 million compared with €117.0 million in the same period in 2012, an increase of 3.3%. Earnings before interest, tax, depreciation and amortisation (EBITDA) was €15.8 million compared with €14.1 million in the same period in 2012. Operating profit was €6.4 million compared with €4.9 million in 2012. Group fuel costs were €23.9 million compared with €25.7 million in the same period in 2012. There was a net finance charge of €3.1 million (2012: €1.2 million) which includes a net pension expense of €1.0 million (2012: €0.8 million) and net bank interest payable of €2.1 million (2012: €0.4 million). Profit before tax was €3.3 million compared with €3.7 million in the first half of 2012. The tax charge amounted to €0.3 million (2012: €0.3 million). On a continuing basis EPS was 16.4c compared with 13.7c in the first half of 2012. Adjusted EPS (before non-trading items and net pension interest expense) amounted to 21.8c (2012: 16.9c).

## DIVIDEND

The Board declares an interim dividend of 33 cent per ICG Unit payable on 4 October to shareholders on the register at 20 September 2013.

## OPERATIONAL REVIEW

### Ferries Division

The division comprises Irish Ferries, a leading provider of passenger and freight ferry services between Ireland and both the UK and Continental Europe, and the bareboat chartering of multipurpose ferries to third parties. Irish Ferries operated 2,119 sailings in the period, up 1.5% on 2012.

Revenue in the division was €69.4 million (2012: €69.5 million). Profit from operations increased to €4.0 million (2012: €3.2 million), with a €1.3 million (7.0%) reduction in fuel costs to €17.2 million, partially offset by higher drydock costs incurred on one of the vessels in the fleet.

In the first half passengers carried were up 0.3% at 678,400 while total cars carried in the first half of 2013 were 142,500, down 4.2% on the previous year, but at higher yields.

In RoRo freight, Irish Ferries’ volumes were up 7.9% to 99,700 units, when compared with the first half of 2012.

The MV Kaitaki remained on charter to P&O during the period, trading in New Zealand. The charter to P&O terminated on 30 June 2013 following which a new charter commenced, on 1 July 2013 to KiwiRail. The new charter is for a period of 4 years with an option for the charterer to extend by a further 3 years.

## OPERATIONAL REVIEW - continued

### Container and Terminal Division

The Container and Terminal Division include the shipping line Eucon as well as the division's strategically located container terminals in Dublin (DFT) and Belfast (BCT).

Turnover in the division was up 8.3% to €52.2 million (2012: €48.2 million), while profit from operations was €2.4 million (2012: €1.7 million) reflecting stronger shipping volumes. Fuel costs in the division were down 6.9% at €6.7 million.

Total containers shipped were up 11.3% at 140,600 teu (2012: 126,300 teu). Units lifted at the division's port facilities in Dublin and Belfast were down 3.5% at 86,400 lifts (2012: 89,500 lifts) with an increase in Dublin being offset by a reduction in Belfast due to ship schedule changes.

## FINANCIAL POSITION

EBITDA for the period was €15.8 million compared with €14.1 million in the same period in 2012. Cash flow generated from operations was €23.1 million versus €17.6 million in 2012. Capital expenditure in the period was €6.6 million (2012: €5.1 million) while pension payments in excess of service costs amounted to €2.4 million (2012: €3.0 million). Free cash flow (net cash from operating activities after capital expenditure) was €14.2 million compared with €11.9 million in the previous half year.

Net debt at the end of the period amounted to €105.4 million and this compares with €116.0 million at 31 December 2012. The final dividend for 2012, amounting to €12.3 million was paid during the period.

Shareholders equity decreased to €11.8 million from €18.0 million at 31 December 2012. The main reasons for the decrease were primarily due to the dividend paid of €12.3 million offset by €6.0 million of total comprehensive income, which includes an actuarial gain arising on the retirement benefit obligation of €2.0 million and a profit for the period of €3.0 million.

## PRINCIPAL RISKS AND UNCERTAINTIES

The Group has a risk management structure in place which is designed to identify, manage and mitigate the threats to the business. The key risks facing the Group in the six months to 30 June 2013 include operational risks such as risks to safety and business continuity, commercial and market risks due to reduced demand for passenger and freight services combined with the risk of increased supply of shipping capacity due to the mobility of assets, and financial and commodity risks arising from the current financial and economic environment.

### Safety and Business Continuity

The Group is dependent on the safe operation of its vessels, plant & equipment. There is a risk that any of the Group's vessels could be involved in an incident which could cause loss of life and cargo and cause significant interruption to the Group's business. In mitigation, the Group carries insurance in respect of passenger, cargo and third party liabilities, but does not carry insurance for business interruption due to the cost involved relative to the insurable benefits. The operation of vessels of the type listed by the Group are subject to significant regulatory oversight by flag state, port state and other regulatory authorities whose requirements can change from time to time.

## PRINCIPAL RISKS AND UNCERTAINTIES - continued

### Safety and Business Continuity – continued

The business of the Group is also exposed to the risk of interruption from incidents such as mechanical failure, or other loss of critical port installations or vessels, or from labour disputes either within the Group or in key suppliers, for example ports or fuel suppliers, or from a loss of significant IT systems.

### Commercial and Market Risk

The passenger market is subject to the current challenging economic conditions, the weakness of sterling relative to the euro which impacts on incoming demand to Ireland and to the competitive threat from short-haul and regional airlines. The freight market is subject to general economic conditions and in particular the reduced level of international trade in North West Europe. Given the mobile nature of ships there is also the risk of additional capacity arising in any of the Group's trading areas at relatively short notice. The Group has commercial arrangements with freight customers which mitigate the immediate effects of additional market capacity but in the medium term the Group is exposed to the dilution of its customer base.

### Financial and Commodity Risks

In light of the challenges arising in financial markets there is a higher degree of financial risk in the business. Specific risks include higher risk of default by debtors, reduced availability of credit insurance and potentially reduced availability, and higher cost, of financing. Other financial risks include the risks to the Group's defined benefit pension schemes from changes in interest and inflation rates, longevity, and changes in the market value of investments. In addition to normal risks attributable to the Group's defined benefit pension schemes, the Group is exposed to risk attributable to its membership of the multi-employer scheme, the Merchant Navy Officer Pension Fund (MNOPF), where the participating employers have joint and several liability for the obligations of the scheme. The rules of the scheme provide for joint and several liability for employers for the obligations of the scheme which had a funding shortfall of £152 million as at 31 March 2012. This means the Group is exposed, with other performing employers, to a pro rata share of the obligations of any employers who default on their obligations. The Group is also exposed to the risk of a discontinuance basis debt arising (a "S 75 debt") if it ceases participation in the MNOPF. This would be a larger sum than the on-going deficit share and represents a contingent liability. In terms of commodity price risk the Group's vessels consume heavy fuel oil (HFO), marine diesel gas oil (MDO/MGO) and lubricating oils, all of which continue to be subject to price volatility. The Group's policy has been to purchase these commodities in the spot markets and to remain unhedged.

## RELATED PARTY TRANSACTIONS

There were no related party transactions in the half year that have materially affected the financial position or performance of the Group in the period. In addition, there were no changes in related party transactions from the last annual report that could have a material effect on the financial position or performance of the Group in the first six months.

## POST BALANCE SHEET EVENTS

There have been no material subsequent events, outside the ordinary course of business, to report since the period ended 30 June 2013.

## GOING CONCERN

After making enquiries and taking into account the Group's committed banking facilities which extend to September 2017, the Directors believe that the Group has adequate resources to continue in operational existence for the foreseeable future. In forming this view the Directors have considered the future cash requirements of the Group's business in the context of the economic environment over the next 12 months, the principal risks and uncertainties facing the Group, the Group's budget plan and the medium term strategy of the Group, including capital investment plans. The future cash requirements have been compared to bank facilities which the Directors have negotiated. For this reason, they continue to adopt the going concern basis in preparing this half yearly financial report.

## AUDITOR REVIEW

This half yearly financial report has not been audited or reviewed by the auditors of the Group pursuant to the Auditing Practices Board guidance on Review of Interim Financial Information.

## CURRENT TRADING & OUTLOOK

Trading during the peak summer months has been satisfactory. In the 8 weeks from 30 June 2013 to 24 August 2013 total passengers carried were up 9%, while cars carried were up 6%. However weaker sterling (down 8.5% year on year in July and August) is affecting yields on our UK originating car business. Roll on Roll off freight volumes were up 12% during the two months. In the Container and Terminal division container carryings remained strong, up 15% in the two months while port lifts were down 5% compared to the same period last year.

Cumulatively in the 34 weeks to 24 August 2013, Irish Ferries carried 1,105,400 passengers, up 4% while the number of cars carried was 238,400, flat against the same period last year. In the Roll on Roll off freight market, Irish Ferries carried 129,500 units, an increase of 9% compared with the same period in 2012. Container freight volumes shipped increased by 12% to 182,800 teu compared with the same period last year, while port lifts fell by 4% to 113,100 lifts year on year.

The outlook for the remainder of the year is for a continuation of the trends seen to date, with growth in freight particularly, but with the impact of a weaker sterling weighing on car and passenger yields in our UK originating traffic.

## FORWARD-LOOKING STATEMENTS

This report contains certain forward-looking statements. These statements are made by the Directors in good faith based on the information available to them up to the time of their approval of this report. These forward-looking statements should be treated with caution due to the inherent uncertainties, including both economic and business risk factors, underlying any such forward looking information.

This report has been prepared for the Group as a whole and therefore gives greater emphasis to those matters which are significant to Irish Continental Group plc and its subsidiaries when viewed as a whole.

## WEBSITE

This half yearly financial report and Interim Management Report are available on the Group's website www.icg.ie

John B. McGuckian
Chairman
28 August 2013

**RESPONSIBILITY STATEMENT**

The Directors are responsible for preparing the Half Yearly Financial Report in accordance with the Transparency (Directive 2004/109/EC) Regulations 2007 (as amended), the related Transparency Rules of the Central Bank of Ireland and IAS 34, ‘Interim Financial Reporting’ as adopted by the European Union.

The Directors confirm that, to the best of their knowledge:

- the Group Condensed Financial Statements for the half year ended 30 June 2013 have been prepared in accordance with the International Accounting Standard applicable to interim financial reporting (IAS 34 Interim Financial Reporting) adopted pursuant to the procedure provided for under Article 6 of the Regulation (EC) No. 1606/2002 of the European Parliament and the Council of 19 July 2002;
- the Interim Management Report includes a fair review of the important events that have occurred during the first six months of the financial year, their impact on the Group Condensed Financial Statements for the half year ended 30 June 2013, and a description of the principal risks and uncertainties for the remaining six months; and
- the Interim Management Report includes a fair review of related party transactions that have occurred during the first six months of the current financial year and that have materially affected the financial position or the performance of the Group during that period, and any changes in the related parties transactions described in the last Annual Report that could have a material effect on the financial position or performance of the Group in the first six months of the current financial year.

| | |
|---|---|
| Eamonn Rothwell | Chief Executive Officer |
| Garry O’Dea | Finance Director |
| 28 August 2013 | |

**CONDENSED CONSOLIDATED INCOME STATEMENT**
**FOR THE HALF YEAR ENDED 30 JUNE 2013**

| | Notes | Half year ended 30 Jun 2013 €m | Half year ended 30 Jun 2012* €m | Year ended 31 Dec 2012** €m |
|---|---|---|---|---|
| Revenue | | 120.9 | 117.0 | 256.1 |
| Depreciation and amortisation | | (9.4) | (9.2) | (19.3) |
| Employee benefits expense | | (8.2) | (8.3) | (17.4) |
| Other operating expenses | | (96.9) | (94.6) | (192.9) |
| | | 6.4 | 4.9 | 26.5 |
| Non-trading items | | - | - | (2.1) |
| **Operating profit** | | **6.4** | **4.9** | **24.4** |
| Investment revenue | | 0.1 | - | 0.1 |
| Finance costs | | (3.2) | (1.2) | (3.5) |
| **Profit before taxation** | | **3.3** | **3.7** | **21.0** |
| Income tax expense | | (0.3) | (0.3) | (0.5) |
| **Profit from continuing operations** | | **3.0** | **3.4** | **20.5** |
| **Discontinued operations** | | | | |
| Trading profit from discontinued operations | | - | 0.2 | 0.9 |
| Non-trading items | | - | - | 21.0 |
| Profit from discontinued operations | | - | 0.2 | 21.9 |
| **Profit for the period: all attributable to equity holders of the parent** | | **3.0** | **3.6** | **42.4** |
| **Earnings per ordinary share (cent)** | | | | |
| From continuing and discontinued operations: | | | | |
| Basic | 5 | 16.4c | 14.5c | 183.2c |
| Diluted | 5 | 16.3c | 14.4c | 182.8c |
| From continuing operations: | | | | |
| Basic | 5 | 16.4c | 13.7c | 88.6c |
| Diluted | 5 | 16.3c | 13.6c | 88.4c |

*As restated to reflect the effect of discontinued operations and revised IAS 19.
** As restated to reflect the effect of revised IAS 19.

## CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE HALF YEAR ENDED 30 JUNE 2013

| | Notes | Half year ended 30 Jun 2013 €m | Half year ended 30 Jun 2012 €m | Year ended 31 Dec 2012 €m |
|---|---|---|---|---|
| **Profit for the period** | | **3.0** | **3.6** | **42.4** |
| Cash flow hedges: | | | | |
| - Fair value gains / (losses) arising during the period | | 0.7 | - | (0.6) |
| - Transfer to Consolidated Income Statement net settlement of cash flow hedge | | 0.2 | - | - |
| Exchange differences on translation of foreign operations | | 0.1 | 2.6 | 3.1 |
| Actuarial gain / (loss) on retirement benefit schemes | 11 | 2.0 | (30.5) | (34.7) |
| Deferred tax movements | | 0.1 | - | 0.3 |
| Exchange difference on defined benefit schemes | | (0.1) | (0.2) | (0.2) |
| **Other comprehensive income / (expense) for the period** | | **3.0** | **(28.1)** | **(32.1)** |
| **Total comprehensive income / (expense) for the period: all attributable to equity holders of the parent** | | **6.0** | **(24.5)** | **10.3** |

**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**
**AS AT 30 JUNE 2013**

| | Notes | 30 Jun 2013 €m | 30 Jun 2012 €m | 31 Dec 2012 €m |
|---|---|---|---|---|
| **Assets** | | | | |
| **Non-current assets** | | | | |
| Property, plant and equipment | 6 | 171.2 | 180.6 | 174.2 |
| Intangible assets | 7 | 0.8 | 0.8 | 0.8 |
| Finance lease receivable | | 16.3 | 19.3 | 17.5 |
| Retirement benefit surplus | 11 | 4.0 | 4.5 | 3.7 |
| | | **192.3** | **205.2** | **196.2** |
| **Current assets** | | | | |
| Inventories | | 2.6 | 3.4 | 2.7 |
| Trade and other receivables | | 37.8 | 39.6 | 37.5 |
| Derivative financial instruments | | 0.3 | - | - |
| Cash and bank balances | 8 | 23.0 | 13.7 | 22.3 |
| | | **63.7** | **56.7** | **62.5** |
| **Total assets** | | **256.0** | **261.9** | **258.7** |
| **Equity and liabilities** | | | | |
| **Equity** | | | | |
| Share capital | | 11.9 | 16.3 | 11.9 |
| Share premium | | 7.6 | 53.0 | 7.5 |
| Other reserves | | (8.6) | (15.8) | (9.6) |
| Retained earnings | | 0.9 | 47.1 | 8.2 |
| **Equity attributable to equity holders** | | **11.8** | **100.6** | **18.0** |
| **Non-current liabilities** | | | | |
| Borrowings | 8 | 112.4 | 29.2 | 123.2 |
| Trade and other payables | | 0.7 | 0.8 | 0.7 |
| Deferred tax liabilities | | 3.9 | 4.4 | 4.0 |
| Provisions | | 0.4 | 0.4 | 0.4 |
| Deferred grant | | 0.6 | 0.7 | 0.7 |
| Retirement benefit obligation | 11 | 55.3 | 65.5 | 58.3 |
| | | **173.3** | **101.0** | **187.3** |
| **Current liabilities** | | | | |
| Borrowings | 8 | 16.0 | 5.3 | 15.1 |
| Trade and other payables | | 51.9 | 52.2 | 33.9 |
| Derivative financial instruments | | - | - | 0.6 |
| Current tax liabilities | | 2.5 | 2.3 | 3.3 |
| Provisions | | 0.4 | 0.4 | 0.4 |
| Deferred grant | | 0.1 | 0.1 | 0.1 |
| | | **70.9** | **60.3** | **53.4** |
| **Total liabilities** | | **244.2** | **161.3** | **240.7** |
| **Total equity and liabilities** | | **256.0** | **261.9** | **258.7** |

## CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
## FOR THE HALF YEAR ENDED 30 JUNE 2013

| | Share Capital €m | Share Premium €m | Other Reserves €m | Retained Earnings €m | Total €m |
|---|---|---|---|---|---|
| **Balance at 1 January 2013** | **11.9** | **7.5** | **(9.6)** | **8.2** | **18.0** |
| Profit for the period | - | - | - | 3.0 | 3.0 |
| Other comprehensive income | - | - | 1.0 | 2.0 | 3.0 |
| **Total comprehensive income for the period** | **-** | **-** | **1.0** | **5.0** | **6.0** |
| Share issue | - | 0.1 | - | - | 0.1 |
| Dividend payment (note 4) | - | - | - | (12.3) | (12.3) |
| | **-** | **0.1** | **1.0** | **(7.3)** | **(6.2)** |
| **Balance at 30 June 2013** | **11.9** | **7.6** | **(8.6)** | **0.9** | **11.8** |

| | |
|---|---|
| **Analysed as follows:** | |
| Share capital | 11.9 |
| Share premium | 7.6 |
| Other reserves | (8.6) |
| Retained earnings | 0.9 |
| | **11.8** |

Other Reserves comprise the following:

| | Capital Reserve €m | Share Options Reserve €m | Hedging Reserve €m | Translation Reserve €m | Total €m |
|---|---|---|---|---|---|
| **Balance at 1 January 2013** | **7.3** | **3.4** | **(0.6)** | **(19.7)** | **(9.6)** |
| Other comprehensive income | - | - | 0.9 | 0.1 | 1.0 |
| **Balance at 30 June 2013** | **7.3** | **3.4** | **0.3** | **(19.6)** | **(8.6)** |

**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**
**FOR THE HALF YEAR ENDED 30 JUNE 2012**

| | Share Capital €m | Share Premium €m | Other Reserves €m | Retained Earnings €m | Total €m |
|---|---|---|---|---|---|
| **Balance at 1 January 2012** | **16.7** | **52.7** | **(18.9)** | **101.1** | **151.6** |
| Profit for the period | - | - | - | 3.6 | 3.6 |
| Other comprehensive income / (expense) | - | - | 2.6 | (30.7) | (28.1) |
| **Total comprehensive income / (expense) for the period** | **-** | **-** | **2.6** | **(27.1)** | **(24.5)** |
| Share issue | 0.1 | 0.3 | - | - | 0.4 |
| Share buyback | (0.5) | - | 0.5 | (10.2) | (10.2) |
| Dividend payment (note 4) | - | - | - | (16.7) | (16.7) |
| | **(0.4)** | **0.3** | **3.1** | **(54.0)** | **(51.0)** |
| **Balance at 30 June 2012** | **16.3** | **53.0** | **(15.8)** | **47.1** | **100.6** |

| | |
|---|---|
| **Analysed as follows:** | |
| Share capital | 16.3 |
| Share premium | 53.0 |
| Other reserves | (15.8) |
| Retained earnings | 47.1 |
| | **100.6** |

Other Reserves comprise the following:

| | Capital Reserve €m | Share Options Reserve €m | Translation Reserve €m | Total €m |
|---|---|---|---|---|
| **Balance at 1 January 2012** | **2.4** | **1.5** | **(22.8)** | **(18.9)** |
| Other comprehensive income | - | - | 2.6 | 2.6 |
| Share buyback | 0.5 | - | - | 0.5 |
| | **0.5** | **-** | **2.6** | **3.1** |
| **Balance at 30 June 2012** | **2.9** | **1.5** | **(20.2)** | **(15.8)** |

## CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
## FOR THE YEAR ENDED 31 DECEMBER 2012

| | Share Capital €m | Share Premium €m | Other Reserves €m | Retained Earnings €m | Total €m |
|---|---|---|---|---|---|
| **Balance at 1 January 2012** | **16.7** | **52.7** | **(18.9)** | **101.1** | **151.6** |
| Profit for the year | - | - | - | 42.4 | 42.4 |
| Other comprehensive income / (expense) | - | - | 2.5 | (34.6) | (32.1) |
| **Total comprehensive income for the year** | **-** | **-** | **2.5** | **7.8** | **10.3** |
| Employee share options expense | - | - | 2.3 | - | 2.3 |
| Share Issue | 0.1 | 1.5 | - | - | 1.6 |
| Share buyback | (4.3) | - | 4.3 | (121.6) | (121.6) |
| Share buyback expenses | - | - | - | (1.5) | (1.5) |
| Cancel treasury shares | (0.6) | - | 0.6 | - | - |
| Capital reduction | - | (46.7) | - | 46.7 | - |
| Dividends | - | - | - | (24.7) | (24.7) |
| Transferred to retained earnings on exercise of share options | - | - | (0.4) | 0.4 | - |
| | **(4.8)** | **(45.2)** | **9.3** | **(92.9)** | **(133.6)** |
| **Balance at 31 December 2012** | **11.9** | **7.5** | **(9.6)** | **8.2** | **18.0** |

**Analysed as follows:**

| | |
|---|---|
| Share capital | 11.9 |
| Share premium | 7.5 |
| Other reserves | (9.6) |
| Retained earnings | 8.2 |
| | **18.0** |

Other Reserves comprise the following:

| | Capital Reserve €m | Share Options Reserve €m | Hedging Reserve €m | Translation Reserve €m | Total €m |
|---|---|---|---|---|---|
| **Balance at 1 January 2012** | **2.4** | **1.5** | **-** | **(22.8)** | **(18.9)** |
| Other comprehensive (expense) / income | - | - | (0.6) | 3.1 | 2.5 |
| Employee share options expense | - | 2.3 | - | - | 2.3 |
| Share buyback | 4.3 | - | - | - | 4.3 |
| Cancel treasury shares | 0.6 | - | - | - | 0.6 |
| Transferred to retained earnings on exercise of share options | - | (0.4) | - | - | (0.4) |
| | **4.9** | **1.9** | **(0.6)** | **3.1** | **9.3** |
| **Balance at 31 December 2012** | **7.3** | **3.4** | **(0.6)** | **(19.7)** | **(9.6)** |

## CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
## FOR THE HALF YEAR ENDED 30 JUNE 2013

| | Notes | 30 Jun 2013 €m | 30 Jun 2012 €m | 31 Dec 2012 €m |
|---|---|---|---|---|
| **Net cash inflow from operating activities** | 12 | **20.8** | **17.0** | **26.9** |
| | | | | |
| **Cash flow from investing activities** | | | | |
| Interest received | | 0.1 | - | 0.1 |
| Proceeds on disposal of property, plant and equipment | | 0.1 | 0.4 | 0.8 |
| Net proceeds received on disposal of investment in subsidiary | | 6.8 | - | 18.3 |
| Payment received on finance lease receivable | | 1.4 | 1.3 | 2.7 |
| Purchases of property, plant and equipment | | (6.4) | (4.9) | (8.1) |
| Purchase of intangible assets | | (0.2) | (0.2) | (0.4) |
| **Net cash inflow / (outflow) from investing activities** | | **1.8** | **(3.4)** | **13.4** |
| | | | | |
| **Cash flow from financing activities** | | | | |
| Dividends paid to equity holders of the Company | | (12.3) | (16.7) | (24.7) |
| Repayments of borrowings | | (14.5) | (2.5) | (12.8) |
| Repayments of obligations under finance leases | | (0.3) | (0.3) | (0.7) |
| Proceeds on issue of ordinary share capital | | 0.1 | 0.4 | 1.6 |
| Share buyback | | - | (10.2) | (123.1) |
| Non-trading item: Financing and related fees | | - | - | (2.1) |
| New bank loans raised | | 5.0 | 15.0 | 133.0 |
| Inception of new finance lease | | - | - | 1.4 |
| | | | | |
| **Net cash outflow from financing activities** | | **(22.0)** | **(14.3)** | **(27.4)** |
| | | | | |
| Net increase / (decrease) in cash and cash equivalents | | 0.6 | (0.7) | 12.9 |
| | | | | |
| **Cash and cash equivalents at the beginning of the period** | | **22.3** | **9.5** | **9.5** |
| | | | | |
| Effect of foreign exchange rate changes | | 0.1 | - | (0.1) |
| | | | | |
| **Cash and cash equivalents at the end of the period** | **8** | **23.0** | **8.8** | **22.3** |

## 1. General information

These condensed financial statements do not comprise the statutory accounts within the meaning of Section 19 of the Companies (Amendment) Act 1986. The figures disclosed relating to 31 December 2012 have been derived from the consolidated financial statements which were audited, received an unqualified audit report and have been filed with the Registrar of Companies.

The interim figures included in the condensed financial statements for the six months ended 30 June 2013 and the comparative amounts for the six months ended 30 June 2012 are unaudited.

Irish Continental Group plc uses alternative performance measures as key financial indicators to assess the underlying performance of the Group. These include EBITDA, operating profit, net debt, adjusted earnings per share and free cash flow. These measures have been explained and defined in the 2012 Annual Report.

## 2. Accounting policies

The Group Condensed Financial Statements for the six months ended 30 June 2013 have been prepared in accordance with the Transparency (Directive 2004/109/EC) Regulations 2007 (as amended), the related Transparency Rules of the Central Bank of Ireland and with IAS 34 'Interim Financial Reporting' as adopted by the European Union.

The accounting policies and methods of computation applied in preparing these condensed financial statements are consistent with those set out in the Group Annual Report for the financial year ended 31 December 2012, which is available at www.icg.ie.

The Group did not adopt any new International Financial Reporting Standards (IFRS) or Interpretations in the period that had a material impact on the Group Condensed Financial Statements for the half year.

IAS 19, Employee Benefits (Amendment) (''IAS 19A'') came into effect for the Group from 1 January 2013. The main impact of the adoption of IAS 19A on the financial results of the Group is in the calculation of finance income and charges in respect of defined benefit schemes. The previous practice of recognising the expected return on plan assets (presented within finance income) and of calculating the interest expense on the defined benefit obligation (presented within finance expense) is now replaced by the calculation of a net interest amount calculated on the net defined benefit liability (or asset) using the discount rate measured at the beginning of the period. As the expected return on assets at 1 January 2012 after allowing for the effect of the Irish pensions levy approximated the discount rate at the same date, the adoption of IAS 19A has no material impact on the previously reported profit before taxation at 30 June 2012 or 31 December 2012.

## 2. Accounting policies - continued

The Investment revenue and Finance costs captions in the Consolidated Income Statement have been restated as follows:

| Income Statement | As reported €m | Adjustment €m | As restated €m |
|---|---|---|---|
| **30 June 2012** | | | |
| **Investment revenue** | | | |
| Expected return on defined benefit pension scheme assets | 5.1 | (5.1) | - |
| **Finance costs** | | | |
| Interest on defined benefit pension scheme liabilities | (5.9) | 5.1 | (0.8) |
| Profit before taxation | (0.8) | - | (0.8) |
| **31 December 2012** | | | |
| **Investment revenue** | | | |
| Expected return on defined benefit pension scheme assets | 10.0 | (10.0) | - |
| **Finance costs** | | | |
| Interest on defined benefit pension scheme liabilities | (11.6) | 10.0 | (1.6) |
| Profit before taxation | (1.6) | - | (1.6) |

At 30 June 2013, the following Standards and Interpretations have become effective since our last Annual Report:

| | |
|---|---|
| IFRS 1 | (Amendment) First-time Adoption of International Financial Reporting Standards (effective for accounting periods beginning on or after 1 January 2013); |
| IFRS 7 | (Amendment) Financial Instruments: Disclosures (effective for accounting periods beginning on or after 1 January 2013); |
| IFRS 10 | Consolidated Financial Statements (effective for accounting periods beginning on or after 1 January 2013); |
| IFRS 11 | Joint Arrangements (effective for accounting periods beginning on or after 1 January 2013); |
| IFRS 12 | Disclosure of Interests in Other Entities (effective for accounting periods beginning on or after 1 January 2013); |
| IFRS 13 | Fair Value Measurement (effective for accounting periods beginning on or after 1 January 2013); |
| IAS 1 | (Amendment) Presentation of Financial Statements (effective for accounting periods beginning on or after 1 July 2012); |
| IAS 19 | (Amendment) Employee Benefits (effective for accounting periods beginning on or after 1 January 2013); |
| IAS 27 | (Revised) Separate Financial Statements (effective for accounting periods beginning on or after 1 January 2013); |
| IAS 28 | (Revised) Investments in Associates and Joint Ventures (effective for accounting periods beginning on or after 1 January 2013); |
| IFRIC 20 | Stripping Costs in the Production Phase of a Surface Mine (effective for accounting periods beginning on or after 1 January 2013); and |
| General | Annual improvements to IFRSs: 2009 – 2011 (effective for accounting periods beginning on or after 1 January 2013). |

There have been no material changes in estimates in these interim accounts based on the estimates that have previously been made in the prior year interim accounts to 30 June 2012 and the prior year financial statements to 31 December 2012.

## 3. Segmental information: Analysis by class of business

Under IFRS 8: Operating Segments, the Group has determined that the operating segments are (i) Ferries and (ii) Container and Terminal.

| | Half year ended | | | | Year ended | |
|---|---|---|---|---|---|---|
| | 30 Jun 2013 | | 30 Jun 2012* | | 31 Dec 2012 | |
| | Revenue €m | Profit €m | Revenue €m | Profit €m | Revenue €m | Profit €m |
| Ferries | 69.4 | 4.0 | 69.5 | 3.2 | 160.0 | 22.4 |
| Container and Terminal | 52.2 | 2.4 | 48.2 | 1.7 | 97.4 | 4.1 |
| Inter-segment Revenue | (0.7) | - | (0.7) | - | (1.3) | - |
| Non-trading items | - | - | - | - | - | (2.1) |
| **Operating Profit** | **-** | **6.4** | **-** | **4.9** | **-** | **24.4** |
| Net Interest - Ferries | - | (3.0) | - | (1.1) | - | (3.2) |
| Net interest - Container and Terminal | - | (0.1) | - | (0.1) | - | (0.2) |
| **External Revenue / Profit before tax** | **120.9** | **3.3** | **117.0** | **3.7** | **256.1** | **21.0** |

*As restated to reflect the effect of discontinued operations.

Revenue in the Group's Ferries Division is weighted towards the second half of the year due to patterns of passenger demand.

There has been no material change in the share of total assets / liabilities between segments from the share disclosed in the prior year financial statements to 31 December 2012.

## 4. Dividend

| | Half year ended 30 Jun 2013 €m | Half year ended 30 Jun 2012 €m | Year ended 31 Dec 2012 €m |
|---|---|---|---|
| Interim dividend of 33c per ICG Unit | - | - | 8.0 |
| Final dividend of 67c per ICG Unit | 12.3 | 16.7 | 16.7 |
| | **12.3** | **16.7** | **24.7** |

In June 2013 a final dividend of 67 cent per ICG Unit was paid for the year ended 31 December 2012. In June 2012 a final dividend of 67 cent per ICG Unit was paid for the year ended 31 December 2011. In September 2012 an interim dividend of 33 cent per ICG Unit was paid for the year ended 31 December 2012.

## 5. Earnings per share

| Number of shares | Half year ended 30 Jun 2013 '000 | Half year ended 30 Jun 2012 '000 | Year ended 31 Dec 2012 '000 |
|---|---|---|---|
| Weighted average number of ordinary shares for the purpose of basic earnings per share | 18,348 | 24,834 | 23,139 |
| Effect of dilutive potential ordinary shares: Share options | 70 | 140 | 59 |
| Weighted average number of ordinary shares for the purpose of diluted adjusted earnings per share | **18,418** | **24,974** | **23,198** |

The denominator for the purposes of calculating both basic and diluted earnings per share has been adjusted to reflect shares issued during the period. The earnings used in both the adjusted basic and diluted earnings per share have been adjusted to take into account non-trading items and the net interest expense on defined benefit pension schemes. Management consider the adjusted earnings per share calculation to be a better indication of the continuing underlying performance of the Group.

**From continuing and discontinued operations**

| | Half year ended 30 Jun 2013 Cent | Half year ended 30 Jun 2012 Cent | Year ended 31 Dec 2012 Cent |
|---|---|---|---|
| Basic earnings per share | 16.4 | 14.5 | 183.2 |
| Diluted earnings per share | 16.3 | 14.4 | 182.8 |
| Adjusted basic earnings per share | 21.8 | 17.7 | 108.5 |
| Adjusted diluted earnings per share | 21.7 | 17.6 | 108.2 |

The calculation of the basic and diluted earnings per share attributable to the ordinary equity holders of the parent is based on the following data:

| Earnings | €m | €m | €m |
|---|---|---|---|
| Earnings for the purpose of basic and diluted earnings per share - Profit for the period attributable to equity holders of the parent | **3.0** | **3.6** | **42.4** |
| Earnings for the purpose of adjusted earnings per share - Profit for the period attributable to equity holders of the parent | 3.0 | 3.6 | 42.4 |
| Effect of non-trading items | - | - | (18.9) |
| Effect of net interest expense on defined benefit pension schemes | 1.0 | 0.8 | 1.6 |
| Earnings for the purpose of adjusted earnings per share | **4.0** | **4.4** | **25.1** |

## 5. Earnings per share - continued

### From continuing operations

| | Half year ended 30 Jun 2013 Cent | Half year ended 30 Jun 2012 Cent | Year ended 31 Dec 2012 Cent |
|---|---|---|---|
| Basic earnings per share | 16.4 | 13.7 | 88.6 |
| Diluted earnings per share | 16.3 | 13.6 | 88.4 |
| Adjusted basic earnings per share | 21.8 | 16.9 | 104.6 |
| Adjusted diluted earnings per share | 21.7 | 16.8 | 104.3 |

The calculation of the basic and diluted earnings per share attributable to the ordinary equity holders of the parent is based on the following data:

| **Earnings** | **€m** | **€m** | **€m** |
|---|---|---|---|
| Earnings for the purpose of basic and diluted earnings per share - Profit for the period attributable to equity holders of the parent | **3.0** | **3.4** | **20.5** |
| Earnings for the purpose of adjusted earnings per share - Profit for the period attributable to equity holders of the parent | 3.0 | 3.4 | 20.5 |
| Effect of non-trading items | - | - | 2.1 |
| Effect of net interest expense on defined benefit pension schemes | 1.0 | 0.8 | 1.6 |
| Earnings for the purpose of adjusted earnings per share | **4.0** | **4.2** | **24.2** |

## 6. Property, plant and equipment

| | Passenger ships | Plant and equipment | Vehicles | Land and buildings | Total |
|---|---|---|---|---|---|
| | €m | €m | €m | €m | €m |
| **Cost** | | | | | |
| At 1 January 2013 | 301.1 | 53.0 | 1.4 | 25.3 | 380.8 |
| Additions | 6.0 | 0.3 | 0.1 | - | 6.4 |
| Disposals | - | (0.3) | (0.1) | - | (0.4) |
| Exchange differences | - | (0.2) | - | - | (0.2) |
| **At 30 June 2013** | **307.1** | **52.8** | **1.4** | **25.3** | **386.6** |
| **Accumulated depreciation** | | | | | |
| At 1 January 2013 | 165.4 | 32.8 | 0.8 | 7.6 | 206.6 |
| Charge for period | 7.6 | 1.5 | 0.1 | 0.1 | 9.3 |
| Disposals | - | (0.3) | (0.1) | - | (0.4) |
| Exchange differences | - | (0.1) | - | - | (0.1) |
| **At 30 June 2013** | **173.0** | **33.9** | **0.8** | **7.7** | **215.4** |
| **Net book amounts** | | | | | |
| At 1 January 2013 | 135.7 | 20.2 | 0.6 | 17.7 | 174.2 |
| **At 30 June 2013** | **134.1** | **18.9** | **0.6** | **17.6** | **171.2** |
| At 30 June 2012 | 141.6 | 20.3 | 0.9 | 17.8 | 180.6 |

At 30 June 2013 the Group has entered into commitments to the value of €1.3 million (2012: €1.5 million) for the purchase of fixed assets.

## 7. Intangible assets

| | Software |
|---|---|
| | €m |
| **Cost** | |
| At 1 January 2013 | 9.0 |
| Additions | 0.2 |
| **At 30 June 2013** | **9.2** |
| **Amortisation** | |
| At 1 January 2013 | 8.2 |
| Charge for the period | 0.2 |
| **At 30 June 2013** | **8.4** |
| **Carrying amount** | |
| At 1 January 2013 | 0.8 |
| **At 30 June 2013** | **0.8** |
| At 30 June 2012 | 0.8 |

## 8. Net debt

| | Cash €m | Overdrafts €m | Loans €m | Leases €m | Total €m |
|---|---|---|---|---|---|
| **At 1 January 2013** | | | | | |
| Current assets | 22.3 | - | - | - | 22.3 |
| Creditors due within one year | - | - | (14.5) | (0.6) | (15.1) |
| Creditors due after one year | - | - | (120.7) | (2.5) | (123.2) |
| | **22.3** | **-** | **(135.2)** | **(3.1)** | **(116.0)** |
| Cash flow | 0.7 | - | - | - | 0.7 |
| Foreign exchange rate changes | - | - | - | 0.1 | 0.1 |
| Drawdown | - | - | (5.0) | - | (5.0) |
| Repayment | - | - | 14.5 | 0.3 | 14.8 |
| | **0.7** | **-** | **9.5** | **0.4** | **10.6** |
| **At 30 June 2013** | | | | | |
| Current assets | 23.0 | - | - | - | 23.0 |
| Creditors due within one year | - | - | (15.5) | (0.5) | (16.0) |
| Creditors due after one year | - | - | (110.2) | (2.2) | (112.4) |
| | **23.0** | **-** | **(125.7)** | **(2.7)** | **(105.4)** |
| **At 30 June 2012** | | | | | |
| Current assets | 13.7 | - | - | - | 13.7 |
| Creditors due within one year | - | (4.9) | - | (0.4) | (5.3) |
| Creditors due after one year | - | - | (27.5) | (1.7) | (29.2) |
| | **13.7** | **(4.9)** | **(27.5)** | **(2.1)** | **(20.8)** |

The loan drawdown and repayments have been made under the Group's loan facilities.

For the purposes of the statement of cash flows, cash and cash equivalents include cash on hand and in banks net of outstanding bank overdrafts. Cash and cash equivalents at the end of the reporting period as shown in the statement of cash flows can be reconciled as follows:

| | 30 Jun 2013 €m | 30 Jun 2012 €m | 31 Dec 2012 €m |
|---|---|---|---|
| Cash and bank balances | 23.0 | 13.7 | 22.3 |
| Bank overdraft | - | (4.9) | - |
| **Cash and cash equivalents** | **23.0** | **8.8** | **22.3** |

## 9. Tax

Corporation tax for the interim period is estimated based on the best estimates of the weighted average annual corporation tax rate expected to apply to each taxable entity for the full financial year.

The Company and subsidiaries that are within the EU approved Tonnage Tax jurisdictions have elected to be taxed under the tonnage tax scheme. Under the tonnage tax scheme, taxable profit on eligible activities is calculated on a specified notional profit per day related to the tonnage of the ships utilised.

## 10. Financial instruments and risk management

The Groups activities expose it to a variety of financial risks including interest rate risk, foreign currency risk, liquidity risk and credit risk. The Group's funding, liquidity and exposure to interest and foreign exchange rate risks are managed by the Group's treasury and accounting departments. A combination of derivative financial instruments and treasury management techniques are used to manage these underlying risks. These interim condensed financial statements do not include all financial risk management information and disclosures required in the annual financial statements, and should be read in conjunction with the 2012 Annual Report. There have been no changes to the risk management procedures or policies since the 2012 year end.

The Group has adopted the following fair value measurement hierarchy for financial derivatives that are measured in the balance sheet at fair value:

- Level 1: quoted (unadjusted) prices in active markets for identical assets and liabilities.
- Level 2: other techniques for which all inputs that have a significant effect on the recorded fair value are observable, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3: techniques that use inputs which have a significant effect on the recorded fair value that are not based on observable market data.

The fair value of derivatives are classified in "Level 2" fair value hierarchy as market observable inputs (forward rates and yield curves) are used in arriving at fair values as 30 June 2013 and 31 December 2012.

The fair values of derivative financial instruments are based on market price calculations using financial models.

The fair value of derivative financial instruments was an asset of €0.3 million as at 30 June 2013 (31 December 2012: liability of €0.6 million). The derivative financial instruments at 30 June 2013 consisted of interest rate swaps and forward foreign exchange contracts. All cash flow hedges were effective and fair value gains of €0.7 million (31 December 2012: losses of €0.6 million) were recorded in Other comprehensive income and net settlements amounted to €0.2 (31 December 2012: €nil).

The Group utilised interest rate swaps during the period ended 30 June 2013 and year ended 31 December 2012 whereby it swapped its entire EURIBOR floating interest rate exposure under the amortising term loan facility for fixed interest rates. The notional capital amount outstanding of this contract at 30 June 2013 was €100.7 million and the notional amounts for all future periods match the amortising schedule of the loan agreement. The estimated fair value has been accumulated in equity and will be subsequently recognised in the Consolidated Income Statement in the same period as the hedge expense.

The Group utilises currency derivatives to hedge future cash flows in the management of its exchange rate exposures. At 30 June 2013 the fair value of outstanding forward foreign currency contracts amounted to a liability of €49,000. At 31 December 2012 there were no outstanding forward foreign exchange contracts.

The carrying value of financial assets and financial liabilities not held at fair value in the financial statements are deemed to approximate their fair value.

## 11. Retirement benefit schemes

Retirement benefit scheme valuations have been updated at the half year. Scheme assets have been valued as per investment managers valuations at 30 June 2013. In consultation with the actuary to the principal group defined benefit pension schemes, the discount rate used in relation to the pension scheme liabilities has remained at 3.8% for Euro liabilities (31 December 2012: 3.8%) and updated to 4.6% for Sterling liabilities (31 December 2012: 4.4%).

The Groups total obligation in respect of defined benefit schemes totals €270.1 million (31 December 2012: €268.1 million). At 30 June 2013 the group also has scheme assets of €218.8 million (31 December 2012: €213.5 million), giving a net pension deficit of €51.3 million (31 December 2012: €54.6 million). The decrease in the total obligation was primarily due to an increase in the value of assets.

The principal assumptions used for the purpose of the actuarial valuations were as follows:

| | **Half year ended 30 Jun 2013** | | **Half year ended 30 Jun 2012** | | **Year ended 31 Dec 2012** | |
|---|---|---|---|---|---|---|
| | **Sterling** | **Euro** | **Sterling** | **Euro** | **Sterling** | **Euro** |
| Discount rate | 4.60% | 3.80% | 5.00% | 4.20% | 4.40% | 3.80% |
| Inflation rate | 3.30% | 2.00% | 3.10% | 2.00% | 2.90% | 2.00% |
| Rate of increase of pensions in payment | 3.05% | 1.80% - 2.00% | 2.85% | 1.80% - 2.00% | 2.65% | 1.80% - 2.00% |
| Rate of general salary increases | 4.30% | 3.00% | 4.10% | 3.00% | 3.90% | 3.00% |

| | **Half year ended 30 Jun 2013 €m** | **Half year ended 30 Jun 2012 €m** | **Year ended 31 Dec 2012 €m** |
|---|---|---|---|
| Opening deficit | (54.6) | (32.5) | (32.5) |
| Current service cost | (0.9) | (0.6) | (1.3) |
| Employer contributions paid | 2.8 | 3.1 | 14.7 |
| Past service credit | 0.5 | 0.5 | 1.0 |
| Other finance expense | (1.0) | (0.8) | (1.6) |
| Actuarial gain / (loss) | 2.0 | (30.5) | (34.7) |
| Other | (0.1) | (0.2) | (0.2) |
| **Net deficit** | **(51.3)** | **(61.0)** | **(54.6)** |
| | | | |
| Schemes in surplus | 4.0 | 4.5 | 3.7 |
| Schemes in deficit | (55.3) | (65.5) | (58.3) |
| **Net deficit** | **(51.3)** | **(61.0)** | **(54.6)** |

## 12. Net cash from operating activities

| | 30 Jun 2013 €m | 30 Jun 2012 €m | 31 Dec 2012 €m |
|---|---|---|---|
| **Operating activities** | | | |
| Profit before taxation | 3.3 | 3.9 | 42.7 |
| | | | |
| Adjustments for: | | | |
| Finance costs (net) | 3.1 | 1.2 | 3.4 |
| Retirement benefit obligation – service cost | 0.9 | 0.6 | 1.3 |
| Retirement benefit obligation – payments | (2.8) | (3.1) | (14.7) |
| Retirement benefit obligation – past service credit | (0.5) | (0.5) | (1.0) |
| Depreciation of property, plant and equipment | 9.3 | 9.1 | 19.0 |
| Amortisation of intangible assets | 0.2 | 0.2 | 0.4 |
| Amortisation of deferred grant | (0.1) | (0.1) | (0.1) |
| Share-based payment expense | - | - | 0.1 |
| Non-trading item: Gain on disposal of investment in subsidiary | - | - | (21.0) |
| Non-trading item: Financing and related fees | - | - | 2.1 |
| Gain on disposal of property, plant and equipment | (0.1) | (0.4) | (0.6) |
| Increase in other provisions | - | 0.2 | 0.2 |
| | | | |
| **Operating cash flow before movements in working capital** | **13.3** | **11.1** | **31.8** |
| | | | |
| Decrease / (increase) in inventories | 0.1 | (0.7) | (0.1) |
| (Increase) / decrease in receivables | (6.4) | (5.4) | 1.2 |
| Increase / (decrease) in payables | 16.1 | 12.6 | (3.7) |
| | | | |
| **Cash generated from operations** | **23.1** | **17.6** | **29.2** |
| | | | |
| Income taxes paid | (0.1) | (0.2) | (0.4) |
| Interest paid | (2.2) | (0.4) | (1.9) |
| | | | |
| **Net cash generated from operating activities** | **20.8** | **17.0** | **26.9** |

At 30 June 2013 and 2012 the increase in payables is due to the seasonality of the business, giving rise to an increase in deferred revenue, as at 30 June 2013 and 2012.

## 13. Related party transactions

Transactions between the company and its subsidiaries, which are related parties, have been eliminated on consolidation.

During the six months ended 30 June 2013 there were no material changes to, or material transactions between Irish Continental Group plc and its key management personnel or members of their close family, other than in respect of remuneration.

## 14. Contingent assets / liabilities

There have been no material changes in contingent assets or liabilities as reported in the Group's financial statement for the year ended 31 December 2012.

## 15. Impairment

Under IFRS, goodwill and other indefinite-lived intangible assets are required to be tested at least annually for impairment. As the Group does not have these assets no impairment review is required.

In relation to assets other than those listed above, the Group assessed those assets to determine if there were any indications of impairment. No internal or external indications of impairment were identified and consequently no impairment review was performed.

## 16. Composition of the entity

There have been no changes in the composition of the entity during the period ended 30 June 2013.

## 17. Subsequent events

There have been no material subsequent events, outside the ordinary course of business, to report since the period ended 30 June 2013.

## 18. Board approval

This interim report was approved by the Board of Directors of Irish Continental Group plc on 28 August 2013.