2015

daa plc Annual Report and Financial Statements

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SEATED (L–R): Niall Greene, *Chief Executive* Kevin Toland, *Chairman* Pádraig Ó Ríordáin and *Chief Financial Officer* Ray Gray.
STANDING (L–R): Colm McCarthy, Ann-Marie O'Sullivan, Denis Smyth, Barry Nevin, Eric Nolan, Paul Schütz, Des Mullally and Gerry Walsh.
NOT PICTURED: Patricia King and John Lynch.

daa

BOARD OF DIRECTORS

daa plc

PÁDRAIG Ó RÍORDÁIN

CHAIRMAN

Pádraig Ó Ríordáin was originally appointed Chairman in January 2012 and reappointed for a second term in January 2015. Pádraig is a Corporate Partner in Arthur Cox, a leading Irish law firm, where he served as Managing Partner from 2003 to 2011. In 2009, he was named European Managing Partner of the Year and in 2012 was awarded the Lifetime Achievement Award by the Managing Partners' Forum. He studied law in University College Cork and Harvard Law School and has practised in New York and Dublin. He is a non-executive director of Paddy Power plc and is Chair of the Cork Airport Development Council. Pádraig was appointed Chair of the daa Board Nomination & Remuneration Committee in March 2012.

NIALL GREENE

Niall Greene was appointed to the Board in July 2012. His extensive career in aviation started in Aer Lingus and encompassed senior positions in GPA Group and GE Capital Aviation Services. He currently serves on the boards of a number of aviation finance related companies, is Chair of the Governing Body of Limerick Institute of Technology and a member of the Board of the Institute of International and European Affairs. He holds LLB and LLM degrees from the University of Limerick. Niall has considerable knowledge of aviation matters and experience in advising private and public sector organisations. He was appointed Chair of the Board Health, Safety, Security and Environmental Committee in December 2012.

PATRICIA KING

Patricia King was appointed to the Board in July 2012. Patricia is General Secretary of the Irish Congress of Trade Unions (ICTU) – the umbrella organisation for trade unions in Ireland. She was Vice President of SIPTU and has served as a board member of the RTE Authority, the National Roads Authority and Pobal. She was appointed to the Apprenticeship Council in November 2014. Patricia has extensive experience in the field of industrial relations at both sectoral and national level in Ireland.

JOHN LYNCH

John Lynch was originally appointed to the Board in February 2012 and reappointed in February 2015. John heads the Europe, Middle East and Africa marketing operations at aircraft leasing company BBAM and is managing director at its Zurich office. He was part of the management team at BBAM which successfully completed an MBO of Babcock & Brown's aircraft leasing business in 2010. Before joining BBAM, John spent 12 years in various senior executive positions at Babcock & Brown. An engineering graduate of Trinity College Dublin, he also holds an MBA from University College Dublin. John has extensive knowledge of airline economics and financing and has international management experience.

COLM McCARTHY

Colm McCarthy was originally appointed to the Board in February 2012 and reappointed in February 2015. Colm, a graduate of University College Dublin and University of Essex, has lectured at Dubrovnik International University and University College Dublin, he worked at the Central Bank, the Economic and Social Research Institute (ESRI) and with DKM Economic Consultants. Colm chaired the Irish Government's Review Group on State Assets and Liabilities and the Special Group on Public Service Numbers and Expenditure Programmes. He has wide ranging knowledge of, and experience in, matters of public policy and economics. Since his appointment to the board in 2012 Colm has served on the Board Audit Committee.

DES MULLALLY

Des Mullally was appointed to the Board in January 2014 under the Worker Participation (State Enterprises) Acts, 1977 to 2001. Des joined the company in 1983 and is the Retail Sales Support Manager at Dublin Airport. Des has extensive experience of airport retailing having worked in Ireland and overseas. Des is a member of the Impact trade union and the Irish Congress of Trade Unions Worker Directors Group.

BARRY NEVIN

Barry Nevin was first appointed to the Board in March 2005, reappointed in October 2009 and again in January 2014 under the Worker Participation (State Enterprises) Acts, 1977 to 2001. Barry joined the company in 1991 and works in the Airport Police and Fire Service at Dublin Airport. He is a member of the SIPTU trade union and the Irish Congress of Trade Unions Worker Directors Group. Barry holds a Law degree from Dublin Institute of Technology. Barry has knowledge of company operations and experience dealing with industrial relations matters. Since September 2005, Barry has been a member of the Board Health, Safety, Security & Environment Committee, he also chaired this committee from December 2011 to November 2012.

ERIC NOLAN

Eric Nolan was appointed to the Board in January 2014 under the Worker Participation (State Enterprises) Acts, 1977 to 2001. Eric joined the company in 2003 and works in the Airport Police and Fire Service at Cork Airport. He is a member of the SIPTU trade union as well as the Irish Congress of Trade Unions Worker Directors Group. Eric served on the Board of Cork Airport Authority from April 2010 to December 2011. He holds an ACI Diploma in Airport Operations and has knowledge of company operations having worked in both Dublin and Cork Airports. Eric has been a member of the Board Cork Airport Committee since April 2014.

ANN-MARIE O'SULLIVAN

Ann-Marie O'Sullivan was appointed to the Board in May 2013. A graduate of UCC and a Fellow of the Public Relations Institute of Ireland, Ann-Marie is a communications professional, providing strategic communications counsel to large and small organisations across a broad spectrum of industry sectors. She is the founder and a Director of AM O'Sullivan PR Ltd, is a former director of Healy Design & Advertising Limited and has served as Chairman of the Public Relations Consultants Association (Ireland) and the Board of Cork Chamber of Commerce. In April 2014 Ann-Marie was appointed Chair of the Board Cork Airport Committee and since March 2014 has been a member of the Board Health, Safety, Security & Environment Committee.

PAUL SCHÜTZ

Paul Schütz was appointed to the Board in July 2012 and reappointed in July 2015. Paul is a former Chief Executive of Aer Arann and a member of the Chartered Institute of Management Accountants. He has more than 20 years' experience in the airline industry holding senior finance and general management roles with a number of different companies. Paul has financial knowledge and experience in the aviation industry. Since December 2012 Paul has been member on the Board Audit Committee.

DENIS SMYTH

Denis Smyth was appointed to the Board in January 2014 under the Worker Participation (State Enterprises) Acts, 1977 to 2001. Denis joined the company in 1979 and currently holds the position of Airport Duty Manager. He is a member of the SIPTU trade union and the Irish Congress of Trade Unions Worker Directors Group. Denis holds diplomas in Airport Operations Management and Security Management. He was appointed to the Board Health, Safety, Security & Environment Committee in March 2014.

KEVIN TOLAND

Kevin Toland became Chief Executive of daa in January 2013. Prior to joining the company, Kevin was Chief Executive and President of Glanbia USA & Global Nutritionals, based in Chicago, Illinois. Previous roles at Glanbia, which he joined in 1999, included Group Development Director, Chief Executive of Consumer Foods and Director of Strategy and Marketing. Before joining Glanbia, Kevin held a number of senior management positions with Coca-Cola Bottlers in Russia and with Grand Metropolitan in Ireland and Central Europe. He is a fellow of the Institute of Chartered Management Accountants and holds a Diploma in Applied Finance from the Irish Management Institute. Kevin is on the board of IBEC and is a Council Member with the Irish Management Institute (IMI). He has experience of working with and leading a large international company overseas. Kevin was appointed to the Board Cork Airport Committee in April 2014.

GERRY WALSH

Gerry Walsh was first appointed to the Board in November 2009, reappointed in February 2012, February 2013 and again in July 2015. As an independent business advisor he provides strategic support to the boards and senior management teams of a number of Irish and international companies and is a non-executive director of a number of Irish companies. Gerry has knowledge and experience of working in the Irish commercial semi-state sector gained from his time as Chief Executive of Bord Gáis Energy from 2000 to 2007. He led the transition of the company to an all-Ireland energy company providing both gas and electricity to customers throughout the island of Ireland. He is an engineering graduate from UCC. Gerry was Chairman of Cork Airport Authority from 2009 to the end of 2011. Gerry is Chair of the Board Audit Committee, having served as a member of the committee from February 2010, he was appointed Chair in February 2012. Gerry is also a member of the Board Nomination & Remuneration Committee since November 2010 and the Board Cork Airport Committee since April 2014.

daa MANAGEMENT TEAM

KEVIN TOLAND

CHIEF EXECUTIVE

MICHAEL FEEHAN

CHIEF SECURITY OFFICER

RAY GRAY

CHIEF FINANCIAL OFFICER

VINCENT HARRISON

MANAGING DIRECTOR, DUBLIN AIRPORT

JOHN HEFFERNAN

CHIEF DEVELOPMENT OFFICER

MAURICE HENNESSY

CHIEF INFORMATION OFFICER

NIALL MacCARTHY

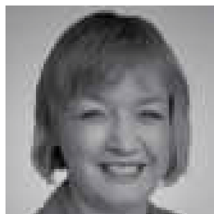
MANAGING DIRECTOR, CORK AIRPORT

JACK MacGOWAN

CHIEF EXECUTIVE, ARI

COLM MORAN

CHIEF EXECUTIVE, daa INTERNATIONAL



MARION O'BRIEN

COMPANY SECRETARY

PAUL O'KANE

CHIEF COMMUNICATIONS OFFICER

ANNA PRINGLE

CHIEF PEOPLE OFFICER

412
414

CHAIRMAN'S STATEMENT

Pádraig Ó Ríordáin

2015 was a year of strong growth and new opportunity for daa. We had record passenger numbers of 25 million at Dublin Airport, sales at the Company's directly-operated shops in Ireland surpassed €100 million annually for the first time, and daa International (daaI) won the tender to manage the new Terminal 5 at King Khaled International Airport (KKIA) in Riyadh, Saudi Arabia.

This robust performance across the business was reflected by a 21% increase in Group turnover to €680 million from €564 million in 2014 driven by a 30% rise in retail and commercial revenues, an 8% increase in aeronautical revenues, and continuing growth in daa's international operations.

daa's Return on Equity (ROE) in 2015 was 5.7%, up from 4.1% in 2014, reflecting the Group's improved profitability for the year. Group profit after tax, excluding exceptional items, was €61 million, compared to €42 million in 2014, an increase of 47% in 2015 over the previous year.

Passenger numbers at Dublin and Cork airports rose by 14% to 27.1 million in 2015. Passenger numbers at Dublin Airport increased by 15% to 25 million, a record for the airport, up from 21.7 million in 2014. Passenger numbers at Cork Airport dropped by 3% to 2.1 million although the final quarter of the year saw a return to growth for Cork Airport after many years of decline.

2015 was a busy year from an aviation policy perspective with the publication of both a national aviation policy and a draft European Commission aviation strategy. Both will shape strategy for Dublin Airport in the years to come.

The clear goals of the Department of Transport, Tourism and Sport's National Aviation Policy (NAP) are jobs, tourism and economic growth. The critical role played by the aviation industry in fulfilling these goals is recognised and we look forward to the policy now being implemented in full.

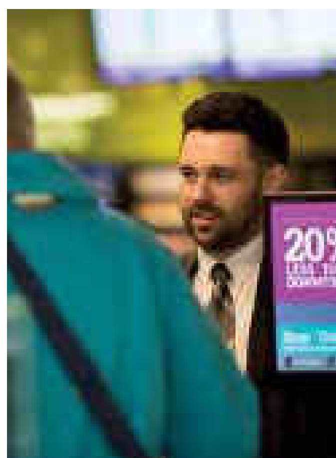
The end of 2015 also saw the European Commission (EC) publish its Aviation Strategy and daa has actively engaged with the Commission in its development of this important initiative. Our inputs have focused on the need to progress efforts on connectivity, aviation liberalisation, airport capacity and security.

In particular, we welcome that the Commission is advocating for further liberalisation of aviation through open skies agreements to be negotiated between the European Union and key trading partners.

We expect that the full implementation of the national and EC aviation strategies will provide favourable conditions for further growth at Dublin Airport, continuing the trend of recent years, and provide long-term benefits to our shareholder and the economy as a whole.

Dublin Airport is already growing strongly. It was joint fourth in terms of the growth in actual passenger numbers at European airports in 2015 with 3.3 million extra passengers for the year. The continuation of growth is dependent on having sufficient capacity available to satisfy future demand.

During 2015, Dublin Airport's capital expenditure programme included the progressive introduction of a 15% increase in airside stand capacity to meet airline demand, the opening of an award-winning retail and food and beverage area in Terminal 1 (T1), the addition of new short-term car parking spaces adjacent to Terminal 2 (T2), and the rehabilitation and capacity increase of the T1 departures road.



Given how rapid growth has been, the existing Commission for Aviation Regulation (CAR) allowance for capacity development is no longer sufficient to maintain the growth dynamic at Dublin Airport.

CAR was predicting 25 million passengers by 2019, which in fact was reached in 2015, while the provisions for approval of capex between determinations do not support adequate investment. This again highlights the rigidity of the current regulatory system, its inability to respond to the market conditions which daa faces, and its inherent failure to provide for timely investment in capacity to accommodate growth.

As I have previously stated, it is clear that the current regulatory system isn't working, for us, our passengers and customers, our shareholder or the economy as a whole.

daa engaged fully in the review of the system of economic regulation which the Department of Transport, Tourism and Sport initiated in 2015. We look forward to engaging further with the Department on its proposed changes to the current regime to deliver better outcomes for all stakeholders in the aviation sector.

The passenger volume growth achieved at Dublin Airport in 2015 also saw the trigger conditions for the second runway at the airport being met. The continuation of growth at Dublin Airport is dependent on having sufficient capacity available to satisfy future demand and a second runway is essential in this regard.

We also welcomed the acquisition of Aer Lingus by International Airline Group (IAG) in the second half of 2015 believing it will deliver greater opportunities for short-haul and long-haul growth from Dublin Airport with new connections and frequencies continuing to add to the airport's growth as a transatlantic hub and also in delivering increased short-haul opportunities for Cork Airport.

We have already seen the benefits from the IAG takeover for Dublin Airport with the announcement by Aer Lingus in October 2015 that it will launch services from Dublin to Los Angeles, California, Hartford, Connecticut and Newark, New Jersey in summer 2016 and the launch of new services from Cork Airport including an Iberia Express service to Madrid from Cork Airport commencing in June 2016, and also in 2016, a new Aer Lingus route to Düsseldorf and Aer Lingus Regional routes to Southampton and Leeds Bradford.

While more moderate growth is forecast for 2016, 11 new scheduled services have already been announced for Dublin Airport in 2016.

Late 2015 saw Cork Airport return to growth for the first time in many years and 2016 is forecast to see continued passenger growth at the second largest international airport in the country.

Cork Airport secured three new airline customers last year – Flybe, CityJet and Iberia Express – and new routes in 2015 included CityJet to London City Airport and Flybe to Cardiff.

Post year-end, we welcome the launch of the joint City and County Tourism Strategy aimed at making the marketing of Cork more cohesive and the extension of the marketing programme for regional airports, initially announced for 2015/16.

In September last year, Norwegian Air International announced its intention to begin Cork's first direct transatlantic flights with a service to Boston commencing in May 2016 and a New York service to follow in 2017. However, US opposition to the granting of a Foreign Air Carrier Permit to Norwegian Air has delayed the original launch date of the service.

The quality of Cork Airport was also recognised in 2015 with the airport being Highly Commended in the Airports Council International Best Airports in the World and the World Routes Marketing Awards.

In 2015 ARI won new contracts in Auckland and Abu Dhabi, completed a new retail and food and beverage offering in T1 at Dublin Airport, and post year-end retained its duty free contract at Muscat International Airport in Oman.

2015 saw daa International selected as the preferred bidder for the contract to operate Terminal 5 at King Khaled International Airport in Riyadh, Saudi Arabia. The five year contract, which was signed post year-end in February 2016, is for all terminal management services and the management of all third party commercial tenants.

This success has underpinned the viability of daaI's airport management, advisory services and training business concept. The business will actively look to build on this success in 2016 and beyond.

BETTER TOGETHER

Discussions with staff representatives and unions started in late 2015 around the creation of a new 'Better Together' programme aimed at changing how all levels of the company work together, how employees are rewarded and build careers, and how the company manages change in a fast moving, dynamic airport environment.

The programme has several elements including giving employees a clearer voice and a say in how change is planned, introduced and managed through the creation of a new framework that clearly incorporates how change is agreed.

Finding new ways of working together to deliver better productivity and more flexibility to meet customer needs, and while maintaining the right work/life balance for all employees, are also key to the 'Better Together' programme, as is greater clarity around pay and career progression within the company.

The programme is a priority for daa and talks will continue in 2016 with a view to reaching an agreed approach from all parties.

PENSIONS

The conclusion of the long-standing pensions issue was a hugely positive development for both staff and the business. All daa staff can now become members of the Company's Defined Contribution (DC) pension scheme.

As part of the resolution of the pensions issue for daa staff, the Group committed to once-off pension contributions of €77 million for employees and deferred members of the IASS pension scheme, in the move to the new DC pension scheme.

Emirates

Criochfort
Terminal 2

SUSTAINABILITY

Sustainability is a key objective for daa, in the wider context of our environmental commitments, and also in our relationship with the communities in which we operate.

Both Dublin and Cork airports retained their positive ranking in 2015 in the worldwide programme to reduce airport carbon emissions. Dublin was again awarded Level 2 status as part of the Airports Council International (ACI) Carbon Accreditation Programme. Cork Airport also retained its ACI Level 2 Accreditation Reduction status. This means that both airports continue to reduce their overall emissions and carbon footprints.

daa continues to work closely with the communities surrounding both its airports in Ireland with support ranging from mentoring programmes with staff members for neighbouring schools to sponsorship for local events and sports clubs.

daa's staff charity scheme is also a major platform for staff involvement in our local communities. It has been in operation since 2007, and since its inception, over €1.75 million has been raised for charities in Ireland, of which we are very proud.

Last year saw the Parkinson's Association of Ireland, Temple Street Children's Hospital and the Diabetes Unit in Our Lady's Hospital, Crumlin each receive €80,000. In addition, in 2015, Cork Airport staff fundraised for their local charity, the Cork City Hospitals Children's Club.

ACKNOWLEDGEMENTS

I would like to thank my fellow Board members for their contribution to the Company in 2015. I would also like to thank the Minister for Transport, Tourism and Sport, Paschal Donohoe TD and his officials for their assistance throughout the year.

Thanks also to the Group's shareholder, the Minister for Public Expenditure and Reform, Brendan Howlin TD and his officials for their support.

daa is firmly focused on delivering the best experience for all our customers and in looking to develop opportunities that deliver continued growth for the company in the future. I also would like to thank the staff and management of daa for their continued dedication and commitment to the company.

Pádraig Ó Ríordáin, *Chairman*
March 15, 2016

PINKO
VIP

CHIEF EXECUTIVE'S REVIEW

Kevin Toland

daa's performance in 2015 was driven by record passenger numbers at Dublin Airport, an improved performance in both our airport shops and other commercial activities in Ireland, and growth at Aer Rianta International (ARI), our international airport retail business.

Total passenger numbers at Dublin and Cork airports increased by 14% to 27.1 million in 2015. Passenger numbers at Dublin Airport increased by 15% to 25 million, while passenger numbers at Cork Airport decreased by 3% to 2.1 million.

However, late 2015 did see passenger growth return to Cork for the first time in many years and this looks set to continue into 2016 with Cork Airport forecast to record strong growth for the year.

The beginning of 2015 saw the launch of the new Defined Contribution (DC) pension scheme for all daa employees following the freezing of the multi-employer Irish Airlines (General Employees) Superannuation Scheme (IASS) pension scheme on December 31, 2014. This was a positive conclusion to what was a hugely important issue for staff and the business.

In February, ARI won the tender to operate one of two duty free concessions at Auckland International Airport, New Zealand's largest international gateway. The new shops opened for business in June 2015. In December 2015, ARI Middle East (ARIME), a subsidiary of ARI, won a major duty free contract for 10 years at Abu Dhabi's new Midfield Terminal, which is due to open in 2017.

Earnings before interest, taxation, depreciation and amortisation (EBITDA) increased by €25 million or 14% to €206 million.

Group turnover increased by 21% to €680 million from €564 million in 2014 boosted by an 8% increase in aeronautical revenues and a 30% increase in retail and other commercial activities at Dublin and Cork airports, and growth in daa's overseas operations.

Group profit after tax, excluding exceptional items and investment property-related fair value adjustments, was €61 million, compared to €42 million in 2014. This increase of 47% was driven by record passenger numbers at Dublin Airport and increased commercial, retail and aeronautical revenues, in addition to growth at ARI overseas.

Operating costs increased by 18% during the year to €333 million. The rise was due in part to new operations, increased payroll costs at the Group's new operations in Auckland, and acquisitions, the full year impact of the acquisition of CTC-ARI in Cyprus in 2014. Costs at the Group's Irish airports increased by 8% in part due to the recruitment of additional security staff to meet increased passenger numbers.

All our businesses operate in dynamic environments and daa remains committed to driving continued efficiencies throughout the Group's core businesses.

The Group's net debt increased by €16 million to €616 million at year-end. This increase was impacted by the once-off pension contributions of €77 million that the Group committed to make for employees and deferred members of the IASS pension scheme in the move to a new DC pension scheme. Debt levels at the Group, which receives no funding from the State, have declined from €765 million at the end of 2010.

The Group's long-term credit rating was raised to A- from BBB+ in November of the year under review. Improvements, both in the operating performance of the Group, and in the level of revenue growth relative to debt levels, have contributed to an improved credit rating in the last two years.

DUBLIN AIRPORT

Passenger numbers at Dublin Airport increased by 15% to a record 25 million passengers in 2015. The airport welcomed an additional 3.3 million passengers, the largest ever annual volume increase at the airport. The increase in passenger numbers was facilitated by 23 new routes and extra capacity on 40 existing services.

In a wider European context, Airports Council International (ACI) confirmed that Dublin Airport was joint fourth in terms of the growth in passenger numbers for European airports in 2015.

Dublin Airport was also rated number one in the ACI 2015 Airport Service Quality (ASQ) Best Airport by Size and Region in Europe in the 15-25 million passengers per year category. The ASQ survey covers 34 key service areas and includes eight major categories such as access, check-in, security, airport facilities, retail and food and beverage.

Dublin also tied for second place in the Best Airport by Region in Europe in the over two million passengers per year category in the survey with Zurich, Prague and Malta.

Ryanair launched three new routes at Dublin in 2015 and also added significant additional capacity on 21 of its existing services. Aer Lingus opened six new routes and added extra capacity on 14 existing services.

Long-haul traffic, which comprises passengers taking flights to North America, the Middle East and Africa increased by 15% in 2015, while short-haul traffic was also up by 15%.

Passenger traffic to and from continental Europe, which is Dublin Airport's largest market segment, increased by 15% last year to almost 12.8 million, thanks to new routes and extra capacity on existing services.

A record 8.9 million people travelled between Dublin and Britain in 2015, which was a 14% increase on the previous year.

Transatlantic passenger numbers increased by 13% to a record 2.4 million, while passenger traffic to other international destinations, mainly the Middle East and Africa, increased by 24% to a record 737,000.

Between 2010 and 2015, transatlantic passenger numbers have increased by 61% at Dublin Airport and 11 new transatlantic services have been added.

More than one million passengers transferred or transited through Dublin Airport in 2015, which was also a new record. Transfer passenger numbers increased by 27% as Dublin Airport continued to become a significant hub for transatlantic transfers.

More than one million passengers availed of the US Pre-Clearance facilities at Dublin Airport during the year, which again was a new record. Dublin Airport is currently the only major airport in Europe to offer US Pre-Clearance.

Passenger growth is expected to continue at Dublin Airport in 2016. Eleven new scheduled services have been announced for the year with new Aer Lingus direct transatlantic services to Hartford Connecticut, Los Angeles and Newark and Air Canada rouge to Vancouver. There are also new long-haul charter services to Cancun in Mexico and Montego Bay in Jamaica.

The new services already announced for 2016 are:

Athens	*Ryanair*
Murcia	*Aer Lingus*
Vigo	*Ryanair*
Los Angeles	*Aer Lingus*
Pisa	*Aer Lingus*
Montpellier	*Aer Lingus*
Cluj	*Blue Air*
Vancouver	*Air Canada rouge*
Montego Bay	*TUI/Falcon*
Cancun	*TUI/Falcon*
Athens	*Aegean*
Newark	*Aer Lingus*
Hartford	*Aer Lingus*

Post year-end, daa announced that it would progress the delivery of a new runway for Dublin Airport. Enabling works on the estimated €320 million project are scheduled to begin in late 2016, with construction to start in 2017, and delivery of the new runway in 2020.

In 2015, Dublin Airport also continued to invest in upgrading its facilities. A new €8 million retail offering opened in Terminal 1 (T1) in March and an extension to the Terminal 2 (T2) Multi-Storey Car Park was completed at year-end. Ten new aircraft parking stands will be ready for service by mid-2016.

Online parking sales continued to be the most popular method of sale for car parking at Dublin Airport. The overall percentage of customers booking parking online for more than eight hours increased from 80% to 83% of total business in 2015 over the year before.

Car parking is sold online through the Dublin airport website and through a separate commercial agreement with Aer Lingus. Online booking offers car park customers significant discounts, while allowing Dublin Airport to utilise a yield management system to grow revenue and operate the business as efficiently as possible. Targeted marketing campaigns are also used to drive volume at certain periods through the online sales channels.

A €5 million upgrade of the Express Red Long Term Car Park was completed in 2015 with the laying of a blacktop surface to replace a gravel surface offering customers a significantly improved product.

CORK AIRPORT

Overall passenger numbers at Cork Airport decreased by 3% to 2.1 million in 2015 but the year marked a change in the fortunes of the airport as it returned to growth in the final quarter of the year after several years of decline.

Cork Airport served 42 destinations with 36 scheduled services, five scheduled airlines and 15 airlines in total in 2015.

The airport secured three new airline customers last year – Flybe, CityJet and Iberia Express – together with nine confirmed new route announcements. New routes in 2015 included Flybe to Cardiff and CityJet to London City Airport.

New routes announced for 2016 include Düsseldorf with Aer Lingus, Nantes and La Rochelle with CityJet, Madrid with Iberia Express and Southampton and Leeds Bradford with Aer Lingus Regional as well as Menorca with Lee Travel and Stein Travel.

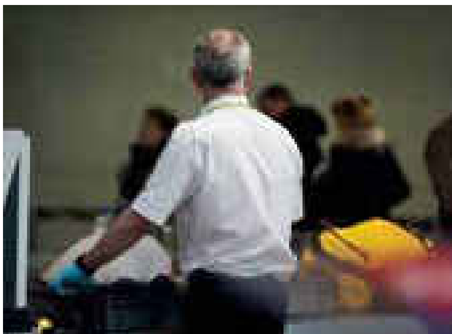
In addition, extra capacity was also secured across some of the most popular routes from Cork Airport. Aer Lingus announced additional capacity on its Paris, Faro, Barcelona and Palma services. Ryanair also announced increased capacity on its Faro service, while Aer Lingus Regional, operated by Stobart Air, increased capacity on its Manchester, Glasgow and Newcastle services.

In 2015, a new 10-year licence agreement was signed with Weston Aviation at the airport, allowing Cork Airport to provide dedicated Fixed Base Operator (FBO) operations at the airport for the first time.

Cork Airport was recognised by its peers in 2015 as offering a great product being Highly Commended in both the World Routes Marketing Awards and ACI's Best Airports in the World (under five million passengers).

The airport also secured renewal of its Level 2 Accreditation Reduction status under ACI Europe's Carbon Accreditation Programme.

Cork Airport launched a new brand identity in early 2015, designed to underline the importance of differentiating what makes Cork Airport unique, its expansive network of European routes, its award-winning customer service and its position as the primary international gateway to the south of Ireland.



In addition to enhancements to its digital communications channels in 2015, which included the launch of a new mobile friendly website and updates to its App, Cork Airport also piloted an innovative new sales channel, flycork.ie, to promote packaged offers of flights, accommodation, transfers and car parking to its Munster heartland.

Cork Airport also worked extensively with national partners like Tourism Ireland, and regional stakeholders, on cooperative marketing in 2015 and the positive support received was critical to the return to growth towards the end of the year.

Cork Airport played an active role in the development of the Cork regional tourism brand and now will be co-funding it in conjunction with Cork City and Cork County councils.

In September 2015, Norwegian Air International announced its intention to commence Cork's first ever direct transatlantic service in May 2016 to Boston. It also announced a feeder route from Barcelona to commence simultaneously with a New York service to commence in 2017.

However, significant domestic US opposition to the granting of a Foreign Air Carrier Permit to Norwegian Air has delayed the launch of the service originally scheduled for May 2016 and it has been declared to be a dispute by the EU Commission under the EU/ Open Skies Agreement. Post year-end Norwegian reaffirmed its commitment to the new services which it hopes will commence later in 2016.

ARI

ARI is a wholly-owned subsidiary of daa. ARI has direct and indirect interests in airport retailing businesses in 10 countries across North America, Europe, the Middle East, India and New Zealand. ARI is also responsible for managing The Loop operations at Dublin and Cork airports in Ireland.

ARI's overseas retail operations and airport investments performed strongly during 2015 with most locations enjoying double digit sales growth. Profit after tax for the ARI Group in 2015 was €22 million compared to €18 million in 2014. This represented a very solid 19% increase in underlying profits for the year.

Managed turnover rose by 19% in 2015 over 2014. ARI Middle East's joint venture operations continued to perform very well. Beirut Duty Free, in particular, demonstrated impressive resilience despite the impact on the region due to the ongoing conflict in neighbouring Syria.

ARI's joint venture at Delhi International Airport recorded its fifth successive year of sales growth since operations commenced in 2010. Turnover last year increased by more than 9% to $140 million supported by continued traffic growth and innovative marketing and promotional campaigns. ARI's operations in Canada also experienced another year of solid sales growth.

The movement in exchange rates during the year had some impact on trading performance with both the strong US Dollar and Sterling benefitting the company's Euro-based operations while making those operations that trade in US Dollars, primarily in the Middle East, less attractive to European passengers.

The weakening of the Rouble, in addition to the ongoing economic issues in Russia, impacted on trading in Cyprus, where ARI owns and operates the retail operations at both Larnaca and Paphos airports, with reductions in both the volume and spend from Russian passengers through both airports.

The Group's 20% shareholding in Düsseldorf Airport in Germany is also held within ARI. Passenger numbers at Düsseldorf Airport increased by 3% in 2015 over the previous year to 22.5 million and ARI's shareholding in Düsseldorf continued to make a positive profit and cash contribution to ARI last year.

ARI continued to focus on business development in 2015, actively pursuing opportunities in a number of diverse markets. In early 2015, ARI won a tender to operate 2,300 square metres of duty free retail at Auckland Airport in New Zealand. ARI operates stores in the departures and arrivals areas at the airport, which is New Zealand's major international airport, handling about 15 million passengers per year.

In December 2015, ARIME was chosen by the Abu Dhabi Airports Company to retail the perfume, cosmetics, sunglasses and fashion jewellery categories at its new Midfield terminal building in Abu Dhabi International Airport for 10 years. The new terminal is scheduled to open in December 2017.

This was a significant win for ARI, in a competitive tender process against most of the major global travel retail companies. The win reinforced ARI's position as the leading multi-location retailer in the Middle East.

Post year-end ARI retained its duty free contract at Muscat International Airport in Oman. The Muscat new terminal concession covers an area of 5,320 square metres comprising core duty free products in addition to luxury fashion, accessories, watches, toys, gourmet foods and confectionery. The 10-year duty free concession agreement with Oman Airports Management Company (OAMC) commences in early 2017.

In Ireland, ARI manages the Group's direct and concessionaire retail operations at Dublin and Cork airports. Operating under the Group's branded retail concept, The Loop, ARI enjoyed a strong trading performance in 2015. Sales were buoyed by a recovering Irish economy and further growth in passenger volumes at Dublin Airport but also by the successful commercial redevelopment of Terminal 1 at Dublin Airport.

Total sales at Dublin and Cork airports in 2015, including retail and food and beverage sales by concessionaires, amounted to €273 million, an increase of 20% on 2014. The spend per passenger in Ireland, for those stores operated directly by ARI, increased by 12% in 2015 over 2014.

The newly designed 'walk-through' retail space in Terminal 1 features world exclusives, innovative retail concepts, and an expanded range of products in all categories. The new Whiskey Collection outlet, showcasing a minimum of 365 global whiskey brands, is the largest whiskey store in Ireland and one of the biggest in the world in terms of the volume of the spirit that is stocked.

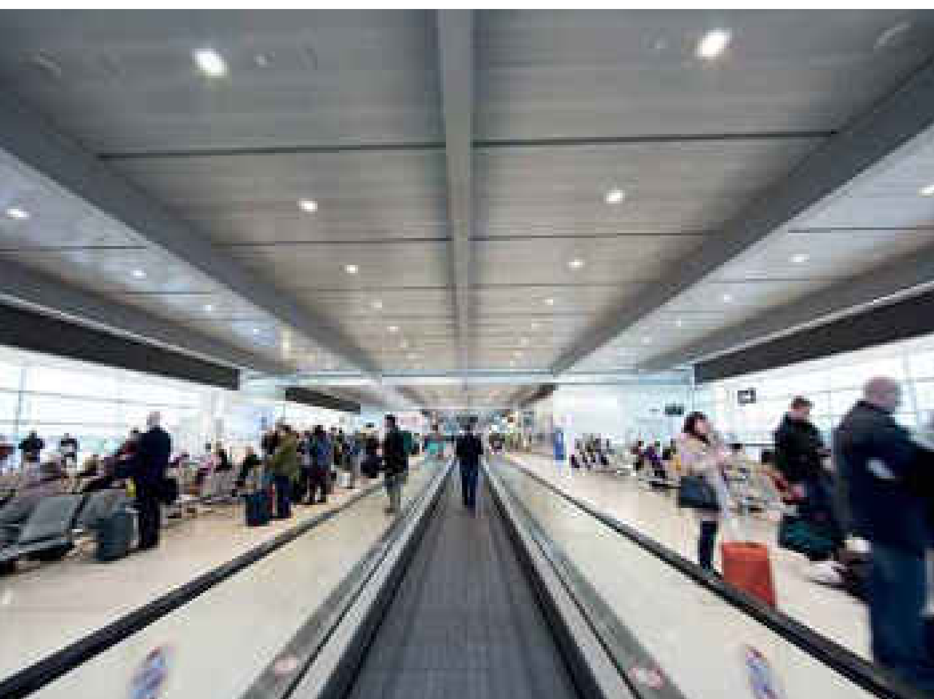
Other new retail outlets include a specialist Irish diaspora wine concept and vibrant new confectionary and destination merchandise offers. The first phase of the redevelopment opened in March 2015, while the second major element of the Terminal 1 investment programme, a 900 square metre food and beverage hall, was completed in late 2015.

The redevelopment helped sales at ARI's directly-operated stores in Ireland increase by 28% in 2015 surpassing €100 million for the first time ever. ARI also won the prestigious Frontier Travel Retail Award for Best Airport Retailer for its Terminal 1 offering at Dublin Airport and ARI's confectionery concept, the Candy Cloud, which is also in T1, won best Speciality Concept store at the Frontier Awards.

The Loop continues to refine and develop the full range of retail experiences and services it offers passengers. The Shop & Collect service, for example, that enables passengers to purchase goods on their outbound journey for collection on return was pioneered in Ireland and last year saw sales rise by 22% to more than €7 million.

ARI, through its global retail excellence programme, the ARI Way, adapts many of these concepts for the benefit of customers, airport and joint venture partners at its overseas operations.

The Shop & Collect model is now operating successfully across the majority of the company's trading regions, while the Joy of Giving seasonal promotion, which originated in Dublin, has now been extended to ARI stores in Auckland, Bahrain, Cyprus, Delhi, Montreal and Muscat.



DUBLIN AIRPORT CENTRAL

The first element of the Dublin Airport Central project, the phased redevelopment over 20 years of a 70 acre site at the heart of the Dublin Airport campus, neared completion at year-end with the refurbishment of the old Aer Lingus headquarters building and its successful letting. Following a fit-out, currently being completed, ESB International, the new tenant, is scheduled to move into the building with 550 employees in late 2016.

CAR PARKS INTERNATIONAL

Car Parks International, a subsidiary business headquartered in the United States, offering consultancy and car parking management services, increased its revenue in 2015 and new recurring contracts were signed at Raleigh Durham and Belfast City airports in addition to new advisory deals at Denver, Seattle and JFK airports in the US – and Dubai in the Middle East.

DAA INTERNATIONAL

2015 was a year of intense business development activity for daa International (daaI) – the Group's international airport management, advisory services and aviation training business.

During the year, daaI continued to provide a number of strategic advisory services contracts to clients in the Middle East. daa International also continued to build relationships with prospective partners in the global airport operations sector.

daaI's training arm, the Dublin International Aviation Training Academy (DIATA), also continued to develop its range of aviation training programmes in both the Irish and international markets.

In July 2015, daaI was selected as preferred bidder for the contract for the management of the new Terminal 5 at King Khaled International Airport (KKIA) in Riyadh, Saudi Arabia. Following the successful conclusion of negotiations, the contract was signed, post year-end in February 2016.

daaI was chosen to operate Terminal 5 – which is a 106,500 square metre terminal with a capacity of up to 12 million domestic passengers per year – ahead of five other international airport operators.

This is daaI's first airport management contract and the intention is to build on this win by adding further significant contracts in the years ahead.

Kevin Toland, *Chief Executive*
March 15, 2016

2015 Financial Review

Group Financial Highlights	2015	2014
Passengers		
Total ('000)	27,121	23,856
Growth (%)	*14%*	*6%*
Profitability (€'m) *		
Turnover	680	564
Growth (%)	*21%*	*13%*
Group EBITDA [1]	206	181
Growth (%)	*14%*	*12%*
Group profit excluding exceptionals	61	42
Group profit for the financial year	83	31
Cash Flow (€'m) *		
Cash flow from operating activities	128	164
Net cash flow from investing activities	(86)	(85)
Balance Sheet (€'m) *		
Gross assets [2]	2,479	2,485
Shareholders' funds	1,135	1,047
Gross debt	(1,081)	(1,123)
Cash	465	523
Net debt	(616)	(600)
Capital Expenditure (€'m) *		
Capital expenditure additions	120	80
Key Ratios *		
Group EBITDA: Net interest charge [3]	3.9x	3.6x
Net Debt: Group EBITDA	3.0x	3.3x
Group EBITDA: Turnover	30%	32%
Return on average equity [4]	5.7%	4.1%

* Group Financial Statements are being prepared under Financial Reporting Standard 102 ("FRS 102") for the first time for the year ended 31 December 2015 and the prior year financial statements have been restated for consistency.

1 Group EBITDA comprises group earnings before interest, tax, depreciation, amortisation and exceptional items from group activities, excluding contributions from associated and joint venture undertakings.

2 Gross assets comprise fixed and current assets.

3 Net interest charge comprises Group net interest, excluding associated and joint venture undertakings.

4 Return on average equity is based on Group profit excluding exceptional items as a percentage of average shareholders' funds.

Profitability

The Group recorded a profit for the financial year of €83 million (post-tax), compared with a profit of €31 million in 2014. When the exceptional credit (net of tax) of €22 million (2014: exceptional charge (net of tax) €11 million) is excluded Group profit for the year was €61 million (2014: €42 million). Group EBITDA for the year increased by €25 million (14%) to €206 million. This reflected an increase in gross profit contribution of €75 million associated with increases in aeronautical and other turnover offset by operating cost increases (payroll and non-payroll) of €50 million.

Passenger volumne and growth

Passenger numbers at the Dublin and Cork airports were 27.1 million, an increase of 14%. Passenger numbers at Dublin Airport were 25 million, an increase of 15%. Passenger numbers at Cork Airport were 2.1 million, a decrease of 3%.

Turnover

Group turnover was €680 million, an increase of €116 million (21%) on the previous year. Turnover from aeronautical activities increased by €19 million (8%) to €257 million. Some €423 million of turnover came from retail and other commercial activities both overseas and at the two airports, an increase of €97 million (30%) on 2014.

Operating costs

Total Group operating costs (excluding cost of sales, depreciation, amortisation, impairment and exceptional items) increased by €50 million (18%) to €333 million. Group payroll costs increased by €27 million (18%) and Group non-payroll costs increased by €23 million (18%). New operations in Auckland and the full year impact of the acquisition of CTC – ARI in Cyprus accounted for €7 million (payroll) and €20 million (non-payroll) of the increases. Airport non-payroll increased by €1 million (2%) and payroll increased by €17 million (13%), with costs per passenger reducing by 5%.

Exceptional items

Exceptional items are set out in Note 6 and include a pension credit of €8.2 million and an unrealised fair value investment property credit of €19.7 million. Total net exceptional credit after tax was €22 million in 2015 (2014: net exceptional charge of €11 million).

Depreciation, amortisation and impairment

Depreciation, amortisation and impairment costs increased by €5 million to €105 million.

Associates and joint ventures

Group share of operating profits (before interest and taxation) from associates and joint ventures increased by €8 million to €29 million.

Interest

Net interest expense for 2015 was €53 million (2014: €51 million). €0.1 million of interest was capitalised in 2015 (2014: €nil).

Taxation

The Group taxation charge increased by €11 million to €17 million. The effective tax rate was 16% (2014: 13%) reflecting that, in particular, higher tax rates that apply to the Group's international operations relative to its Irish activities.

Cash flow and Funding

Net cash inflow from operating activities was €128 million (2014: €164 million). At the end of 2015, the Group had net debt of €616 million compared to €600 million in 2014. Cash was €465 million at year-end (2014: €523 million).

Group interest cover was 3.9 times (2014: 3.6 times) based on Group EBITDA divided by the Group net interest charge.

Balance Sheet

Shareholders' funds increased to €1,135 million (2014: €1,047 million).

Gross assets were €2.5 billion (2014: €2.5 billion). Fixed and financial assets were €1.9 billion (2014: €1.9 billion).

Treasury

The main risks arising from the Group's financial instruments are liquidity risk, interest rate risk, foreign currency risk and credit risk. The Board reviews and agrees policies for managing each of these risks and they are summarised below.

On occasion, the Group utilises derivatives to eliminate or reduce foreign exchange and interest rate risks arising from the Group's operations and its sources of finance.

Liquidity risk

The Group's policy is to ensure continuity of funding by (a) maintaining committed facilities covering the minimum of 12 months capital expenditure or 18 months net financing needs and (b) ensuring a substantial portion of borrowings mature in more than five years. At 31 December 2015, €769 million (2014: €765 million) of borrowings were due to mature in less than five years with €592 million of that due to mature in 2018. The Group held cash of €465 million (2014: €523 million) at the year end. Including undrawn committed borrowing facilities of €300 million, liquidity at the same date was €765 million (2014: €673 million). At the year end, the Group had capital commitments (both contracted and uncontracted) of €57 million (2014: €105 million).

Interest rate risk

The Group's policy is to protect the profit and loss account and cash flows from material adverse movements in interest rates by undertaking controlled management of the interest rate structure on the Group's borrowings and investments. At the end of 2015, 78% of the Group's debt was denominated as fixed interest debt, thus minimising exposure to interest rate fluctuations. This includes listed debt through a Eurobond issue and long-term loans from the European Investment Bank. During 2015, the weighted average interest rate applicable to the Group's borrowings was 4.7%, the same as in 2014. The Group's policy is to maintain a minimum fixed ratio of 70% on existing debt.

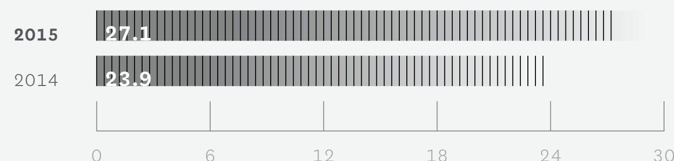
Foreign exchange risk management

The Group's Irish businesses are primarily euro denominated. The Group has a number of overseas subsidiary and associated undertakings from which dividends and management charges are denominated in foreign currencies. Where they do arise, the Group's policy is to minimise currency transaction risk, by seeking to hedge foreign exchange transaction exposures that might impact on reported profit. Currency exposures are disclosed in Note 27 of the financial statements. The Group does not carry foreign currency exposures other than in the normal course of business.

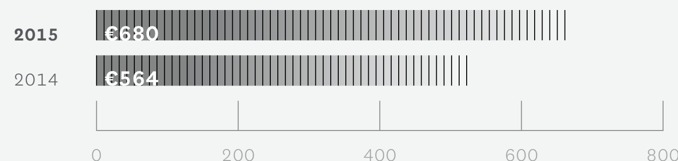
Credit risk

The Group's credit risk consists principally of cash deposits, short-term investments and trade debtors. Cash surpluses are only deposited with banks and institutions with an appropriate credit standing and backing. The Group has formalised procedures for the setting of credit limits, including the monitoring of trade debtors, and deposit limits.

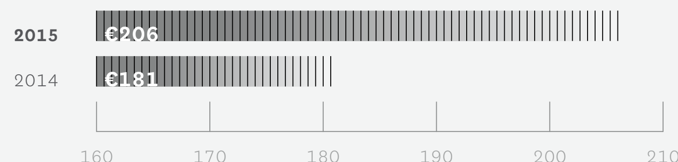
Total Passenger Numbers



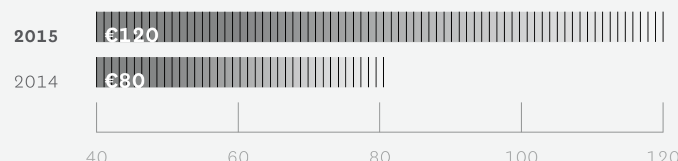
Group Turnover



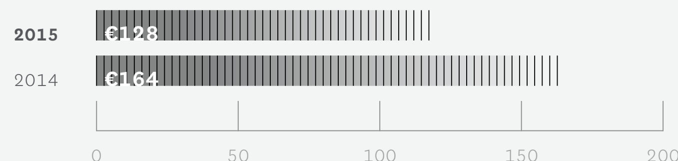
Group EBITDA



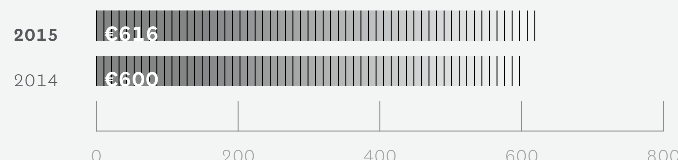
Fixed Asset Additions



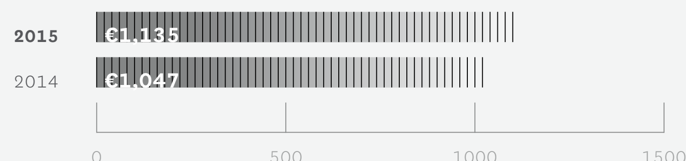
Cashflow from Operating Activities



Group Net Debt



Shareholders' Funds



Reports and Consolidated Financial Statements

2015

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Report of the directors

The directors have pleasure in submitting their annual report together with the audited financial statements for the year ended 31 December 2015.

Principal Activities

The Group's principal activities are airport development, operation and management, Irish and international airport retail management and international airport investment.

Review of the Business and Future Developments

Detailed commentaries on performance for the year ended 31 December 2015 including information on recent events, likely future developments, principal risks and uncertainties facing the business and key performance indicators, required in accordance with Statutory Instrument 116 of 2005: European Communities (International Financial Reporting Standards and Miscellaneous Amendments) Regulations 2005, are contained in the Chairman's Statement, the CEO's Review and the 2015 Financial Review.

Results and Dividends

As set out below the financial results of the Group for the year show a profit for the financial year amounting to €61.5 million compared with a profit of €41.9 million for 2014 after tax and excluding exceptional items, summarised as follows:

	2015 € million	2014 € million
Group operating profit – pre exceptional	**100.9**	80.6
Share of operating profit of associates and joint ventures	**28.9**	20.9
Exceptional credit/(charge) [1]	**27.9**	(9.7)
Group profit before interest and taxation	**157.7**	91.8
Interest (net) [2]	**(52.5)**	(50.8)
Group profit before taxation	**105.2**	41.0
Tax	**(16.8)**	(5.5)
Group profit after taxation	**88.4**	35.5
Minority interest	**(5.0)**	(4.2)
Group profit for the financial year	**83.4**	31.3
Group profit excluding exceptional items (after tax)	**61.5**	41.9

1. See Note 6 to the financial statements
2. Includes income from other financial assets

Details of the results for the financial year are set out in the Group profit and loss account and related notes.

Corporate Governance

The directors are committed to maintaining high standards of corporate governance. daa plc complies with the Code of Practice for the Governance of State Bodies (the "Code of Practice") which sets out the principles of corporate governance which the boards of State bodies are required to observe. In addition, in corporate governance matters, the Company has regard to recognised frameworks such as the UK Corporate Governance Code (the "Corporate Governance Code") and the Irish Corporate Governance Annex.

Companies Act 2014

The Companies Act, 2014 was enacted on 23 December 2014 and commenced on 1 June 2015. As required by section 225(2) of the Companies Act 2014, the directors acknowledge that they are responsible for securing the Company's compliance with its relevant obligations (as defined in that legislation). The directors have drawn up a compliance policy statement, and have put in place arrangements and structures that are, in the directors' opinion, designed to secure material compliance with the relevant obligations. The Group's subsidiaries which are currently private limited companies will be converted to "LTD" or "DAC" companies as appropriate during 2016.

The Role of the Board

The Board is responsible for the proper management and for the long-term success of the Group. It takes all significant strategic decisions and retains full and effective control while allowing management sufficient flexibility to run the business efficiently and effectively within appropriate delegated authority. The Board has reserved a formal schedule of matters for its decision. These matters include the adoption of strategic and business plans, the approval of the annual financial statements and annual operating and capital budget, acquisitions, disposals, and investments in joint ventures, major capital expenditure, property transactions, treasury policy and material contracts. Other issues reserved for the Board include the oversight of the system of risk management and internal control and the appointment of the CEO. The Chairman leads the Board in the determination of its strategy and in the achievement of its objectives and is responsible for organising the business of the Board, ensuring its effectiveness and setting its agenda. The Chairman facilitates the effective contribution of directors, manages effective communication with the Shareholder and ensures that directors receive accurate, timely and clear information.

The Board is provided with regular information, which includes key performance indicators for all aspects of the business. Regular reports and papers are circulated to the directors in a timely manner in preparation for Board and committee meetings. These papers are supplemented by information specifically requested by the directors from time to time. Regular management financial reports and information are provided to all directors which enable them to scrutinise the Group's and management's performance against agreed objectives.

Board Structure and Appointments to Board

The Board structure is prescribed by statute whereby the number of directors on the Board, and the manner in which such directors, including the Chairman, are appointed (and removed) is set out in the Air Navigation and Transport (Amendment) Act 1998 (the "1998 Act"), as amended by the State Airports Act 2004. This legislation provides that:

— The number of directors shall be no more than thirteen;

— Each director (including the Chairman) shall be appointed (or removed from office) by the Minister for Transport, Tourism and Sport (the "Shareholder") with the consent of the Minister for Public Expenditure and Reform (the "Principal Shareholder") for a period not exceeding five years and shall be eligible for reappointment;

— Four of the directors of the Company (the "Elected Directors") shall be appointed by the Shareholder following a staff election process as provided for under the Worker Participation (State Enterprises) Acts, 1977 to 2001 (the "Worker Participation Acts"); such directors are appointed for a period of four years and are eligible for re-election;

— The CEO shall be ex officio a director of the Company;

— The roles of the Chairman and CEO are separate.

The Board is satisfied that its size and structure as prescribed in legislation, is appropriate for the needs of the Company and achieves a balance of representation on the Board.

Since the last annual report, the term of office of four directors expired. Mr Niall Greene, Ms Patricia King, Mr Paul Schütz and Mr Gerry Walsh were re-appointed for a further term effective on 2 July 2015. There are thirteen directors serving on the Board as of the date of approval of the financial statements. The Senior Independent Director is Mr Gerry Walsh. The term of office of Ms Ann-Marie O'Sullivan is due to expire on 13 May 2016 and the term of office of the Chairman is due to expire on 17 July 2016.

Biographical details of the directors are set out in the Board of Directors section of the annual report. The directors have a blend of skills and experience in the areas of aviation, finance, economics, legal, business, public relations, retail and industrial relations. These skills bring the necessary competence to the Board to address the major challenges for the Group. Directors draw on their experience and knowledge in the development of strategy and use their diverse range of skills to constructively challenge matters of strategic importance to the Group. The experience and knowledge of directors is also taken into consideration in determining the requirements and membership of the Board committees.

The terms and conditions of appointment of non-executive directors are available for inspection on request.

Independence of Directors

The directors and secretary had no beneficial interest in the shares or loan stock of the Company or in those of its subsidiaries at any time during the financial year or the preceding financial year.

The Board considers that all directors are independent in character and judgement.

Contracts of employment: Having regard to the independence criteria as set out in the Corporate Governance Code the Board considers that the CEO and the four Elected Directors all of whom have contracts of employment with the Company, cannot for that reason be considered as independent.

Other interests: On occasion, members of the Board may also hold directorships or executive positions or have interests in third party companies including trade union organisations, some of which (or their affiliates) may, in the normal course of business, undertake transactions on an arm's length basis with the Group. Disclosure is provided, as required, in Note 30 (Related Party Disclosures) of the financial statements of related party transactions where the director holds a material interest in the relevant entity. In accordance with company law, details of directorships held by members of the Board are filed in the Companies Registration Office.

The Chairman, Mr Pádraig Ó Ríordáin, is a partner in Arthur Cox, a law firm which provides legal services to the Group. Mr Ó Ríordáin's partnership in Arthur Cox was disclosed to and considered by the Shareholder prior to his appointment and reappointment as Chairman.

Board procedures: The Board has specific procedures to deal with potential conflicts of interest that may arise. Directors are required, in accordance with the provisions of section 34 of the 1998 Act and the Code of Practice, to disclose any relevant interest and absent themselves from Board discussions where they have a direct or indirect interest.

Company Secretary and Access to Professional Advice

All directors have access to the advice and services of the Company Secretary, who is responsible to the Board for ensuring that Board procedures are complied with. The Company's professional advisers are available for consultation by the Board as required. Individual directors may take independent professional advice, in line with Company procedures, at the Company's expense.

Performance Evaluation

An externally facilitated board evaluation was undertaken in 2015 to review the performance and effectiveness of the Board and two of its committees, the Audit Committee and the Health, Safety, Security and Environment Committee. In line with best practice standards in governance, the areas in which performance was assessed included strategy, risk management and internal control, stakeholder management, board composition and succession planning, boardroom practice and performance of committees. The board performance was rated highly with no material issues to be addressed.

Induction, Training and Development of Directors

On appointment, directors are provided with detailed briefing documents, governance, financial and operational information and an opportunity to be briefed by executives on the different aspects of the Company business. Organised familiarisation tours of the airport campus are also provided. Directors have access to training programmes and the ongoing development needs of directors are kept under review.

Board Committees

The Board has an effective committee structure to assist in the discharge of its responsibilities. A new committee, the Strategic and Infrastructure Committee was established in 2015.

Details of the work of the Audit Committee, the Cork Airport Committee, the Health, Safety, Security & Environment Committee, the Nomination & Remuneration Committee and the Strategic and Infrastructure Committee, including their current Board membership, are set out below. The attendance of members at committee meetings is set out in the table "Attendance at Board and Committee Meetings during year ended 31 December 2015" in the section headed "Meetings" below. Terms of reference for the committees are available from the Company Secretary on request.

Audit Committee

The Audit Committee is chaired by Mr Gerry Walsh who has been a member of the committee since 2010 and who was nominated as chairman of the committee in February 2012. Other members of the committee are Mr Colm McCarthy (appointed February 2012) and Mr Paul Schütz (appointed December 2012). The Board is satisfied that the Audit Committee has membership which incorporates recent and relevant financial experience.

The Audit Committee met four times in 2015. During the course of the financial year, the committee held closed meetings and has also met privately with both the external and internal auditors. The Head of Internal Audit has a direct line of communication with the chairman of the Audit Committee. The Head of Internal Audit's executive reporting line is to the CEO and he is appointed, and may only be dismissed, by the committee.

Regular attendees at committee meetings, at the invitation of the committee, include the CEO, Group Chief Financial Officer, Company Secretary, Head of Internal Audit and the external auditor.

The Audit Committee is responsible for assisting the Board in its oversight responsibilities relating to internal control and risk management; financial reporting; external audit; and internal audit.

Key responsibilities of the Audit Committee include:

— Monitoring the integrity of the Group financial statements;

— Monitoring and reviewing the internal control and risk management systems and the effectiveness of the Group's internal audit function;

— In relation to external auditors, recommending appointments, monitoring effectiveness, independence and objectivity, approving remuneration and terms of engagement and determining policy on the supply of non-audit services; and

— Reviewing of arrangements by which staff of the Group may, in confidence, raise concerns about possible improprieties in matters of financial reporting or other matters.

Report of Audit Committee Activities

Financial Reporting

The committee reviewed the draft annual financial statements before recommending their approval to the Board. The committee considered, and discussed with the CEO, Group Chief Financial Officer and external auditors, the appropriateness of the significant accounting policies, estimates and judgements applied in preparing these financial statements, together with presentational and disclosure issues. The financial statements of the daa Group have been prepared in accordance with the requirements of FRS 102 for the first time in the financial year ended 31 December 2015.

Internal Controls

The Audit Committee reviewed, on behalf of the Board, the effectiveness of the Group's system of risk management and internal control. Monitoring covered all controls, including financial, operational and compliance controls and risk management processes. During the financial year, the committee considered reports from the Head of Internal Audit summarising the work planned and undertaken, recommending improvements and describing actions taken by management.

Risk Management

The committee monitored, on behalf of the Board, the Group's ongoing process for identifying and evaluating the significant risks affecting the Group and the policies and procedures by which these risks are managed. The committee reviewed the overall work of the risk management function and considered the processes for identifying, reporting and managing both existing and emerging risks. The committee received periodic presentations on the risk management framework applied, including management actions to address, mitigate and manage risks on a continuing basis. This complemented regular Board receipt of management reports on emerging risks, key risks and significant changes in the business and external environment which affect the existing risk profile of the Group.

Internal Audit

The committee reviewed the plans and work undertaken during the year by the Group's Internal Audit department, including reports relating to overseas subsidiary and associated undertakings, and the consequential actions agreed with management. The committee was appraised by the Head of Internal Audit of the findings of internal audit reviews. The committee also considered management's progress in addressing the relevant issues, including the nature, extent and speed of response. The committee reviewed and agreed a risk-based internal audit annual plan, including the resources required, and considered the alignment of internal audit focus with the areas of greatest risk facing the Group. The committee also evaluated the performance of internal audit from the quality of reports and recommendations from the Head of Internal Audit.

The committee received reports from the Head of Internal Audit on the confidential reporting system by which employees may raise, in confidence, matters of possible impropriety, and the committee is satisfied that appropriate procedures are in place for follow-up of such matters.

External Audit

The committee approved the remuneration and terms of engagement of the external auditor. The Audit Committee reviewed the external audit plan and the findings of the external auditor from its audit of the annual financial statements. The committee took appropriate steps to ensure that an objective and professional relationship was maintained with the external auditor.

The committee carried out an assessment of auditor independence and objectivity. This included reviewing a) the nature and extent of the services provided, and fees earned, for external audit and non-audit work carried out by the external auditor and b) compliance with the Group's policy governing the provision of non-audit services to the Group whereby clear rules and limits are in place, permitting non-audit services which do not present a conflict of interest.

Fees paid to the Group's auditor for audit services, audit related services and other non-audit services are set out in Note 8 of the financial statements. There were no instances where the external auditor was engaged to provide services which were adjudged to give rise to a conflict of interest.

The committee also monitored the external auditor's compliance with relevant regulatory, ethical and professional guidance on the rotation of partners, as well as assessing annually its qualifications, expertise, resources and the effectiveness of the audit process.

The Group last tendered for external audit services in 2012, following which Deloitte were appointed.

Audit Committee Evaluation and Reporting

An externally facilitated board evaluation undertaken in early 2015 also reviewed the performance and effectiveness of the Audit Committee and found no material issues to be addressed. The performance and effectiveness of the Audit Committee will form part of the self-assessment evaluation to be undertaken in 2016.

A report of the chairman of the committee is presented to the Board after each committee meeting, whereby significant issues considered by the committee are reported to and considered by the Board.

Cork Airport Committee

The Cork Airport Committee was established in April 2014 and comprises four members, Ms Ann-Marie O'Sullivan as chair, Mr Eric Nolan, Mr Kevin Toland and Mr Gerry Walsh. The committee's principal responsibilities are to monitor the operational and financial performance of Cork Airport; to make recommendations to management and the Board on activities in particular that aim to drive passenger growth and secure new routes, and to advise the Board on issues of strategic importance to Cork Airport.

A report of the chairman of the committee is presented to the Board after each committee meeting, whereby significant issues considered by the committee are reported to and considered by the Board.

Health, Safety, Security & Environment Committee

The Health, Safety, Security & Environment Committee comprises four members. Mr Niall Greene is chairman of the committee since December 2012. Mr Barry Nevin has been a member since 2005 and Ms Ann-Marie O'Sullivan and Mr Denis Smyth were appointed to the Committee in March 2014.

The committee's principal responsibility is to approve the frameworks in place in daa for the management of health and safety, aerodrome safety, security and environment matters. In fulfilling its role, the committee oversees the risk management systems and organisational structures in place to give effect to appropriate compliance programmes. It reviews and monitors performance metrics, receives incident reports and monitors the processes in place for training and communication of policies and procedures. An externally facilitated evaluation of the Board undertaken in early 2015 included a review of the performance and effectiveness of this Committee and found no material issues to be addressed. The performance of this Committee will also form part of the self-assessment evaluation process in 2016.

A report of the chairman of the committee is presented to the board after each committee meeting, whereby significant issues considered by the committee are reported to and considered by the Board.

Nomination & Remuneration Committee

The Nomination & Remuneration Committee comprises two members, Mr Pádraig Ó Ríordáin is chairman since 2012 and Mr Gerry Walsh has been a member since 2010.

The committee's principal responsibility is to determine, on behalf of the Board, the remuneration and other terms and conditions of employment of the CEO, the pay structures and terms and conditions of senior executives and to review the ongoing appropriateness and relevance of the Company's remuneration policies and any major structural changes to such policies.

A report of the chairman of the committee is presented to the board, whereby significant issues considered by the committee are reported to and considered by the Board.

Strategic & Infrastructure Committee

The Strategic & Infrastructure Committee was established in November 2015 and comprises four members, Mr Pádráig Ó Ríordáin, Chairman, Mr Niall Greene, Mr John Lynch and Mr Gerry Walsh. The responsibility of the Committee is to advise the Board on the medium and long term infrastructural needs of Dublin and Cork airports.

A report of the chairman of the committee is presented to the board after each committee meeting, whereby significant issues considered by the committee are reported to and considered by the Board.

Meetings

Regular meetings of the Board are held throughout the financial year. The Board met formally ten times during 2015. In addition, there were a number of committee meetings. Attendance at Board and committee meetings is set out below.

Attendance at Board and committee meetings during financial year ended 31 December 2015:

Director	Board	Audit	Cork Airport Committee	Health, Safety, Security & Environment	Nomination & Remuneration	Strategic & Infrastructure Committee
Pádraig Ó Ríordáin	9/10	—	—	—	1/1	1/1
Niall Greene	8/10	—	—	4/4	—	1/1
Patricia King	9/10	—	—	—	—	—
John Lynch	6/10	—	—	—	—	1/1
Des Mullally	10/10	—	—	—	—	—
Colm McCarthy	9/10	4/4	—	—	—	—
Barry Nevin	9/10	—	—	4/4	—	—
Eric Nolan	10/10	—	4/4	—	—	—
Ann-Marie O'Sullivan	8/10	—	4/4	4/4	—	—
Paul Schütz	9/10	3/4	—	—	—	—
Denis Smyth	10/10	—	—	4/4	—	—
Kevin Toland	10/10	—	4/4	—	—	—
Gerry Walsh	10/10	4/4	3/4	—	1/1	1/1

The first number in each column indicates the number of meetings attended by the director and the second number the number of meetings held during the period the director was a member of the Board or relevant committee.

During 2015, the Senior Independent Director met with the directors without the Chairman present.

Directors' Remuneration

Fees for directors are determined by the Shareholder, with the consent of the Principal Shareholder. The remuneration of the CEO is determined in accordance with the arrangements issued by the Department of Transport, Tourism and Sport for determining the remuneration of CEOs of commercial state bodies under its aegis and is subject to the approval of the Nomination & Remuneration Committee and the Principal Shareholder.

In line with the Code of Practice only one fee is payable to a director in respect of service on the main Board and boards of subsidiary or associated bodies where applicable. No directors' fee is payable to the CEO for service on the Board. Directors of the Company who may serve on the boards of subsidiary or associated companies do not receive any additional remuneration in respect of their directorships. The CEO is permitted, subject to Board approval, to retain not more than two fees in respect of external directorships. Elected Directors, who receive a fee for their services as a director, are separately remunerated for services provided to the Company under their normal contracts of employment.

Details of directors' fees and emoluments including those of the CEO are set out in Note 8 to the financial statements in accordance with the requirements of the Companies Acts 2014, and the Code of Practice.

Internal Control and Risk Management Systems

The directors acknowledge their overall responsibility for establishing and maintaining the system of internal control throughout the Group. The system of internal control comprises those ongoing processes for identifying, evaluating and managing the significant risks faced by the Group and the key structures and procedures designed to provide an effective system of internal control. Such a system is designed to manage rather than eliminate risk of failure and can therefore only provide reasonable and not absolute assurance that the Group will achieve those objectives or that the Group will not suffer material misstatement or loss.

The organisation structure of the Group under the day-to-day direction of the CEO is clear. Defined lines of responsibility and delegation of authority have been established.

Internal Controls

The directors have established a number of key structures and procedures designed to provide an effective system of internal control, which includes an annual review of the effectiveness of the system of internal control. The directors have formed the view that the Group's systems of internal control operated for the year under review and up to the date of approval of the financial statements in accordance with the Guidance on Risk Management, Internal Control and Related Financial and Business Reporting. The key structures and procedures which are used to maintain an effective internal control system and which are supported by detailed controls and processes are as follows:

Strategic Planning	Periodic preparation and adoption of a strategic plan to set future direction together with rolling five-year business and financial plans.
Board Oversight	A schedule of items reserved to the Board for approval;
	An active Board sub-committee structure;
	A Nomination & Remuneration Committee that, inter alia, determines and approves remuneration and performance related pay arrangements for the CEO;
	An Audit Committee, which reviews audit plans and deals with significant control issues raised by the internal or external auditors and meets periodically with the internal auditors and the external auditors;
	A Health, Safety, Security & Environment Committee that monitors and reviews matters in relation to aviation safety and security, and health and safety at the airports;
	Representation at Board level in the Group's principal associates and joint ventures by senior Group executives; Investments in associated and joint venture companies are considered as part of the Group's ongoing management risk review process;
	Separate boards which monitor the performance of each subsidiary company.

Management Structures	A clearly defined organisation structure with appropriate segregation of duties and delegation of responsibility and authority within which the Group's activities can be planned, executed, controlled and monitored to achieve the strategic objectives which the Board has adopted for the Group;
	Health, Safety, Security and Environment functions which monitor and report on aviation safety, security and environmental standards and operational procedures at the airports;
	An Internal Audit department which reviews key systems and controls with full access to the Audit Committee.
Risk Management	An Executive Risk Committee to monitor risk governance and to assist the Board in discharging its responsibilities in ensuring that risks are properly identified, reported and assessed; that risks are appropriately mitigated and controlled; and that strategy is informed by, and aligned with, the Group's risk appetite.
Management Monitoring and Control	A comprehensive system of management and financial reporting across all functions including finance, legal and other corporate services, health, safety and security, asset maintenance and development, commercial and operations;
	Clearly defined limits and procedures for financial expenditure including procurement, employment costs and capital expenditure;
	Executive management over-seeing capital, revenue, cost and employment matters;
	Annual scorecards, budgets and financial plans for the Group and business units;
	Regular monitoring of Group financial and operating performance against budgets and scorecards; regular reporting to Board on business performance.

Risk Management

Risk management is an integral part of the Group's decision making and comprises the culture, processes and structures that are directed towards the effective management of potential opportunities and adverse consequences arising from the Group's commercial and operational activities.

The directors acknowledge their responsibility for determining the nature and extent of the significant risks the Group is willing to take in achieving its strategic objectives. The Board is committed to the proactive management of risk and does so by setting a clearly defined risk appetite for the Group, and ensuring that through culture, processes and structures, risk management is embedded across the organisation in normal business activities and decision making. The effectiveness of risk management is subject to review by the Executive Risk Committee and by the Audit Committee.

The risk assurance functions, covering risk management, business continuity, security and health, safety and environmental compliance, report to the Company Secretary while the internal audit function reports to the CEO. Management is responsible for the identification and evaluation of significant risks applicable to their areas of business together with the design and operation of suitable internal controls. Risk registers which are prepared by risk champions are updated regularly and monitored and reviewed by the corporate risk management function. The holding of business risk workshops and regular update reviews at a divisional level, together with reviews of divisional risks with the Executive Risk Committee and Audit Committee support this process. The risk management system also involves providing assurance that mitigation strategies and internal controls are effective.

The Group's risk management system is subject to continuous review and improvement in order to remain effective in changing business environments. The Group has reached a mature position with regards to Enterprise Risk Management, with the risk management framework and culture assessed to be at an optimised level. In keeping with a commitment for continuous improvement, the Group continually seeks to enhance its processes across the organisation.

As part of the risk identification process, the principal areas of risk which could materially adversely affect the Group's business, financial condition or results of operations have been identified. A summary of the principal risks and strategies being adopted to mitigate the risks are set out below. This is not intended to be an exhaustive analysis of all the risks which may arise in the ordinary course of business. These risks are assessed on a continual basis and management report to the Board significant changes in the business and external environment, which affect the significant risks identified.

Principal Risk Type and Mitigation

Business Continuity:

The Group's operations are subject to operational risks and other unforeseen risk events such as weather events, fire, mechanical systems failure, technical failures and terrorism. Serious disruption to operations and commercial activities can also arise due to internal or third party industrial action. Long-term disruptions could result in a significant financial and/or reputational impact on the Group. A withdrawal of services by a large grouping of daa staff would inevitably lead to significant disruption to services up to and including closure of Dublin and/or Cork airports.

Mitigation

The Group seeks to eliminate the risk of discontinuity of services by having well developed continuity plans and resilience in its key systems and processes. Where events result in disruption to services, the Group activates its business continuity plans in order to minimise the impact of the disruption and return to normal service as quickly as possible.

Financial Performance:

daa's revenue is sensitive to economic conditions and the geopolitical environment in the markets in which it operates. A key factor affecting the Group's financial performance is the number of passengers and the number of aircraft movements at its airports.

Reduced consumer demand could negatively impact passenger numbers and revenues, commercial and retail revenues and the overall level of revenue generated.

The Group is also exposed to cost inflation (both capital and operational). There is also a risk of cost increases arising from the nature of its operating cost base which may need to respond to changes in the regulatory environment.

Mitigation

The Group operates strong business and financial control systems (including capital appraisal) with regular reporting on financial performance, early signalling of material deviations from plan and accountability of business unit management to the CEO. The Group is focused on continuous improvement of processes to drive efficiency, improve flexibility and proactively manage its cost base.

Governance and Compliance:

The Group is subject to a wide range of legislative and governance requirements, in Ireland and in other jurisdictions in which it operates, including but not limited to those set out in company law. Any breach of these requirements could result in serious financial loss or reputational damage to the Group.

Mitigation

The Group has structures and processes in place to monitor compliance with regulatory and governance requirements.

The Group has a proactive, forward looking approach to monitoring changes in regulation and legislation and is actively involved with external organisations which provide advice and training on these matters to management.

Health, Safety, Security and Environment:

Health, Safety, Security and Environmental issues are of paramount importance within the Group. The Group's operations are subject to an increasingly stringent range of security regulations, environmental and health and safety laws, regulations and standards in each of the jurisdictions in which the Group operates and/or has interests. A breach of any such law or regulation could result in the imposition of material sanctions on the Group and could have a material adverse effect on the Group's business.

Mitigation

Staff training in the areas of health, safety, security and environment, as well as strong emphasis on monitoring compliance, form an integral part of the Group's mitigating strategies, designed to ensure the safety and security of customers, passengers and staff, the protection of the environment and the prevention of a serious breach of statutory or other regulatory obligations.

Information Technology Systems:

Effective and secure information technology systems are critical for the efficient management of the business and to support operational activities. A significant failure of the Group's information systems could result in significant disruption to operations, financial loss or reputational damage to the Group.

Mitigation

The Group operates with a high level of resilience in information technology systems and processes. Business continuity plans exist to manage the risk of any significant disruption arising from a failure in information technology systems.

International Operations:

The Group undertakes international airport retailing and other international activities, principally via wholly-owned subsidiaries of daa, Aer Rianta International cpt ("ARI"), and daa International Limited ("daaI"). The Group also has direct and indirect equity investments in a number of airports.

ARI and daaI have direct and indirect interests in airport retailing joint ventures (concession contracts) and/or management contracts in various countries. Concession contracts with airport authorities impose performance obligations on the Group. Such obligations include the payment of minimum annual guarantee sums for fixed periods. Failure of the underlying businesses to perform in line with expectations may result in reduced profitability, the crystallisation of contingent liabilities and/or reputational damage.

The Group operates in countries which are at different stages of development and in some cases have potentially fast-changing economic, social and political conditions.

Changes in laws or regulations, a deterioration in economic, social or political conditions or an increase in costs, industry change in the countries in which the Group directly or indirectly operates or has interests in or any termination or disruption to or breach by any person of the terms of any such arrangements or agreements could have a material adverse effect on the financial condition of those operations, and thereby those of the Group, including its business, results of operations, prospects and/or financial condition.

Mitigation

The Group seeks to control the level of investment and/or exposure it has to adverse impacts of overseas activities.

The Group proactively manages its relationships with partners and has put structures and processes in place to safeguard its interests including shareholder agreements and commercial counter-party arrangements.

The Group maintains strong board representation in joint ventures and monitors the legal, operating and economic environment, and compliance with regulatory and governance requirements in the countries within which it operates. It obtains professional advice where necessary.

Cash holdings are minimised in overseas locations, especially where the risk of fast-changing economic, social and political conditions is assessed as high.

Investments and Capacity:

Airports are by nature capital intensive. The risk of a delay in completing capacity infrastructure in a timely manner may result in inadequate facilities to meet demand or otherwise impact on quality of service. There is also a risk that planning or other regulations may delay the delivery of infrastructure, impose additional costs or operating conditions any or all of which may impact the delivery of the infrastructure.

There is also a risk that investments are not appropriately remunerated through the economic regulatory system or that commercial investments at Irish airports and investments in new foreign businesses do not deliver required rates of return or cashflows and may suffer impairment.

Mitigation

Decisions regarding investment in infrastructure that forms a part of the regulated airport business are based on professional evidence-based inputs and formal consultation processes with key stakeholders as required, including CAR.

The Group determines its risk appetite for commercial investments and has minimum hurdle rates for commenced investments.

Liquidity, Treasury and Funding:

The Group is exposed to certain financial and treasury-related risks, including fluctuating interest rates, liquidity and re-financing risks and foreign currency exposures. Treasury risks are set out in the 2015 Financial Review.

Cash generated by the business and borrowing from the debt markets are the primary source of funding available to the Group. daa relies greatly on its credit rating and its key financial ratios to access the debt markets. Given the composition of the Group's business, the level of credit rating is influenced inter alia by the rate of return targeted by CAR in its periodic regulatory price cap determinations and actual financial performance against the regulatory assumptions.

While the Group has adequate funding to meet forecast short and medium-term funding requirements, any change to the Group's credit rating may affect the future availability and cost of funding, the borrowing capacity of, and financing terms and flexibility available to the Group.

The Group undertakes financial transactions in the ordinary course of business with a number of counterparties and could suffer a financial loss if any of those counterparties were to either fail or to default in the performance of their respective obligations.

Mitigation

Board approved policies are in place to address key treasury risks (see 2015 Financial Review) which are effected by the Group's Treasury function.

A prudent approach has been adopted to manage liquidity including pre-funding of significant investment requirements. Sufficient headroom is maintained to meet forecast short to medium-term funding requirements.

Maintaining an appropriate credit rating is a key objective of the Group's Strategic Plan.

Formal policies are in place governing limits on counterparty exposures which are regularly monitored and reported.

Operational Standards:

The Group is obliged to meet various operational and quality standards, including but not limited to those standards set by the Irish Aviation Authority and CAR. Failure to meet any of these standards could result in, inter alia, a financial penalty being imposed on the Group.

Mitigation

The Group has systems in place to monitor compliance with externally established quality standards. These systems include appropriate capture of data, continuous monitoring and appropriate escalation processes.

Reliance on Core Airline Customers:

The Group's economic activity at airports, whether directly owned and operated or in which it holds retail or other interests, is dependent on airlines. Changes in the strategic direction of key airlines operating to/from daa airports or those airports in which daa has significant business interests, including restructuring of route networks, consolidation of the airline industry, a change in ownership/control or their safety record could have an adverse effect on the Group's business.

Mitigation

The Group seeks to ensure sufficient diversification in its range of carriers and other service offerings to minimise this risk. The Group is also focused on the competitiveness of its offerings and appropriateness of facilities for the needs of its current and prospective customers.

Communication with Shareholder

Through regular contact with relevant Government departments, the Board and management maintain an ongoing dialogue with the Shareholder on important and strategic issues.

The Board has established procedures to ensure that Board members have an understanding of the views of the Shareholder. This is achieved through briefings to directors from the Chairman who, with the CEO, maintains regular dialogue with the Shareholder and his officials.

Going Concern

The directors, having reviewed the Group's projections, with particular reference to its operating cash flow, capital commitments, liquidity and funding position, have a reasonable expectation that the Group has adequate resources to continue in operation for the foreseeable future. For this reason, they continue to adopt the going concern basis in preparing the financial statements.

Accounting Records

The directors believe that they have complied with the requirements of Section 281–285 of the Companies Act 2014 with regard to adequate accounting records by employing accounting personnel with appropriate expertise and by providing adequate resources to the financial function. The accounting records of the Company are maintained at the Company's premises at Dublin and Cork airports.

Health and Safety

The wellbeing of the Group's employees is safeguarded through the strict adherence to health and safety standards. The Safety, Health and Welfare at Work Act 2005 imposes certain requirements on employers and all relevant companies within the Group take the necessary action to ensure compliance with the Act.

Subsidiary, Associated and Joint Venture Undertakings

The information required by Section 314 of the Companies Act 2014 in relation to subsidiary, associated and joint venture undertakings is set out in Note 14.

Prompt Payments Act

Internal financial controls are in place to ensure compliance, in all material respects, with the provisions of the Prompt Payment of Accounts Act 1997 as amended by the European Communities (Late Payments in Commercial Transactions) Regulations 2002 and 2012. Standard terms of credit taken, unless otherwise specified in specific contractual arrangements, are 30 days. As in previous years, substantially all payments were made within the appropriate credit period as required.

Electoral Act, 1997

The Group did not make any political donations during the year.

Post Balance Sheet Events

There have been no significant post balance sheet events which require adjustment to the financial statements or the inclusion of a note thereto.

Auditors

Deloitte, Chartered Accountants and Statutory Audit Firm, will continue in office as external auditor in accordance with Section 383 (2) of the Companies Act 2014.

Approved by the Board and signed on its behalf by:
Pádraig Ó Ríordáin, Chairman
Gerry Walsh, Director
15 March 2016

Director's responsibilities statement in respect of the Annual Report and the Financial Statements

The directors are responsible for preparing the directors' report and the financial statements, in accordance with the Companies Act 2014 and the applicable regulations.

Irish company law requires the directors to prepare financial statements for each financial year. Under the law, the directors have elected to prepare the financial statements in accordance with FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland ("relevant financial reporting framework"). Under company law, the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the assets, liabilities and financial position of the Group and parent Company as at the financial year end date and of the profit or loss of the Group and parent Company for the financial year and otherwise comply with the Companies Act 2014.

In preparing these financial statements, the directors are required to:

— select suitable accounting policies for the parent Company and the Group financial statements and then apply them consistently;

— make judgements and estimates that are reasonable and prudent;

— state whether the financial statements have been prepared in accordance with applicable accounting standards, identify those standards, and note the effect and the reasons for any material departure from those standards; and

— prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group and parent Company will continue in business.

The directors are responsible for ensuring that the company keeps or causes to be kept adequate accounting records which correctly explain and record the transactions of the company, enable at any time the assets, liabilities, financial position and profit or loss of the company to be determined with reasonable accuracy, enable them to ensure that the financial statements and directors' report comply with the Companies Act 2014 and enable the financial statements to be audited. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities. The directors are responsible for the maintenance and integrity of the corporate and financial information included on the company's website.

Independent auditors’ report to the members of daa plc

We have audited the financial statements of daa plc for the financial year ended 31 December 2015 which comprise the Group Financial Statements: the Group Profit and Loss Account, the Group Statement of Comprehensive Income, the Group Balance Sheet, the Group Statement of Cash Flows, the Group Statement of Changes in Equity and the Parent Company Financial Statements: the Company Balance Sheet and the Company Statement of Changes in Equity and the related Notes 1 to 35. The relevant financial reporting framework that has been applied in the preparation of the group and the parent company financial statements is the Companies Act 2014 and FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (“relevant financial reporting framework”).

This report is made solely to the company’s members, as a body, in accordance with Section 391 of the Companies Act 2014. Our audit work has been undertaken so that we might state to the company’s members those matters we are required to state to them in an auditors’ report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company’s members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

As explained more fully in the Directors’ Responsibilities Statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view and otherwise comply with the Companies Act 2014. Our responsibility is to audit and express an opinion on the financial statements in accordance with the Companies Act 2014 and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board’s Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the Group’s circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Annual Report 2015 to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion:

— the Group and Parent Company financial statements give a true and fair view of the assets, liabilities and financial position of the Group and Parent Company as at 31 December 2015 and of the profit of the Group for the year then ended; and

— the Group and Parent Company financial statements have been properly prepared in accordance with the relevant financial reporting framework and, in particular, with the requirements of the Companies Act 2014.

Matters on which we are required to report by the Companies Act 2014

— We have obtained all the information and explanations which we consider necessary for the purposes of our audit.

— In our opinion the accounting records of the parent company were sufficient to permit the financial statements to be readily and properly audited.

— The parent company balance sheet is in agreement with the accounting records.

— In our opinion the information given in the directors’ report is consistent with the financial statements.

Matters on which we are required to report by exception

We have nothing to report in respect of the following:

Under the Companies Act 2014, we are required to report to you if, in our opinion the disclosure of directors’ remuneration and transactions specified by law are not made.

Under the Code of Practice for the Governance of State Bodies (the “Code of Practice”), we are required to report to you if the statement regarding the system of internal financial control required under the Code of Practice as included in the Corporate Governance Statement in the Report of the Directors does not reflect the group’s compliance with paragraph 13.1 (iii) of the Code of Practice or if it is not consistent with the information of which we are aware from our audit work on the financial statements.

Kevin Sheehan *for and on behalf of Deloitte*
Chartered Accountants and Statutory Audit Firm
Dublin
15 March 2016

Group profit and loss account

for the financial year ended 31 December 2015

		2015			2014		
	Note	**Pre-exceptional €000**	**Exceptional & fair value movements €000**	**Total €000**	Pre-exceptional €000	Exceptional & fair value movements €000	Total €000
Group turnover – continuing operations	3	**679,758**	**–**	**679,758**	564,076	–	564,076
Operating costs							
Cost of goods for resale		**(140,488)**	**–**	**(140,488)**	(100,617)	–	(100,617)
Payroll and related costs	4	**(181,889)**	**–**	**(181,889)**	(154,658)	–	(154,658)
Exceptional item – pension	6	**–**	**8,195**	**8,195**	–	(27,133)	(27,133)
Materials and services		**(151,339)**	**–**	**(151,339)**	(127,939)	–	(127,939)
		(473,716)	**8,195**	**(465,521)**	(383,214)	(27,133)	(410,347)
Earnings before interest, tax, depreciation and amortisation		**206,042**	**8,195**	**214,237**	180,862	(27,133)	153,729
Depreciation and amortisation		**(105,146)**	**–**	**(105,146)**	(100,307)	–	(100,307)
Fair value movement on investment property	6	**–**	**19,661**	**19,661**	–	16,004	16,004
Group operating profit – continuing operations		**100,896**	**27,856**	**128,752**	80,555	(11,129)	69,426
Share of operating profit							
Joint venture undertakings		**1,125**	**–**	**1,125**	614	–	614
Associated undertakings	5	**27,813**	**–**	**27,813**	20,321	–	20,321
Exceptional items							
Profit on disposal of investments and assets	6	**–**	**–**	**–**	–	1,431	1,431
Group profit before interest and taxation		**129,834**	**27,856**	**157,690**	101,490	(9,698)	91,792
Finance income	7	**1,218**	**–**	**1,218**	459	–	459
Interest receivable and similar income	7	**1,479**	**–**	**1,479**	6,638	–	6,638
Interest payable and similar charges	7	**(55,234)**	**–**	**(55,234)**	(57,890)	–	(57,890)
Group profit on ordinary activities before taxation	8	**77,297**	**27,856**	**105,153**	50,697	(9,698)	40,999
Tax on profit on ordinary activities	9	**(10,845)**	**(5,925)**	**(16,770)**	(4,590)	(872)	(5,462)
Profit after taxation		**66,452**	**21,931**	**88,383**	46,107	(10,570)	35,537
Attributable to:							
Non-controlling interest		**4,971**	**–**	**4,971**	4,212	–	4,212
Equity shareholders of the Group		**61,481**	**21,931**	**83,412**	41,895	(10,570)	31,325
Profit for the financial year for the Group		**61,481**	**21,931**	**83,412**	41,895	(10,570)	31,325

Group statement of comprehensive income

for the financial year ended 31 December 2015

	Note	2015 €000	2014 €000
Group profit for the financial year		**83,412**	31,325
Exchange differences on translation of overseas investments (arising on net assets)			
Subsidiary undertakings		**562**	1,694
Associated undertakings		**1,632**	1,877
Re-measurement of net defined benefit liability	24	**669**	(6,472)
Deferred tax (charge)/credit thereon		**(61)**	1,154
Other comprehensive income for the financial year			
Equity shareholders of the Group		**86,214**	29,578
Non-controlling interest profit for the financial year		**4,971**	4,212
Exchanges differences on translation of overseas non-controlling interests		**1,021**	1,185
Other comprehensive income for the financial year			
Non-controlling interest		**5,992**	5,397
Total comprehensive income for the financial year attributable to:			
Non-controlling interest		**5,992**	5,397
Equity shareholders of the Group		**86,214**	29,578

Group balance sheet

as at 31 December 2015

	Note	2015 €000	2014 €000
Fixed assets			
Tangible assets	11	**1,620,703**	1,624,630
Intangible assets	12	**66,099**	72,854
Investment property	13	**123,680**	80,177
		1,810,482	1,777,661
Investments			
Investments in joint venture undertakings		**1,292**	672
Investments in associated undertakings		**98,303**	92,479
Other financial assets		**21,826**	19,964
Total investments	14	**121,421**	113,115
Total fixed assets		**1,931,903**	1,890,776
Current assets			
Stocks	15	**35,444**	24,855
Debtors	16	**47,002**	45,802
Cash at bank and in hand		**465,140**	523,314
		547,586	593,971
Creditors: amounts falling due within one year	17	**(196,145)**	(166,298)
Net current assets		**351,441**	427,673
Total assets less current liabilities		**2,283,344**	2,318,449
Creditors: amounts falling due after more than one year	18	**(1,063,780)**	(1,101,930)
Capital grants	20	**(9,898)**	(10,655)
Provisions for liabilities	21	**(65,886)**	(137,849)
Gross assets excluding gross pension liability		**1,143,780**	1,068,015
Gross pension liability	24	**(8,950)**	(21,441)
Net assets		**1,134,830**	1,046,574
Capital and reserves			
Called up share capital – presented as equity	23	**186,337**	186,337
Profit and loss account		**931,169**	847,149
Other reserves		**3,667**	1,473
Shareholders' funds		**1,121,173**	1,034,959
Non-controlling interest	31	**13,657**	11,615
		1,134,830	1,046,574

The financial statements were approved by the Board of Directors and authorised for issue on 15 March 2016.

They were signed on its behalf by:

Pádraig Ó Ríordáin, Chairman

Gerry Walsh, Director

Company balance sheet

as at 31 December 2015

	Note	2015 €000	2014 €000
Fixed assets			
Tangible assets	11	**1,601,775**	1,605,370
Intangible assets	12	**2,802**	4,531
Investment property	13	**107,049**	75,527
		1,711,626	1,685,428
Investments			
Investments in associated undertakings and other financial assets	14	**13,803**	14,245
Total fixed assets		**1,725,429**	1,699,673
Current assets			
Stocks	15	**10,450**	10,513
Debtors	16	**69,000**	51,560
Cash at bank and in hand		**427,483**	494,379
		506,933	556,452
Creditors: amounts falling due within one year	17	**(1,116,790)**	(1,110,089)
Net current liabilities		**(609,857)**	(553,637)
Total assets less current liabilities		**1,115,572**	1,146,036
Creditors: amounts falling due after more than one year	18	**(249,747)**	(259,922)
Capital grants	20	**(9,898)**	(10,655)
Provisions for liabilities	21	**(57,689)**	(131,028)
Net assets excluding gross pension liability		**798,238**	744,431
Gross pension liability	24	**(8,252)**	(20,762)
Net assets		**789,986**	723,669
Capital and reserves			
Called up share capital – presented as equity	23	**186,337**	186,337
Profit and loss account		**603,649**	537,332
Shareholders' funds		**789,986**	723,669

The financial statements were approved by the Board of Directors and authorised for issue on 15 March 2016.

They were signed on its behalf by:

Pádraig Ó Ríordáin, Chairman

Gerry Walsh, Director

Group statement of cash flows

for the financial year ended 31 December 2015

	Note	2015 €000	2014 €000
Net cash flows from operating activities	25	**127,694**	164,064
Cash flows from investing activities			
Dividends received	14	**24,098**	22,343
Proceeds from sale of tangible fixed assets		**236**	37
Grants received towards the purchase of fixed assets		**–**	11
Purchase of tangible fixed assets including software		**(111,563)**	(65,402)
Interest and similar income received		**702**	5,807
Purchase of additional shareholding in associate undertakings		**–**	(3,125)
Acquisition of subsidiary undertakings		**–**	(52,832)
Cash acquired on acquisition of subsidiary undertakings		**–**	7,809
Income from other financial assets		**520**	436
Net cash flows from investing activities		**(86,007)**	(84,916)
Cash flows from financing activities			
Dividends paid to non-controlling interest		**(3,950)**	(4,798)
Repayments of bank loans		**(42,726)**	(33,010)
Interest and similar charges paid		**(52,780)**	(55,865)
Net cash flows from financing activities		**(99,456)**	(93,673)
Net decrease in cash and cash equivalents		**(57,769)**	(14,525)
Cash and cash equivalents at beginning of financial year		**523,314**	537,727
Effect of foreign exchange rate changes		**(405)**	112
Net decrease in cash and cash equivalents		**(57,769)**	(14,525)
Cash and cash equivalents at end of financial year		**465,140**	523,314

Group statement of changes in equity

for the financial year ended 31 December 2015

	Called-up share capital €000	Translation reserve €000	Other capital reserve €000	Profit and loss account €000	Total €000	Non-controlling interest €000	Total €000
At 1 January 2015	186,337	1,227	246	847,149	1,034,959	11,615	1,046,574
Profit for the financial year	–	–	–	83,412	83,412	4,971	88,383
Re-measurement of net defined benefit liability	–	–	–	669	669	–	669
Tax relating to items of other comprehensive income	–	–	–	(61)	(61)	–	(61)
Exchange differences on translation of overseas investments	–	2,194	–	–	2,194	1,021	3,215
Total comprehensive income	–	2,194	–	84,020	86,214	5,992	92,206
Non-controlling interest dividend proposed and paid	–	–	–	–	–	(3,950)	(3,950)
Balance at 31 December 2015	**186,337**	**3,421**	**246**	**931,169**	**1,121,173**	**13,657**	**1,134,830**
At 31 December 2013 as previously stated	186,337	(2,422)	246	804,744	988,905	10,996	999,901
Changes on transition to FRS 102 (See Note 33)	–	78	–	16,398	16,476	517	16,993
At 1 January 2014 (restated)	186,337	(2,344)	246	821,142	1,005,381	11,513	1,016,894
Profit for the financial year	–	–	–	31,325	31,325	4,212	35,537
Re-measurement of net defined benefit liability	–	–	–	(6,472)	(6,472)	–	(6,472)
Tax relating to items of other comprehensive income	–	–	–	1,154	1,154	–	1,154
Exchange differences on translation of overseas investments	–	3,571	–	–	3,571	1,185	4,756
Total comprehensive income	–	3,571	–	26,007	29,578	5,397	34,975
Non-controlling interest dividend proposed and paid	–	–	–	–	–	(5,374)	(5,374)
Purchase of minority shareholding	–	–	–	–	–	79	79
Balance at 31 December 2014 (restated)	186,337	1,227	246	847,149	1,034,959	11,615	1,046,574

Company statement of changes in equity

for the financial year ended 31 December 2015

	Called-up share capital €000	Profit and loss account €000	Total €000
At 1 January 2015	186,337	537,332	723,669
Profit for the financial year	–	65,591	65,591
Re-measurement of net defined benefit liability	–	830	830
Tax relating to items of other comprehensive income	–	(104)	(104)
Total comprehensive income	–	66,317	66,317
Balance at 31 December 2015	**186,337**	**603,649**	**789,986**
At 31 December 2013 as previously stated	186,337	518,517	704,854
Changes on transition to FRS 102 (See Note 33)	–	12,135	12,135
At 1 January 2014 (restated)	186,337	530,652	716,989
Profit for the financial year	–	12,009	12,009
Re-measurement of net defined benefit liability	–	(6,091)	(6,091)
Tax relating to items of other comprehensive income	–	762	762
Total comprehensive income	–	6,680	6,680
Balance at 31 December 2014 (restated)	186,337	537,332	723,669

Notes on and forming part of the financial statements

for the financial year ended 31 December 2015

1. Accounting Policies

The financial statements have been prepared in accordance with the following accounting policies which have been applied consistently with the prior year.

General Information and Basis of Preparation

daa plc is a company incorporated in Ireland under the Companies Act 2014. The address of the registered office is Head Office, Dublin Airport, Co. Dublin. The nature of the Group's operations and its principal activities are set out in the report of the directors.

The financial statements are prepared in accordance with generally accepted accounting principles in Ireland under the historical cost convention, modified to include certain items at fair value, and comply with Financial Reporting Standard 102 (FRS 102) of the Financial Reporting Council, as promulgated by the Institute of Chartered Accountants in Ireland and Irish statute comprising the Companies Act 2014.

These financial statements for the financial year ended 31 December 2015 are the first financial statements that comply with FRS 102. The date of transition is 1 January 2014. The changes in accounting policies resulting from the transition to FRS 102 are disclosed in Note 33.

FRS 102 allows certain exemptions to be applied on transition to FRS 102 which are outlined in *Section 35 Transition to this FRS*. The Group is availing of the exemption outlined in paragraph 10 (a) in relation to business combinations. This results in *Section 19 Business Combinations and Goodwill* not being applied retrospectively, however it has been applied prospectively from the date of transition to FRS 102.

Basis of Consolidation

The Group financial statements consolidate the financial statements of the Company and its subsidiary undertakings ("subsidiaries") up to 31 December 2015.

The results of subsidiaries are consolidated and included in the consolidated profit and loss account from their date of acquisition, being the date on which the Group obtains control and continue to be consolidated until the date that such control ceases. Control comprises the power to govern the financial and operating policies of the investee so as to obtain benefits from its activities.

Adjustments are made where necessary to subsidiary accounting policies when preparing the Group financial statements.

All intra-group transactions, balances, income and expenses are eliminated on consolidation.

Joint Venture Undertakings

Joint venture undertakings ("joint ventures") are those undertakings over which the Group exercises control jointly with one or more parties.

The Group accounts for investments in joint ventures using the equity method. Investments in joint ventures are initially recognised at the transaction price (including transaction costs) and are subsequently adjusted to reflect the Group's share of the profit or loss and other comprehensive income of the joint venture. If the Group's share of losses of a joint venture equals or exceeds the carrying amount of its investment in the joint venture, the Group discontinues recognising its share of further losses. The Group recognises additional losses as a provision if it has a legal or constructive obligation to do so. If the joint venture subsequently reports profits, the Group resumes recognising its share of those profits only after its share of the profits equals the share of the losses not recognised.

The results of joint ventures acquired or disposed of in the year are included in the consolidated profit and loss account from the date of acquisition or up to the date of disposal.

Associated Undertakings

Associated undertakings ("associates") are those undertakings in which the Group has a participating interest in the equity capital and over which it is able to exercise significant influence.

The Group accounts for investments in associates using the equity method. Investments in associates are initially recognised at the transaction price (including transaction costs) and are subsequently adjusted to reflect the Group's share of the profit or loss and other comprehensive income of the associate. If the Group's share of losses of an associate equals or exceeds the carrying amount of its investment in the associate, the Group discontinues recognising its share of further losses. The Group recognises additional losses as a provision if it has a legal or constructive obligation to do so. If the associate subsequently reports profits, the Group resumes recognising its share of those profits only after its share of the profits equals the share of the losses not recognised.

Goodwill arising on the acquisition of associates is accounted for in accordance with the policy set out below. Any unamortised balance of goodwill is included in the carrying value of the investment in associates.

The results of associates acquired or disposed of in the year are included in the consolidated profit and loss account from the date of acquisition or up to the date of disposal.

Investments, Associates and Joint Ventures

Investments in subsidiaries, joint ventures and associates are shown in the Company balance sheet as financial fixed assets and are valued at cost less allowance for impairment in value. Listed investments and financial instruments that are classified as financial assets are measured at fair value through the profit or loss.

Financial Income

Income from financial assets is recognised on a receivable basis in the profit and loss account.

Turnover

Sale of goods comprises goods supplied to both external customers and to certain of the Group's associated undertakings. Turnover from the sale of goods is recognised when the customer takes delivery of the goods.

Turnover is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured. Turnover represents the fair value of goods and services, net of discounts, delivered to external customers and to certain of the Group's associated undertakings net of unrealised profit/losses in the accounting period excluding value added tax.

Aeronautical revenue comprises passenger charges which are recognised on their departure, runway movement charges (recognised on landing and take-off) levied according to aircraft's maximum take-off weight, aircraft parking charges based on a combination of time parked and area of use, and other charges which are recognised when services are rendered. The Commission for Aviation Regulation ("CAR") regulates the level of revenues that the Company may collect in airport charges levied on users of Dublin Airport. CAR achieves this by setting a maximum level of airport charges per passenger that can be collected at Dublin Airport.

Rendering of services include property letting, which is recognised on a straight-line basis over the term of the rental period and usage charges for the operational systems (e.g. check-in desks), which are recognised as each service is provided. Car park revenue of which the majority is pre-booked, is recognised on a straight-line basis.

1. Accounting Policies (continued)

Concession fee revenue, in general, is a percentage of turnover which may be subject to certain minimum contracted amounts. The minimum contracted amounts are recognised on a straight-line basis over the period to which it relates and the excess which is a percentage of turnover is recognised at the time the excess is reached and can be reliably measured.

Management fees and other direct income from overseas associated undertakings are recognised as turnover when collection is reasonably assured.

Foreign Currency

Transactions arising in foreign currencies are translated into euro at the rates of exchange ruling at the date of the transactions. Monetary assets and liabilities denominated in foreign currencies are translated into euro at the year-end rates of exchange. The resulting profits or losses are dealt with in the profit and loss account for the year.

Where applicable the Group's net investment in overseas subsidiaries and associate undertakings is translated at the rate ruling at the balance sheet date. The results of overseas subsidiaries, associates and joint ventures are, where applicable, included at the average rate of exchange. The resulting translation differences are accumulated in equity and are reported in other comprehensive income.

Leases

Operating leases

(i) As lessor

Leases where the Group retains substantially all the risks and benefits of ownership are classified as operating leases. Initial direct costs incurred in negotiating an operating lease are added to the carrying value of the leased asset and recognised over the lease term on the same basis as income.

(ii) As lessee

Expenditure on operating leases is charged to the profit and loss account on a straight-line basis over the lease period except where there are rental increases linked to expected general inflation, in which case these increases are recognised when incurred.

Borrowing Costs

Borrowing costs which are directly attributable to major capital projects are capitalised as part of the cost of the assets. The commencement of capitalisation begins when both the finance costs and expenditures for the asset are being incurred and activities that are necessary to get the asset ready for use are in progress. Capitalisation ceases when substantially all the activities that are necessary to get the asset ready for use are complete.

Tangible Fixed Assets and Depreciation

Tangible fixed assets are stated at cost, less accumulated depreciation and any accumulated impairment losses. Depreciation is calculated to write off the cost of tangible fixed assets, other than land and assets in the course of construction, on a straight-line basis over the estimated useful lives as follows:

Terminal complexes	10–50 years
Airfields	10–50 years
Plant and equipment	2–20 years
Other property (car parks, roads, buildings and other airport infrastructure)	2–50 years

Assets in the course of construction are transferred to completed assets when substantially all the activities necessary to get the asset ready for use are complete.

Where a tangible fixed asset is to be withdrawn from use, the depreciation charge for that asset is accelerated to reflect the asset's remaining useful life based on the period between the date of the decision to withdraw the asset and the forecast date when withdrawal will take place.

On an annual basis, the Group estimates the recoverable amount of its tangible fixed assets based on the higher of their fair value less costs to sell or their value in use, consisting of the present values of future cash flows expected to result from their use. For the purposes of this review, Dublin and Cork airports combined are considered to form one cash-generating unit based on the statutory mandate to operate critical national infrastructure, the interdependence of the airports' cash flows and the functional organisational structure by which the airports are managed. Where the recoverable amount is less than the carrying amount of the assets the Group recognises an impairment loss in the financial statements.

Investment Property

Investment property is property held to earn rentals or for capital appreciation or both. Assets that are currently held for an undetermined future use are also regarded as held for capital appreciation. Investment property is stated at fair value at the reporting date. Gains or losses arising from changes in the fair value of investment property are included in the profit and loss account for the period in which they arise. Investment properties are not depreciated.

Intangible Assets and Goodwill

Goodwill arising on the acquisition of a business (representing the excess of the fair value of the consideration given over the fair value of the separate net assets acquired) is capitalised and is amortised on a straight-line basis over its estimated useful life, the period during which benefits are expected to accrue.

Where control of a subsidiary undertaking is obtained in stages, in accordance with FRS 102, using the true and fair override, goodwill is calculated as the sum of the goodwill arising on each purchase of shares, being the difference at the date of each purchase between the fair value of the consideration given and the fair value of the identifiable assets and liabilities attributable to the interest purchased. This represents a departure from Irish company law, under which goodwill is calculated as the difference between the total acquisition costs of the interests held and the fair value of the identifiable assets and liabilities on the date that the entity becomes a subsidiary undertaking. This treatment under company law would be misleading in certain circumstances as it would have the effect that the Group's share of profits or losses and reserve movements of its associates becomes reclassified as goodwill. The Group has complied with the applicable legislation, except for this departure in relation to purchased goodwill in order to achieve a fair presentation.

Where there is an increase in interest in an undertaking that is already a subsidiary undertaking, the assets and liabilities are not revalued to fair value and no additional goodwill is recognised at the date the controlling interest is increased.

Goodwill is being amortised over the period of the concession agreements entered into in the acquired entity.

Where events or circumstances are present which indicate that the carrying amount of goodwill may not be recoverable, the Group estimates the recoverable amount based on the present value of future cashflows expected to result from the use of the asset and its eventual disposition. Where this amount is less than the carrying amount of the asset, the Group will recognise an impairment loss.

Other intangible assets, comprising software and concession rights are recorded at acquisition cost, being fair value at the date of acquisition less the amounts amortised to the profit and loss account. These intangible assets are amortised over their economic lives, being the terms of various concessions which currently range from two to sixteen years or being the duration of the software licenses which currently range from three to seven years.

1. Accounting Policies (continued)

Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost is based on invoice price on either an average basis or on a first-in first-out basis depending on the stock category. A provision is made on an annual basis in respect of potential stock obsolescence. It is based on an aged analysis of stock.

Maintenance stock relates solely to stock which will be expensed when consumed. It comprises spare parts which are used for maintenance purposes and office supplies.

Taxation

Current tax, including Irish corporation tax and foreign tax, is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date. Timing differences are differences between the Group's taxable profits and its results as stated in the financial statements that arise from the inclusion of gains and losses in tax assessments in periods different from those in which they are recognised in the financial statements.

Unutilised tax losses and other deferred tax assets are recognised only to the extent that, on the basis of all available evidence, it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

When the amount that can be deducted for tax for an asset (other than goodwill) that is recognised in a business combination is less (more) than the value at which it is recognised, a deferred tax liability (asset) is recognised for the additional tax that will be paid (avoided) in respect of that difference. Similarly, a deferred tax asset (liability) is recognised for the additional tax that will be avoided (paid) because of a difference between the value at which a liability is recognised and the amount that will be assessed for tax. The amount attributed to goodwill is adjusted by the amount of deferred tax recognised.

Deferred tax liabilities are recognised for timing differences arising from investments in subsidiaries and associates, except where the Group is able to control the reversal of the timing difference and it is probable that it will not reverse in the foreseeable future.

Deferred tax is measured using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date that are expected to apply to the reversal of the timing difference. Deferred tax relating to property, plant and equipment is measured using the revaluation model and investment property is measured using the tax rates and allowances that apply to sale of the asset.

The tax expense or income is presented in the same component of comprehensive income or equity as the transaction to which it relates.

Payments for corporation tax group relief to companies within the daa Group that are in excess of the value of the tax value surrendered are treated as a capital contribution.

Current tax assets and liabilities are offset only when there is a legally enforceable right to set off the amounts and the Group intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provisions are measured at the best estimate of the expenditure required to settle the obligation at the balance sheet date and are discounted to present value where the effect is material.

Present obligations arising under onerous contracts are recognised and measured as provisions. An onerous contract is considered to exist if the Group has a contract under which unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received from the contract.

Retirement Benefit Obligations

The Group operates or participates in contributory pension schemes, covering the majority of its employees. The schemes are administered by trustees and are independent of the Group.

For schemes accounted for as defined contribution schemes, contributions are accrued and recognised in operating profit in the period in which they are earned by the relevant employees.

For the schemes accounted for as defined benefit schemes:

- The difference between the market value of the schemes' assets and actuarially assessed present value of the schemes' liabilities, calculated using the projected unit credit method, is disclosed as an asset/liability on the balance sheet.
- Deferred tax on the pension is recognised (to the extent that it is recoverable) and disclosed as part of provisions for liabilities if it is a deferred tax liability and part of debtors if it is a deferred tax asset.
- The amount charged to operating profit is the actuarially determined cost of pension benefits promised to employees earned during the year plus any benefit improvements granted to members during the year.
- The net interest cost on the net defined benefit liability is included within finance costs in the profit and loss account.
- Remeasurement comprising actuarial gains and losses, due to changes in the actuarial assumptions or because actual experience during the year was different to that assumed, and the return on scheme assets (excluding amounts included in net interest on the net defined benefit liability) are recognised in other comprehensive income.
- Tax in relation to service costs, net interest costs, past service costs or gains and losses on curtailments and settlements is recorded in the profit and loss account. Tax on remeasurements is recorded in other comprehensive income.

Unfunded retirement benefit liabilities are accounted for as defined benefit arrangements.

Other post-employee benefits are recognised where there is a legal or constructive obligation and are measured at the present value of the benefit obligation at the reporting date.

Termination benefits are recognised when the Group has a present obligation (legal or constructive) to provide termination benefits as a result of an offer made in order to encourage voluntary redundancy or early retirement. Termination benefits are measured at the best estimate of the expenditure required to settle the obligation at the balance sheet date and are discounted to present value where the termination benefits are due more than 12 months after the balance sheet date.

Capital Grants

Capital grants are treated as deferred income and amortised over the expected lives of the related fixed assets.

1. Accounting Policies (continued)

Financial Instruments

Financial assets and financial liabilities are recognised when the Group becomes a party to the contractual provisions of the instrument.

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the Group after deducting all of its liabilities.

(i) Financial assets and liabilities

All financial assets and liabilities are initially measured at transaction price (including transaction costs), except for those financial assets classified as at fair value through the profit or loss, which are initially measured at fair value (which is normally the transaction price excluding transaction costs).

Debt instruments which meet the basic financial instruments conditions, such as the Group's bank loans and loan notes which have fixed or determinable payments, are subsequently measured at amortised cost using the effective interest method. Debt instruments that are classified as payable or receivable within one year and which meet the basic financial instruments conditions, such as intercompany loans carried in the Company's balance sheet and which are repayable on demand, are measured at the undiscounted amount of the cash or other consideration expected to be paid or received, net of impairment.

At the end of each reporting period financial assets measured at amortised cost, such as unlisted investment in loan stock and loan receivables which are repayable on demand, are assessed for objective evidence of impairment. If an asset is impaired the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in the profit and loss.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been had the impairment not previously been recognised. The impairment reversal is recognised in the profit and loss.

Financial assets and liabilities are only offset in the balance sheet when, and only when there exists a legally enforceable right to set off the recognised amounts and the Group intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Financial assets are derecognised when and only when (a) the contractual rights to the cash flows from the financial asset expire or are settled, (b) the Group transfers to another party substantially all of the risks and rewards of ownership of the financial asset, or (c) the Group, despite having retained some, but not all, significant risks and rewards of ownership, has transferred control of the asset to another party.

Financial liabilities are derecognised only when the obligation specified in the contract is discharged, cancelled or expires.

(ii) Derivative financial instruments

The Group uses derivative financial instruments to reduce exposure to foreign exchange risk. The Group does not hold or issue derivative financial instruments for speculative purposes.

Derivatives are initially recognised at fair value at the date a derivative contract is entered into and are subsequently remeasured to their fair value at each reporting date. The resulting gain or loss is recognised in the profit or loss immediately.

(iii) Fair value measurement

The best evidence of fair value is a quoted price for an identical asset in an active market. When quoted prices are unavailable, the price of a recent transaction for an identical asset provides evidence of fair value as long as there has not been a significant change in economic circumstances or a significant lapse of time since the transaction took place. If the market is not active and recent transactions of an identical asset on their own are not a good estimate of fair value, the Group estimates the fair value by using a valuation technique.

(iv) Interest income and expense recognition

Interest income and expense is recognised in the profit and loss account for all interest-bearing financial instruments using the effective interest method. The effective interest method is a method of calculating the amortised cost of a financial asset or financial liability (or group of financial assets or financial liabilities) and of allocating the interest income or interest expense over the relevant period.

Cash and Cash Equivalents

Within the Group cash flow statement, cash is defined as cash and deposits repayable on demand. Other deposits with maturity or notice periods of over one working day, but less than three months, are classified as cash equivalents.

Exceptional Items

Exceptional items are material items of income and expense that, because of the unusual nature and expected infrequency of the events giving rise to them, merit separate presentation to allow an understanding of the Group's financial performance. Such events may include gains or losses on disposal of assets, costs of a fundamental reorganisation or restructuring or fair value movements on investment property.

2. Critical Accounting Judgements and Key Sources of Estimation Uncertainty

In the application of the Group's accounting policies, which are described in Note 1, the directors are required to make judgements, estimates and assumptions about the carrying amounts reported for assets and liabilities as at the Balance Sheet date and the amounts reported for revenue and expenses during the period that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. The nature of estimation means that actual outcomes could differ from those estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

Key sources of estimation and uncertainty and critical accounting judgements include, but are not limited to, the following:

Impairment Assessments

The carrying values of items of property, plant and equipment are reviewed for indicators of impairment at each reporting date and are subject to impairment testing when events or changes in circumstances indicate that the carrying values may not be recoverable. Goodwill is subject to impairment testing on an annual basis and at any time during the year if an indicator of impairment is considered to exist. In the year in which a business combination is effected and where some or all of the goodwill allocated to a particular cash-generating unit arose in respect of that combination, the cash-generating unit is tested for impairment prior to the end of the relevant annual period.

Airport assets are reviewed for potential impairment by applying a series of external and internal indicators specific to the assets under consideration. Dublin and Cork airports are considered to be a single income generating cash unit for the purpose of impairment assessments based on the statutory mandate to operate airport infrastructure, the interdependence of the airports' cash flows and the functional organisational structure of the daa group.

2. Critical Accounting Judgements and Key Sources of Estimation Uncertainty (continued)

The level of headroom is a direct function of the judgements and assumptions underpinning the ten-year strategic plan and is ultimately dependent on the discount rate, the terminal growth rate and passenger combined annual growth rate. Where the carrying value exceeds the estimated recoverable amount (being the greater of fair value less costs to sell and value-in-use), an impairment loss is recognised by writing down the assets to their recoverable amount. In assessing value-in-use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects the time value of money and the risks specific to the cash generating unit. The main assumptions that affect the estimation of the value in use are continuation of the current regulatory regime, the existence and rate of passenger growth and the discount rate.

The cash flows are taken from the Group's ten-year strategic plan and do not include restructuring activities that the Group is not yet committed to or significant future investments that will enhance the asset's performance of the cash generating unit being tested.

Revaluation of Investment Property

The Group carries its investment properties at fair value, with changes being recognised in the profit and loss account. The Company engaged independent valuation specialists to determine fair value at 1 January 2014, 31 December 2014 and 31 December 2015. The valuations were prepared in consideration of FRS 102 and in accordance with the appraisal and valuation manual issued by the Royal Institution of Chartered Surveyors. The Group has significant property assets which are employed in a wide variety of activities throughout the airports such as car parking, car hire, hangars and office space. Judgement was required to determine in the context of the operations of airports, which properties, if any, should be classified as investment properties under Section 16 Investment Property. Where property assets are held to deliver essential services required at the airport such as car hire, parking and hangar facilities, these were not deemed to be held as investment properties. Valuations were carried out having regard to comparable market evidence relevant to each specific property or class of properties. In assessing fair value, current and potential future income (after deduction of non-recoverable outgoings) has been capitalised using yields derived from market evidence.

All valuations are professional opinions on a stated basis, coupled with any appropriate assumptions or special assumptions. A valuation is not a fact, it is an estimate. The degree of subjectivity involved will inevitably vary from case to case, as will the degree of certainty, or probability, that the valuer's opinion of market value would exactly coincide with the price achieved were there an actual sale at the valuation date.

Subjective judgements were made by the valuers during their valuation approach in arriving at valuation and whilst they consider these to be both logical and appropriate they are not necessarily the same as would be made by every purchaser.

Provision for Liabilities

A provision is recognised when the Group has a present obligation (either legal or constructive) as a result of a past event, it is probable that a transfer of economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. The Group carries provisions for reported and potential claims under its self-insurance programme and for other liabilities, including legal claims. These provisions are made based on historical or other relevant information, adjusted for recent trends where appropriate. However, provisions represent estimates of the financial costs of events that may not occur for some years. The basis for these estimates are reviewed and updated at least annually and where information becomes available that may give rise to a material change.

In previous years a Cost Recovery Programme ("CRP") was developed following consultation with staff and staff representatives. The CRP included a voluntary severance scheme and changes to work procedures and conditions. Certain elements of the costs of the CRP are payable in future years which require the use of estimates and assumptions. Refer to Note 21.

Useful Economic Lives of Tangible Assets

The annual depreciation charge for tangible fixed assets is sensitive to changes in the estimated useful economic lives and residual values of the assets. Determination of appropriate useful economic lives is a key judgement and the useful economic lives and residual values are re-assessed annually. They are amended when necessary to reflect current estimates, based on technological advancement, future investments, economic utilisation and the physical condition of the assets. See Note 11 for the carrying amount of the property plant and equipment, and Note 1 for the useful economic lives for each class of assets.

3. Turnover

An analysis of the Group's turnover by class of business is as follows:

	2015	2014
	€000	€000
Ireland		
Aeronautical revenue	**256,597**	238,122
Direct retailing and retail/catering concessions	**132,215**	108,944
Other commercial activities	**112,330**	100,154
Total Ireland	**501,142**	447,220
International retail and other activities	**178,616**	116,856
Total turnover	**679,758**	564,076

An analysis of the Group's turnover by category is as follows:

	2015	2014
Sale of goods	**269,709**	189,249
Rendering of services	**410,049**	374,827
Total turnover	**679,758**	564,076

4. Payroll and related costs

	2015	2014
	€000	€000
Wages and salaries	**159,694**	138,382
Social welfare costs	**15,633**	13,508
Retirement benefit costs (Note 24)	**8,136**	6,169
Other staff costs	**6,169**	2,430
	189,632	160,489
Staff costs capitalised into fixed assets (Note 11)	**(7,743)**	(5,831)
Payroll and related costs (pre-exceptional)	**181,889**	154,658
Exceptional pension (credit)/charge (Note 6)	**(8,195)**	27,133
Net staff costs charged to the profit and loss account	**173,694**	181,791

	2015	2014
Average monthly employee numbers (full time equivalents) were as follows:		
Airports	**2,493**	2,335
International activities	**807**	478
	3,300	2,813

5. Share of operating profits of associated undertakings

€27.8 million (2014: €20.3 million) relates to the Group's share of profits after interest and taxation for the year in its associated undertakings (see Note 14) as defined in Note 1. Management fees and other direct income from these undertakings are included in turnover of the Group. The Group's share of any profits or losses from transactions between the Group and its associated undertakings are eliminated where they are included in the carrying amount of the assets in the associated undertaking.

6. Exceptional items and fair value movements

a. Pension

Pursuant to the finalisation of collective (industrial relations) agreements and in full and final settlement of matters arising in connection with the 2014 restructuring of the Irish Airlines (General Employees) Superannuation Scheme ("IAS Scheme"), the Group agreed to make certain once-off pension contributions into a new defined contribution pension scheme. These once-off lump-sum contributions were informed by the recommendations of a government sponsored 'Expert Panel', both its report of 16 June 2014 and its final determination of 9 March 2015.

Provision was made in 2014 for the final offers, which had then been issued to each eligible current or former employee who was an active or deferred member of the IAS Scheme at 31 December 2014, amounting to €72.2 million in once-off pension contributions into the new scheme. As a provision of €31.5 million had been made in respect of earlier pension proposals, superseded following the restructuring of the IAS Scheme, the net charge for 2014 was €43.2 million. After taking account of a curtailment gain of €16.1 million, which arose in respect of unfunded pension obligations upon the restructuring of the IAS Scheme, a net exceptional pension cost of €27.1 million arose in respect of 2014. The net impact on taxation for 2014 was to recognise a deferred tax credit of €3.4 million.

Following the final determination of the Expert Panel in March 2015, and as part of the process of reaching final collective agreements, the Group agreed to make a) an additional once-off top-up pension contributions to eligible staff closest to retirement date and b) an additional once-off lump sum pension contribution offer to a certain category of employees as part of a full and final settlement of matters, including transitionary arrangements, changes in retirement age and payments in lieu of added years' service.

Provision has been made in 2015 in respect of these additional, final, once-off pension contributions amounting to €5.0 million. After taking account of a) the release of a provision for costs made in the prior year of €1.0 million, no longer required and b) curtailment gains of €12.1 million in respect of unfunded pension obligations which arose upon completion of the restructuring of these pensions and related matters, a net exceptional pension credit of €8.2 million arose in 2015. The net impact on taxation was to recognise a deferred tax charge in the year of €1.0 million.

Further details are contained in Note 21 and Note 24.

b. Fair value movement on investment property

The Group has engaged independent valuation specialists to determine the fair value of its properties deemed to be investment properties at 31 December 2015, 31 December 2014 and 1 January 2014. These valuations indicate that the Group should recognise a fair value revaluation uplift of €19.7 million (2014: €16.0 million). The impact on taxation was the recognition of a deferred tax charge of €4.9 million (2014: €4.0 million). See Note 2 and 13 for further detail regarding the Group's investment properties.

c. Profit on disposal of investment

During 2014, the Group made a gain of €1.4 million on disposal of its 37.5% shareholding in Brooklyn Properties Limited. The tax impact on disposal was a charge of €0.3 million.

7. Finance income

	2015	2014
	€000	€000
Other financial income		
Dividend income	**520**	436
Derivatives financial instruments revaluation	**(220)**	(913)
Financial assets revaluation	**918**	936
Total other financial income	**1,218**	459
Interest receivable and similar income		
Bank and loan stock interest income	**1,035**	6,238
Other finance income (Note 24)	**444**	400
Total interest receivable and similar income	**1,479**	6,638
Interest payable and similar charges		
Interest payable on loans wholly repayable by instalments:		
— within five years	**978**	1,196
— after five years	**14,896**	16,894
Interest on loan notes	**36,207**	36,207
Amortisation of issue costs/other funding costs	**1,099**	739
Other interest payable	**1,426**	1,130
Other finance costs (Note 24)	**760**	1,724
Total interest payable	**55,366**	57,890
Interest income capitalised	**(132)**	–
Total interest payable and similar charges	**55,234**	57,890

8. Profit on ordinary activities before taxation

Group profit on ordinary activities before tax is stated after charging/(crediting) the following:

	2015	2014
	€000	€000
Auditors' remuneration		
Auditor – Irish firm		
— audit of the Group accounts	**236**	186
— other assurance services	**66**	33
— tax advisory services	**128**	177
— other non-audit services	**4**	4
	434	400
Auditor – international firms		
— other assurance services	**160**	126
— tax advisory services	**41**	10
— other non-audit services	**5**	–
	206	136
	640	536

Included in the above are audit fees incurred of €34,000 for the statutory audit of the Company (2014: €30,000), €52,000 for other assurance services (2014: €24,000) and €51,000 for tax advisory services (2014: €110,375). €4,000 was incurred by the Company for other non-audit services in 2014, none were incurred in 2015.

Operating lease rentals		
— Equipment	**181**	1,350
— Buildings	**810**	656
Depreciation (Note 11)	**99,855**	95,922
(Profit)/loss on retirements and disposals of tangible fixed assets	**(156)**	1,755
Amortisation of capital grants (Note 20)	**(757)**	(774)
Amortisation of intangible assets and goodwill (Note 12)	**6,664**	5,560
Foreign exchange gains	**(1,083)**	(712)

Directors' remuneration

Remuneration of directors, including disclosures in accordance with the Code of Practice for the Governance of State Bodies (the "Code of Practice") and the Companies Act 2014, is set out below:

Directors' fees – for		
Services as directors	**189**	189
Other amounts – in connection to their employment	**581**	557
Pension contributions	**405**	121
	1,175	867

Other amounts include remuneration of the Chief Executive and of directors elected pursuant to the Worker Participation (State Enterprises) Acts 1977 to 2001 arising from their normal contracts of employment, in each case for the portion of the year for which they were directors.

Pension contributions includes aggregate pension contributions paid, treated as paid or payable during the financial year in respect of qualifying services of directors of €405,248 (2014: €121,000). The amount paid in 2015 includes pension contributions of €270,000 paid to the Elected Directors' on foot of the restructuring of the IAS Scheme referred to in Note 6 and Note 24. Pension contributions have been made in respect of 5 directors (2014: 5 directors).

8. Profit on ordinary activities before taxation (continued)

Directors' fees are determined by the Minister for Transport, Tourism and Sport, with the consent of the Minister for Public Expenditure and Reform, and are currently payable at the annual rate of €31,500 for the Chairman and €15,750 for individual directors. In accordance with the Code of Practice, details of fees payable to individual directors for the period under review were as follows:

	2015 €
— Pádraig Ó Ríordáin	**31,500**
— Niall Greene	**15,750**
— Patricia King*	**–**
— John Lynch	**15,750**
— Colm McCarthy	**15,750**
— Des Mullally	**15,750**
— Barry Nevin	**15,750**
— Eric Nolan	**15,750**
— Ann-Marie O'Sullivan	**15,750**
— Paul Schütz	**15,750**
— Denis Smith	**15,750**
— Kevin Toland	**–**
— Gerry Walsh	**15,750**

* Patricia King opted to waive her directors' fee.

Expenses paid to members of the Board during the year in respect of services as director, disclosed in accordance with the Code of Practice were €13,315 (2014: €20,555). These amounts primarily related to travel, subsistence and reimbursed expenses.

Mr Kevin Toland was appointed to the office of Chief Executive on 1 January 2013. Pursuant to his contract, the salary of Mr Toland is €250,000. Total remuneration in respect of Mr Toland for the relevant period in 2015 amounted to €397,710 (2014: €389,041) which included basic salary of €250,000 (2014: €250,000) and pension contributions and other taxable benefits of €147,710 (2014: €139,041). Mr Toland did not receive a director's fee.

9. Tax on profit on ordinary activities

The tax charge comprises:

	2015 €000	2014 €000
Current tax on profit on ordinary activities:		
Corporation tax – Ireland	**5,372**	5,057
Double tax relief	**(5,362)**	(4,773)
Overseas corporation tax	**1,934**	1,916
Adjustment in respect of prior financial year:		
Irish corporation tax	**(9)**	(9)
Total current tax charge	**1,935**	2,191
Deferred tax:		
Origination/reversal of timing differences:		
Attributable to Group	**13,012**	1,553
Adjustment in respect of prior financial years	**386**	(88)
Timing differences relating to Section 28 retirement benefit obligations	**1,437**	1,806
Total deferred tax charge	**14,835**	3,271
Total tax on profit on ordinary activities	**16,770**	5,462
Total current and deferred tax charge/(credit) relating to items of other comprehensive income	**61**	(1,154)

The Group's Irish operations are subject to differing rates of corporation taxation, according to the nature of activities. During 2015 and 2014, these rates varied from 12.5% to 25% while the standard rate of corporation taxation was 12.5%.

Based on profit for the year, the current tax charge for the period is higher than that based on the standard rate of tax in the Republic of Ireland. The differences are set out in the tax reconciliation below:

	2015 €000	2014 €000
Profit on ordinary activities before taxation	**105,153**	40,999
Profit on ordinary activities at standard Irish corporation tax rate of 12.5% (2014: 12.5%)	**13,144**	5,125
Effects of:		
Permanent differences	**3,045**	1,663
Income taxed at higher rates	**204**	(1,227)
Prior financial year adjustments	**377**	(99)
Total tax charge for the financial year	**16,770**	5,462

Corporation tax is provided on taxable profits at current rates.

Total current and deferred tax relating to items of other comprehensive income for the financial year was a charge of €0.1 million (2014: credit of €1.2 million).

10. Company profit for the financial year

A separate Company profit and loss account is not presented, as provided for under the Companies Act 2014, Section 304(2). A profit for the financial year after exceptional credit and taxation of €65.6 million (2014: €12.0 million profit after exceptionals and taxation) has been dealt with in the financial statements of the Company.

The Company has also availed of the exemption from filing its individual profit and loss with the Registrar of Companies as permitted by Section 357 of the Companies Act 2014.

11. Tangible fixed assets

Group	Terminal complexes	Lands & airfields	Plant & equipment	Other property	Assets in the course of construction	Total
	€000	€000	€000	€000	€000	€000
Cost						
At 1 January 2015	918,329	371,165	808,321	340,161	27,979	2,465,955
Additions	1,575	8,285	24,801	9,542	52,045	96,248
Transfer to completed assets	5,316	7,790	9,366	1,317	(23,789)	–
Disposals	(3,653)	(45)	(32,334)	(567)	–	(36,599)
Translation reserve	–	–	(458)	–	–	(458)
At 31 December 2015	**921,567**	**387,195**	**809,696**	**350,453**	**56,235**	**2,525,146**
Depreciation						
At 1 January 2015	222,755	133,419	373,216	111,935	–	841,325
Charge for the financial year	24,744	12,736	52,039	10,336	–	99,855
Disposals	(3,643)	(45)	(32,265)	(535)	–	(36,488)
Translation reserve	–	–	(249)	–	–	(249)
At 31 December 2015	**243,856**	**146,110**	**392,741**	**121,736**	**–**	**904,443**
Net book value						
At 31 December 2015	**677,711**	**241,085**	**416,955**	**228,717**	**56,235**	**1,620,703**
At 31 December 2014	695,574	237,746	435,105	228,226	27,979	1,624,630

In respect of prior financial year:

Group

Cost						
At 1 January 2014	921,199	359,802	768,379	332,566	32,743	2,414,689
Acquisition of subsidiary	–	–	22,065	–	–	22,065
Additions	11	2,047	1,857	–	35,068	38,983
Transfer to completed assets	3,500	9,316	19,121	7,895	(39,832)	–
Disposals	(6,381)	–	(3,516)	(300)	–	(10,197)
Translation reserves	–	–	415	–	–	415
At 31 December 2014	918,329	371,165	808,321	340,161	27,979	2,465,955
Depreciation						
At 1 January 2014	204,690	122,440	312,535	102,006	–	741,671
Charge for the financial year	24,446	10,979	50,479	10,018	–	95,922
Acquisition of subsidiary	–	–	13,434	–	–	13,434
Disposals	(6,381)	–	(3,419)	(89)	–	(9,889)
Translation reserves	–	–	187	–	–	187
At 31 December 2014	222,755	133,419	373,216	111,935	–	841,325
Net book value						
At 31 December 2014	695,574	237,746	435,105	228,226	27,979	1,624,630

11. Tangible fixed assets (continued)

Company	Terminal complexes	Lands & airfields	Plant & equipment	Other property	Assets in the course of construction	Total
	€000	**€000**	**€000**	**€000**	**€000**	**€000**
Cost						
At 1 January 2015	918,329	360,878	776,200	339,592	27,979	2,422,978
Additions	1,575	8,285	21,747	9,542	52,045	93,194
Disposals	(3,653)	(45)	(30,360)	(567)	–	(34,625)
Transfer to completed assets	5,316	7,790	9,366	1,317	(23,789)	–
At 31 December 2015	**921,567**	**376,908**	**776,953**	**349,884**	**56,235**	**2,481,547**
Depreciation						
At 1 January 2015	222,755	130,011	353,476	111,366	–	817,608
Charge for the financial year	24,744	12,736	48,869	10,336	–	96,685
Disposals	(3,643)	(45)	(30,297)	(536)	–	(34,521)
At 31 December 2015	**243,856**	**142,702**	**372,048**	**121,166**	**–**	**879,772**
Net book value						
At 31 December 2015	**677,711**	**234,206**	**404,905**	**228,718**	**56,235**	**1,601,775**
At 31 December 2014	695,574	230,867	422,724	228,226	27,979	1,605,370

In respect of prior financial year:

Company

Cost						
At 1 January 2014	921,199	349,515	760,143	331,997	32,743	2,395,597
Additions	11	2,047	330	–	35,068	37,456
Disposals	(6,381)	–	(3,394)	(300)	–	(10,075)
Transfer to completed assets	3,500	9,316	19,121	7,895	(39,832)	–
At 31 December 2014	918,329	360,878	776,200	339,592	27,979	2,422,978
Depreciation						
At 1 January 2014	204,690	119,032	308,339	101,437	–	733,498
Charge for the financial year	24,446	10,979	48,505	10,018	–	93,948
Disposals	(6,381)	–	(3,368)	(89)	–	(9,838)
At 31 December 2014	222,755	130,011	353,476	111,366	–	817,608
Net book value						
At 31 December 2014	695,574	230,867	422,724	228,226	27,979	1,605,370

The accounting policies used by the Group for tangible fixed assets, including depreciation, cost capitalisation and impairment reviews, are set out in Note 1.

Lands and airfields include airport land at a cost of €26.7 million (2014: €14.4 million). Fixed asset additions include internal architectural, engineering and agency payroll costs of €7.7 million (2014: €5.8 million). Cost of fixed assets includes cumulative interest capitalised of €68.4 million (2014: €68.3 million).

Interest of €0.1 million was capitalised in 2015 (2014: nil) at a rate of 4.65% per annum.

12. Intangible assets

Group	Software €000	Goodwill €000	Concession rights €000	Total €000
Cost				
At 1 January 2015	16,473	24,289	68,427	109,189
Additions	700	–	–	700
Translation movement	(7)	–	(1,137)	(1,144)
Disposals	(371)	–	–	(371)
Adjustment	–	(679)	–	(679)
At 31 December 2015	**16,795**	**23,610**	**67,290**	**107,695**
Amortisation				
At 1 January 2015	11,880	7,166	17,289	36,335
Charge for the financial year	1,889	1,557	3,218	6,664
Translation movement	(19)	–	(1,044)	(1,063)
Disposals	(340)	–	–	(340)
At 31 December 2015	**13,410**	**8,723**	**19,463**	**41,596**
Net book value				
At 31 December 2015	**3,385**	**14,887**	**47,827**	**66,099**
At 31 December 2014	4,593	17,123	51,138	72,854

In respect of prior financial year:

Group				
Cost				
At 1 January 2014	14,828	18,663	16,167	49,658
Acquisition of subsidiary	–	–	51,625	51,625
Additions	1,645	6,152	–	7,797
Translation movement	–	–	635	635
Write off	–	(526)	–	(526)
At 31 December 2014	16,473	24,289	68,427	109,189
Amortisation				
At 1 January 2014	9,979	5,815	14,909	30,703
Charge for the financial year	1,901	1,872	1,787	5,560
Translation movement	–	5	593	598
Write off	–	(526)	–	(526)
At 31 December 2014	11,880	7,166	17,289	36,335
Net book value				
At 31 December 2014	4,593	17,123	51,138	72,854

12. Intangible assets (continued)

Company	Software €000	Total €000
Cost		
At 1 January 2015	15,659	15,659
Additions	15	15
Disposals	(371)	(371)
At 31 December 2015	**15,303**	**15,303**
Amortisation		
At 1 January 2015	11,128	11,128
Charge for the financial year	1,713	1,713
Disposals	(340)	(340)
At 31 December 2015	**12,501**	**12,501**
Net book value		
At 31 December 2015	**2,802**	**2,802**
At 31 December 2014	4,531	4,531

In respect of prior financial year:

Company		
Cost		
At 1 January 2014	14,072	14,072
Additions	1,587	1,587
Disposals	–	–
At 31 December 2014	15,659	15,659
Amortisation		
At 1 January 2014	9,266	9,266
Charge for the financial year	1,862	1,862
Disposals	–	–
At 31 December 2014	11,128	11,128
Net book value		
At 31 December 2014	4,531	4,531

The opening balance of goodwill arose in 2008 on the acquisition of Aer Rianta International (Middle East) WLL ("ARIME"). This goodwill is being amortised from 2013 over ten years which is the average life of the concession agreements currently held by ARIME, the useful life of the goodwill which arose in 2008 having been revised in light of the additional acquisition in 2013. This goodwill has been subsequently adjusted by €0.7 million in 2015 as a result of a revision of the acquisition costs in relation to the additional acquisition in 2013. Goodwill cost as at 1 January 2015 included an amount of €6.2 million in respect of the deferred tax liability recognised on the capitalised concession rights arising from the CTC-ARI acquisition net of the deferred tax asset recognised on the fair value adjustment of a loan receivable amount.

On 19 February 2014, ARIME, a subsidiary of the Group, purchased an additional 25.01% shareholding in Cyprus Airports (F&B) Limited, a business that operates the food and beverage concessions at Paphos and Larnaca airports in Cyprus. The transaction, involving a consideration of €3.1 million, increased ARIME's shareholding in Cyprus Airports (F&B) Limited to 50.02%. Concession rights of €2.9 million were recognised as an intangible asset on acquisition of the additional shareholding. These concession rights are being amortised from 2014 over seventeen years.

On 30 June 2014, the Group increased its interest in CTC-ARI (Holdings) Limited, the holding company for CTC-Airports Limited, from 36% to 85.625% by acquiring the remaining 50% shareholding. Prior to this the Group had a 50% interest in CTC-ARI (Holdings) Limited through its subsidiary undertaking ARIME. CTC-ARI is now accounted for as a subsidiary undertaking having previously been accounted for as an associated undertaking. The total cost of the acquisition was €54.8 million with concession rights of €48.7 million being recognised as an intangible asset on acquisition. These concession rights are being amortised from 2014 over seventeen years.

Included in the 2014 profit and loss account are amounts of €55.1 million and €5.1 million in respect of turnover and profit after tax respectively which arose from the date of acquisition of the additional 50% shareholding in CTC-ARI (Holdings) Limited.

The accounting policies used by the Group for intangible fixed assets, including amortisation and cost capitalisation, are set out on Note 1.

13. Investment property

Group	Investment Property	Property under Construction	Total
	€000	€000	€000
Valuation			
At 1 January 2015	80,177	–	80,177
Additions	12,046	11,796	23,842
Revaluations	19,661	–	19,661
Transfer to completed assets	27	(27)	–
At 31 December 2015	**111,911**	**11,769**	**123,680**

In respect of prior financial year:

Valuation			
At 1 January 2014	45,163	–	45,163
Additions	18,297	–	18,297
Acquisitions of subsidiary	700	–	700
Revaluations	16,017	–	16,017
At 31 December 2014	80,177	–	80,177

Company			
Valuation			
At 1 January 2015	75,527	–	75,527
Additions	–	11,796	11,796
Revaluations	19,726	–	19,726
Transfer to completed assets	27	(27)	–
At 31 December 2015	**95,280**	**11,769**	**107,049**

In respect of prior financial year:

Valuation			
At 1 January 2014	41,596	–	41,596
Additions	18,297	–	18,297
Revaluations	15,634	–	15,634
At 31 December 2014	75,527	–	75,527

Investment property comprises land and buildings owned by the Group and is measured at fair value at each reporting date with changes in fair value recognised in profit and loss. The fair value of the investment properties is based on a valuation by independent valuers who hold a recognised and professional qualification and has recent experience in the location and class of the investment properties being valued.

Valuations are carried out having regard to comparable market evidence relevant to each specific property or class of properties. In assessing fair value for all of the investment properties except for the land owned by a subsidiary company, current and potential future income has been capitalised using yields derived from market evidence. The external valuers, in discussion with the Group's management, have determined the appropriate judgements used in the valuations based on the size of the properties, rental values, repair and condition.

The fair value of the land owned by a subsidiary company has been derived using the sales comparison approach. Sales prices of comparable land in close proximity are adjusted for their attributes such as property size. The external valuers, in discussion with the Group's management, have determined the appropriate judgements to be used in this valuation based on the size of the land, the state of the local economy and comparable prices in the corresponding national economy.

There are no restrictions on the realisability of investment property or the remittance of income and proceeds of disposal. There are some contractual obligations to develop certain buildings classified as investment property and this has been taken into account for the purposes of the valuations.

14. Fixed assets – Investments

Group	At 1 January 2015 €000	Additions/ other increases €000	Disposals/ other movements €000	At 31 December 2015 €000
Joint venture undertakings [a]				
Joint venture undertakings	672	1,124	–	1,796
Dividends received	–	–	(504)	(504)
	672	**1,124**	**(504)**	**1,292**
Associated undertakings				
Equity interest at cost	63,785	–	–	63,785
Share of post-acquisition profits	227,138	27,813	(27)	254,924
Dividends received	(203,615)	–	(23,594)	(227,209)
Translation reserve	5,171	1,632	–	6,803
	92,479	**29,445**	**(23,621)**	**98,303**
Other financial assets				
Listed investments [b]	8,115	1,880	–	9,995
Other unlisted investments [c]	11,466	–	(76)	11,390
Other financial assets	383	58	–	441
	19,964	**1,938**	**(76)**	**21,826**
Total investments	**113,115**	**32,507**	**(24,201)**	**121,421**

In respect of prior financial year: **Group**	At 1 January 2014 €000	Additions/ other increases €000	Disposals/ other movements €000	At 31 December 2014 €000
Joint venture undertakings [a]				
Joint venture undertakings	–	672	–	672
	–	672	–	672
Associated undertakings				
Equity interest at cost	69,640	–	(5,855)	63,785
Loan to associated undertaking	563	–	(563)	–
Share of post-acquisition profits	204,494	20,937	1,707	227,138
Dividends received	(181,272)	–	(22,343)	(203,615)
Translation reserve	3,283	1,888	–	5,171
	96,708	22,825	(27,054)	92,479
Other financial assets				
Listed investments [b]	6,478	1,637	–	8,115
Other unlisted investments [c]	5,954	6,895	(1,383)	11,466
Other financial assets	216	167	–	383
	12,648	8,699	(1,383)	19,964
Total investments	109,356	32,196	(28,437)	113,115

a. The opening balance in joint venture undertakings reflects the acquisition during 2014 by ARIME, a subsidiary undertaking of an additional 25.01% shareholding in Cyprus Airports (F&B) Limited a business that operates the food and beverage concession at Paphos and Larnaca airports in Cyprus. The transaction, involving a consideration of €3.1 million, increased ARIME's shareholding in Cyprus Airports (F&B) Limited to 50.02%. Cyprus Airports (F&B) Limited was previously accounted for as an associated undertaking. The movement in joint venture undertakings reflects the 2015 share of profits of €1.1 million and dividends received of €0.5 million.

b. Listed investments are held by a subsidiary undertaking and are carried at fair value and changes in fair value are recognised in the profit and loss.

c. A subsidiary undertaking holds an unlisted investment in loan stock. The addition in the prior year relates to the acquisition of CTC-ARI and a loan receivable amount due to CTC-ARI.

14. Fixed assets – Investments (continued)

Company	At 1 January 2015 €000	Additions/ other increases €000	Disposals/ other movements €000	At 31 December 2015 €000
Ordinary shares in subsidiary undertakings at cost	12,102	–	–	12,102
Capital contributions to subsidiary undertakings	1,760	2,782	(3,282)	1,260
Other financial assets	383	58	–	441
Total investments	**14,245**	**2,840**	**(3,282)**	**13,803**

In respect of prior financial year:

Company	At 1 January 2014 €000	Additions/ other increases €000	Disposals/ other movements €000	At 31 December 2014 €000
Ordinary shares in subsidiary undertakings at cost	12,102	–	–	12,102
Capital contributions to subsidiary undertakings	2,260	7,419	(7,919)	1,760
Loan to associated undertaking	563	–	(563)	–
Other financial assets	216	167	–	383
Total investments	15,141	7,586	(8,482)	14,245

In the opinion of the directors, the net realisable value is not less than the carrying values. The basis on which financial assets are stated are set out in Note 1.

The principal operating subsidiary and associated undertakings of the Group, all of which are included in the Group financial statements, together with the percentage beneficial holding of ordinary shares, are as set out below:

Undertaking	Registered office	Principal activity	%
Subsidiary undertakings			
Aer Rianta International cpt	Shannon, Ireland	International management services and airport investor	100.0
Aer Rianta International (North America) Inc.	Montreal, Canada	Duty free shopping and related activities	100.0
ASC Airport Services Consolidated Limited	Dublin, Ireland	Provision of services to daa plc	100.0
DAA Airport Services Limited	Dublin, Ireland	Secondment of employees to daa plc	100.0
DAA Finance plc	Dublin, Ireland	Financing company	100.0
Derryquin Hotels Limited	Dublin, Ireland	Former hotel operator – non-trading	100.0
Gatland Property Limited	Dublin, Ireland	Property development	100.0
daa International Limited	Dublin, Ireland	Consultancy services	100.0
daa USA International Inc.	Massachusetts, USA	Car park consultancy services	100.0
ARI Auckland Limited [1]	Auckland, New Zealand	Duty free shopping and related activities	100.0
CTC-ARI Airports Limited	Nicosia, Cyprus	Duty free shopping and related activities	85.6
Aer Rianta International (Middle East) WLL	Manama, Bahrain	Duty free shopping and related activities	71.3
Joint Venture			
CTC-ARI (F&B) Limited [2]	Nicosia, Cyprus	Duty free food and beverage related activities	35.6

14. Fixed assets – Investments (continued)

Undertaking	Registered office	Principal activity	%
Associated undertakings			
Caribbean ARI Inc. [3]	Bridgetown, Barbados	Duty free shopping and related activities	50.0
Oman Sales & Services LLC	Muscat, Oman	Duty free shopping and related activities	35.6
Phoenicia Aer Rianta Management SAL	Beirut, Lebanon	Duty free shopping and related activities	35.6
Delhi Duty Free Services Private Limited [4]	Delhi, India	Duty free shopping and related activities	25.6
Flughafen Düsseldorf GmbH	Düsseldorf, Germany	Airport operator	20.0
Phoenicia Aer Rianta Co. SAL	Beirut, Lebanon	Duty free shopping and related activities	11.5
DF AREM Media Limited	Nicosia, Cyprus	Advertising	11.5

1. On 18 February 2015, ARI Auckland Limited a newly formed subsidiary undertaking was incorporated in New Zealand.

2. CTC-ARI (F&B) Limited is treated as a joint venture as defined under FRS 102 Section 15 “Investments in Joint Ventures” on the grounds that the Group exercises joint control over CTC-ARI (F&B) Limited rather than significant influence or dominant control.

3. In the opinion of the directors Caribbean ARI Inc. should be treated as an associated undertaking as defined under FRS 102 Section 14 “Investments in Associates” on the grounds that the Group exercises significant influence rather than dominant influence or joint control.

4. ARI International cpt holds 33.1% of the shares of Delhi Duty Free Services Private Limited, with 7.55% of these shares held in trust for a third party.

All financial statements of subsidiary and associated undertakings are coterminous with the year-end of the Group other than in respect of Delhi Duty Free Services Private Limited whose financial statements are prepared to a 31 March year-end. Management accounts of this entity have been prepared to 31 December 2015 for the purposes of including results of this company in the Group financial statements. Transactions between the Group and its associated and joint venture undertaking are detailed in Note 30.

15. Stocks

	Group		Company	
	2015	2014	**2015**	2014
	€000	€000	**€000**	€000
Goods for resale	**31,813**	21,671	**6,818**	7,329
Maintenance	**3,631**	3,184	**3,632**	3,184
	35,444	24,855	**10,450**	10,513

The replacement value of stock is not materially different from the carrying amount of stock.

16. Debtors

	Group		Company	
	2015	2014	**2015**	2014
	€000	€000	**€000**	€000
Trade debtors	**34,593**	33,945	**29,377**	30,027
Prepayments and accrued income	**2,493**	2,562	**1,669**	301
Due from subsidiary undertakings	**–**	–	**30,281**	13,963
Due from associated undertakings	**2,020**	2,185	**–**	–
Corporation tax	**1,039**	716	**830**	882
Other debtors	**6,857**	6,394	**6,843**	6,387
	47,002	45,802	**69,000**	51,560

Debtors of €4.9 million (2014: €5.4 million) in the Group and debtors of €4.5 million (2014: €4.9 million) in the Company, fall due after more than one year.

17. Creditors: amounts falling due within one year

	Group		Company	
	2015	2014	**2015**	2014
	€000	€000	**€000**	€000
Bank loans (Note 19)	**42,855**	42,814	**16,696**	16,073
Trade creditors	**24,655**	16,993	**8,896**	5,109
Due to subsidiary undertakings	**–**	–	**979,586**	1,000,072
Other creditors	**13,458**	11,165	**14,438**	12,824
Accruals	**74,787**	63,419	**56,484**	43,685
Deferred income	**4,018**	4,393	**4,318**	4,812
Capital accruals	**36,372**	27,514	**36,372**	27,514
	196,145	166,298	**1,116,790**	1,110,089
Tax included in other creditors:				
PAYE	**2,742**	2,399	**2,401**	2,333
PRSI	**1,585**	1,474	**1,585**	1,446
VAT	**1,478**	1,024	**2,826**	2,852
Other taxes	**904**	613	**821**	593

18. Creditors: amounts falling due after more than one year

	Group		Company	
	2015	2014	**2015**	2014
	€000	€000	**€000**	€000
Bank loans (Note 19)	**490,224**	532,991	**225,410**	242,106
Loan notes (Note 19)	**548,301**	547,823	**–**	–
Accruals	**9,582**	3,300	**9,581**	–
Deferred income	**14,756**	17,525	**14,756**	17,525
Other creditors	**917**	291	**–**	291
	1,063,780	1,101,930	**249,747**	259,922

Deferred income of €4.4 million (2014: €7.0 million), Group and Company, falls due after more than five years.

19. Financial liabilities

	Group		Company	
	2015	2014	**2015**	2014
	€000	€000	**€000**	€000
Repayable by instalments:				
Repayable within one year	**42,855**	42,814	**16,696**	16,073
Repayable within one to two years	**42,605**	42,767	**17,348**	16,696
Repayable within two to five years	**135,224**	131,450	**56,254**	54,118
Repayable after more than five years	**312,395**	358,774	**151,808**	171,292
	533,079	575,805	**242,106**	258,179
Repayable other than by instalments:				
Repayable within two to five years	**548,301**	547,823	**–**	–
	1,081,380	1,123,628	**242,106**	258,179
Split as follows:				
Bank loans	**533,079**	575,805	**242,106**	258,179
Loan notes	**548,301**	547,823	–	–
	1,081,380	1,123,628	**242,106**	258,179
Included in creditors falling due within one year (Note 17)	**42,855**	42,814	**16,696**	16,073
Included in creditors falling due after more than one year (Note 18)	**1,038,525**	1,080,814	**225,410**	242,106

The loan notes comprise €549.7 million (2014: €549.7 million) of loan notes repayable in 2018 (less unamortised amounts). These are held through the Company's subsidiary, DAA Finance plc. These loan notes are listed on the Official List of the Irish Stock Exchange.
The loan notes are guaranteed by the Company.

DAA Finance plc also has bank loans of €289.6 million (2014: €313.9 million) which are guaranteed by the Company. Interest rates and risk profile of financial liabilities are further analysed in Note 27.

The Company's bank loans at 31 December 2015 of €242.1 million (2014: €258.2 million) are unsecured and are repayable by instalments.

Borrowing facilities

The Group has a €300 million undrawn committed borrowing facility as at 31 December 2015 in respect of which all conditions precedent have been met. This facility expires in more than two years but not more than five years.

20. Capital grants

	Group		Company	
	2015	2014	**2015**	2014
	€000	€000	**€000**	€000
At 1 January	**10,655**	11,418	**10,655**	11,418
Amortised to profit and loss account	**(757)**	(774)	**(757)**	(774)
Grants received	**–**	11	**–**	11
At 31 December	**9,898**	10,655	**9,898**	10,655

The nature of the grants received relate to the development and expansion of the airport such as the multi-storey car park and apron extension.

21. Provisions for liabilities

	Pension costs (Note 24) [2]	Deferred tax (Note 22)	Cost recovery programme (Note 24)	Insurance and other [1]	Total
	€000	€000	€000	€000	€000
Group					
At 1 January 2015	74,700	21,160	22,256	19,733	137,849
(Credit)/charge for the financial year	(1,050)	14,704	1,125	1,237	16,016
Adjustment in respect of prior financial years	–	386	–	–	386
Utilised during the financial year	(70,085)	–	(3,957)	(2,126)	(76,168)
Transfer to accruals [3]	–	–	(12,197)	–	(12,197)
At 31 December 2015	**3,565**	**36,250**	**7,227**	**18,844**	**65,886**

In respect of prior financial year:

	Pension costs (Note 24) [2]	Deferred tax (Note 22)	Cost recovery programme (Note 24)	Restructuring costs	Insurance and other [1]	Total
	€000	€000	€000	€000	€000	€000
Group						
At 1 January 2014	34,759	13,084	28,726	139	18,922	95,630
Charge/(credit) for the financial year	43,184	2,202	296	–	2,598	48,280
Adjustment in respect of prior financial years	–	(88)	–	–	–	(88)
Utilised during the financial year	(3,243)	–	(6,766)	(139)	(1,787)	(11,935)
Acquisition of subsidiary	–	6,151	–	–	–	6,151
Revaluation loss	–	(189)	–	–	–	(189)
At 31 December 2014	74,700	21,160	22,256	–	19,733	137,849

1. In accordance with FRS 102, Section 21 'Provisions and Contingencies' the Group and Company carry provisions for reported and potential claims under its self-insurance programme and for other liabilities, including legal claims, where there is uncertainty of timing or amount, where there is a present obligation as a result of past events, it is probable that a transfer of economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. It is expected that such liabilities would be settled within one to ten years.

2. The pension charge for the prior year related to the pension exceptional item, see Note 6. The balance at the year-end relates to the outstanding pension waivers and professional fees, see Note 24.

3. During the year the Group transferred €12.2 million of the early retirement benefits from provisions for liabilities to creditors amounts falling due within one year (€2.6 million) and creditors amounts falling due after more than one year (€9.6 million). As there is no uncertainty of the amount of early retirement benefits or the timing of payment, it is appropriate to classify these as accruals.

21. Provisions for liabilities (continued)

	Pension costs (Note 24) [2] €000	Deferred tax (Note 22) €000	Cost recovery programme (Note 24) €000	Insurance and other [1] €000	Total €000
Company					
At 1 January 2015	74,700	15,883	20,712	19,733	131,028
(Credit)/charge during the financial year	(1,050)	14,649	–	1,237	14,836
Transfer to accruals [3]	–	–	(12,197)	–	(12,197)
Utilised during the financial year	(70,085)	–	(3,767)	(2,126)	(75,978)
At 31 December 2015	**3,565**	**30,532**	**4,748**	**18,844**	**57,689**

In respect of prior financial year:

	Pension costs (Note 24) [2] €000	Deferred tax (Note 22) €000	Cost recovery programme (Note 24) €000	Restructuring costs €000	Insurance and other [1] €000	Total €000
Company						
At 1 January 2014	34,759	12,209	26,902	139	18,922	92,931
Charge during the financial year	43,184	3,674	–	–	2,598	49,456
Utilised during the financial year	(3,243)	–	(6,190)	(139)	(1,787)	(11,359)
At 31 December 2014	74,700	15,883	20,712	–	19,733	131,028

1. In accordance with FRS 102, Section 21 'Provisions and Contingencies', the Company carries provisions for reported and potential claims under its self-insurance programme and for other liabilities, including legal claims, where there is uncertainty of timing or amount, where there is a present obligation as a result of past event, it is probable that a transfer of economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. It is expected that such liabilities would be settled within one to ten years.

2. The pension charge for the prior year related to the pension exceptional item, see Note 6. The balance at the year-end relates to the outstanding pension waivers and professional fees, see Note 24.

3. During the year the Company transferred €12.2 million of the early retirement benefits from provisions for liabilities to creditors amounts falling due within one year (€2.6 million) and creditors amounts falling due after more than one year (€9.6 million). As there is no uncertainty of the amount of early retirement benefits or the timing of payment, it is appropriate to classify these as accruals.

22. Deferred tax liability

	Group		Company	
	2015	2014	**2015**	2014
	€000	€000	**€000**	€000
Deferred tax				
Deferred tax is provided as follows:				
Timing differences on capital allowances	**55,663**	49,745	**55,663**	49,687
Amounts temporarily not deductible for corporation tax	**(5,001)**	(7,922)	**(5,507)**	(7,734)
Tax losses available	**(31,168)**	(31,119)	**(31,168)**	(31,119)
Deferred tax assets arising in relation to retirement benefit obligations	**(1,221)**	(2,926)	**(1,031)**	(2,595)
Deferred tax on revaluations	**12,679**	7,778	**12,575**	7,644
Deferred tax in relation to goodwill	**5,298**	5,604	**–**	–
At 31 December	**36,250**	21,160	**30,532**	15,883

Deferred tax assets and liabilities are offset only where the Group has a legally enforceable right to do so and where the assets and liabilities relate to income taxes levied by the same taxation authority on the same taxable entity.

23. Called up share capital – presented as equity

	Group and Company	
	2015	2014
	€000	€000
Authorised:		
317,500,000 ordinary shares of €1 each	**317,500**	317,500
Allotted, called up and fully paid:		
186,336,813 ordinary shares of €1 each	**186,337**	186,337

All the ordinary shares are beneficially held by the Minister for Public Expenditure and Reform of the Irish Government.

24. Retirement benefits

The Group operates, or participates in, pension schemes in respect of the parent Company and its principal subsidiary undertakings covering the majority of its employees. Pension scheme assets are held in separate, Revenue-approved, trustee administered funds.

daa plc

daa plc participates in a number of pension schemes in respect of its staff. The main arrangement for future service is now the daa Defined Contribution Retirement Savings Scheme. Historically the two main pension schemes in which daa plc participated were the Irish Airlines (General Employee) Superannuation Scheme (the "IAS Scheme") and the Aer Rianta Supplemental Superannuation Scheme (the "AR Supplemental Scheme"). Following a restructuring of the IAS Scheme, benefits in both of these schemes have been frozen for service up to 31 December 2014. Further details relating to these schemes are set out below.

daa Defined Contribution Retirement Savings Scheme

With effect from 1 January 2015, the Group established a contributory defined contribution pension plan, the daa Defined Contribution Retirement Savings Scheme, covering eligible pension service for participating staff. Once-off lump-sum contributions pursuant to a restructuring of the IAS Scheme, described below, have also been made into this scheme.

The IAS Scheme

The IAS Scheme is a multi-employer scheme for certain employees who fell within the category of "General Employees" of daa plc. Aer Lingus, Shannon Airport Authority Ltd and SR Technics (which has ceased trading) are the other employer members of the IAS Scheme. Fixed contributions were made both by the employers and employees in respect of pensionable service up to 31 December 2014 in accordance with the IAS Scheme trust deed and rules.

With effect from 31 December 2014, following the implementation by the IAS Scheme Trustee of a Funding Plan approved by the Pensions Authority, members' benefits were frozen, fixed in monetary terms and subjected to certain reductions, and the liability of both the Group and employee members to contribute to the IAS Scheme ceased as did future accrual of benefits. The employers ceased to have any further liability to the scheme (save in relation to the ongoing expenses).

As part of the restructuring of this scheme, and pursuant to the finalisation of collective (industrial relations) agreements in full and final settlement of matters arising in connection with the restructuring of the IAS Scheme and removal of an unfunded obligation to provide for the costs of early retirement for a certain category of employees as a result of agreements entered into in prior years, the employers conditionally agreed to offer to make once-off payments into new defined contribution funds in respect of eligible active and deferred members at 31 December 2014. This settlement was informed by the recommendations of a government sponsored 'Expert Panel', established to consider a resolution of the industrial relations issues arising from the restructuring of the pension arrangements for the members of the IAS Scheme. Collective agreements in respect of these matters were entered into with trade unions representing the vast majority of employees who were members of a trade union. To qualify for a lump-sum payment, each eligible scheme member was required to complete a waiver in full and final settlement, forming the entire agreement between the employer and each eligible member on pension and pension-related matters.

Pursuant to these arrangements, the Group made available €77.2 million in once-off pension contributions to eligible active or deferred members. Provision for some €5.0 million of this was made in 2015, following the final determination of the Expert Panel in March 2015, with the balance (€72.2 million) being made in 2014 or earlier years (see Note 6 for further details).

As at 31 December 2015, 97% of the waivers in respect of the offers to eligible active members and 89% of deferred members had been completed and returned and some €69.7 million had been paid to the defined contribution pension plan on behalf of those members as once-off contributions. An additional €5.0 million had also been paid in respect of the finalisation of early retirement matters as set out in Note 6.

Other Company Pension Arrangements

The Company also contributes to certain other pension arrangements, accounted for as defined benefit schemes under FRS 102, the principal one of which is the AR Supplemental Scheme, a scheme for certain categories of company employees to provide retirement pension benefits supplementary to those payable under the IAS Scheme. Consequent upon the changes in the IAS Scheme, future benefit accrual also ceased in the AR Supplemental Scheme at 31 December 2014.

Prior to the restructuring of pensions and related matters, as described above, the Group also had an unfunded obligation to provide for the costs of early retirement for a certain category of employees as a result of agreements entered into in prior years. Pursuant to the restructuring of the IAS Scheme and a collective agreement entered into with the trade union representing the vast majority of affected employees, this obligation was expunged in 2015.

A curtailment gain of €12.1 million arose in 2015 (2014: €16.1 million) in respect of these arrangements.

Aer Rianta International cpt

Aer Rianta International cpt ("ARI") operates defined contribution pension schemes or makes the required statutory contribution in respect of ARI and its principal subsidiary undertakings, covering the majority of its employees. Aer Rianta International (North America) Inc., a subsidiary of ARI, operates a defined benefit scheme (the "ARINA Scheme").

Other Pension Contributions

The Group also makes defined contributions to personal pension arrangements for certain categories of staff.

FRS 102 "Employee Benefits" disclosures

The pension cost to the Group charged against operating profit for the financial year amounted to €8.2 million (2014: €6.2 million), see Note 4.

	Group		Company	
	2015	2014	**2015**	2014
	€000	€000	**€000**	€000
Defined benefit arrangements service cost	**432**	2,071	**139**	1,854
Defined contribution schemes	**7,704**	4,098	**6,536**	3,499
	8,136	6,169	**6,675**	5,353

24. Retirement benefits (continued)

The combined net pensions liabilities of arrangements, accounted for as defined benefit schemes were as follows:

	Group		Company	
	2015	2014	**2015**	2014
	€000	€000	**€000**	€000
Gross pension liability	**8,950**	21,441	**8,252**	20,762

The AR Supplemental Scheme is actuarially valued every three years by independent professionally qualified actuaries. The actuarial valuations are not available for public inspection. In accordance with FRS 102, at each reporting date the most recent valuation of the scheme is updated by the actuaries to reflect financial assumptions that are current at the balance sheet date. The Early Retirement Obligation has been valued by an independent professionally qualified actuary at the balance sheet date.

At 31 December 2015, the net pension liability in the Group was €7.7 million (2014: €18.5 million) being assets of €16.0 million (2014: €16.5 million) and present value of accrued scheme liabilities of €24.9 million (2014: €38.0 million) net of a related deferred tax asset of €1.2 million (2014: €2.9 million).

At 31 December 2015, the net pension liability in the Company was €7.2 million (2014: €18.2 million) being assets of €12.2 million (2014: €12.9 million) and present value of accrued scheme liabilities of €20.5 million (2014: €33.7 million) net of a related deferred tax asset of €1.0 million (2014: €2.6 million).

The main financial assumptions, given on a combined basis, used by the actuaries of these arrangements to value the liabilities were:

	As at 31/12/2015	As at 31/12/2014
Valuation method	**Projected Unit**	Projected Unit
Rate of increase in salaries	**1.75% – 2.50%**	1.75% – 2.50%
Rate of increase in pension payment	**0.00% – 1.75%**	0.00% – 1.75%
Discount rate	**2.60% – 4.00%**	2.18% – 4.00%
Inflation assumption	**1.75% – 2.00%**	1.75% – 2.00%
Life expectancy		
Male member age 65 (current life expectancy)	**22.9 – 25.4**	22.8 – 25.0
Male member age 40 (life expectancy at age 65)	**25.7 – 28.3**	25.6 – 26.8
Female member age 65 (current life expectancy)	**24.9 – 27.5**	24.8 – 29.6
Female member age 40 (life expectancy at age 65)	**27.8 – 30.5**	27.7 – 30.8

The discount rate of 2.6% (Ireland) and 4.0% (overseas) is based on AA Rated Corporate Bonds which are considered appropriate for the duration of the liabilities of the schemes.

The asset allocations at the year-end were as follows:

	Group		Company	
	2015	2014	**2015**	2014
	Percentage of plan assets	Percentage of plan assets	**Percentage of plan assets**	Percentage of plan assets
Equities	**42.1%**	13.2%	**36.6%**	0.0%
Bonds	**53.8%**	39.5%	**58.0%**	40.8%
Property	**0.5%**	1.3%	**0.6%**	1.7%
Cash	**0.1%**	46.0%	**0.2%**	57.5%
Other	**3.5%**	–	**4.6%**	–
	100.0%	100.0%	**100.0%**	100.0%

24. Retirement benefits (continued)

	Group		Company	
	2015	2014	**2015**	2014
	€000	€000	**€000**	€000
Amounts recognised in the balance sheet				
Present value of defined benefit obligations	**(24,916)**	(37,990)	**(20,453)**	(33,668)
Fair value of plan assets	**15,966**	16,549	**12,201**	12,906
Gross liability	**(8,950)**	(21,441)	**(8,252)**	(20,762)
Related deferred tax asset	**1,221**	2,926	**1,031**	2,595
Net liability	**(7,729)**	(18,515)	**(7,221)**	(18,167)
Change in benefit obligation				
Benefit obligation at beginning of financial year	**(37,990)**	(42,530)	**(33,668)**	(39,112)
Current service cost	**(432)**	(2,134)	**(139)**	(1,901)
Past service cost	**–**	47	**–**	47
Interest cost	**(760)**	(1,724)	**(577)**	(1,546)
Plan members' contributions	**(58)**	(337)	**–**	(279)
Remeasurement gain/ (loss)	**1,588**	(7,463)	**1,578**	(7,045)
Benefits paid	**328**	235	**249**	117
Translation (loss)/gain	**304**	(135)	**–**	–
Plan curtailments	**12,104**	16,051	**12,104**	16,051
Benefit obligation (funded and unfunded) at end of financial year	**(24,916)**	(37,990)	**(20,453)**	(33,668)
Change in plan assets				
Fair value of plan assets at beginning of financial year	**16,551**	14,311	**12,906**	11,244
Interest income	**444**	400	**292**	266
Remeasurement gain				
Actuarial gain	**(919)**	727	**(748)**	751
Return on plan assets excluding interest income	**–**	264	**–**	203
Employer contributions	**407**	624	**–**	280
Member contributions	**58**	337	**–**	279
Benefits paid from plan	**(328)**	(235)	**(249)**	(117)
Translation (loss)/gain	**(247)**	121	**–**	–
Fair value of plan assets at end of financial year	**15,966**	16,549	**12,201**	12,906
Total defined pension gain				
Amounts recorded in profit and loss				
Current service cost	**432**	2,134	**139**	1,901
Past service cost	**–**	(47)	**–**	(47)
Interest cost	**316**	1,324	**285**	1,280
Curtailment gain	**(12,104)**	(16,051)	**(12,104)**	(16,051)
Total defined benefit pension gain	**(11,356)**	(12,640)	**(11,680)**	(12,917)

The return on plan assets was €0.3 million for the year (2014: €0.7 million).

Other Employee Benefits

In previous years the Group developed a Cost Recovery Programme ("CRP") following consultation with staff and staff representatives. At the balance sheet date a provision remained for the CRP of €7.2 million (2014: €22.3 million), see Note 21. This is an unfunded liability at the balance sheet date.

During the year, €12.2 million which relates to termination and early retirement benefits was transferred to creditors' amounts within one year and greater than one year. See Note 17 and 18.

25. Cash flow statement

Reconciliation of operating profit to cash generated by operations

	Note	2015 €000	2014 €000
Operating profit		**128,752**	69,426
Adjustment for:			
Depreciation charge	11	**99,855**	95,922
Fair value adjustment	13	**(19,661)**	(16,017)
Pension provision (credit)/charge	6	**(8,195)**	43,184
Taxation paid		**(2,018)**	(2,784)
Amortisation of intangible assets	12	**6,664**	5,560
(Profit)/loss on disposal and retirements of tangible fixed assets	8	**(156)**	1,755
Amortisation of capital grants	20	**(757)**	(774)
		204,484	196,272
Operating cash flow before movement in working capital			
Increase in stocks		**(10,589)**	(410)
(Increase)/decrease in debtors		**(1,382)**	3,355
Increase/(decrease) in creditors		**15,109**	(11,081)
Decrease in pension liability		**(54)**	(14,735)
Increase in insurance liability and other provisions		**1,237**	2,598
Payments in respect of cost recovery programme		**(3,957)**	(6,766)
Payments in respect of pension and other provisions		**(77,154)**	(5,169)
Cash generated by operations		**127,694**	164,064

26. Analysis of net debt

	At 1 January 2015 €000	Cash flow €000	Non-cash movement €000	Foreign exchange movement €000	At 31 December 2015 €000
Cash	36,075	49,128	–	(405)	84,798
Liquid resources	487,239	(106,897)	–	–	380,342
	523,314	(57,769)	–	(405)	465,140
Debt due within one year	(42,814)	42,726	(42,767)	–	(42,855)
Debt due after one year	(1,080,814)	–	42,289	–	(1,038,525)
	(1,123,628)	42,726	(478)	–	(1,081,380)
Total	**(600,314)**	**(15,043)**	**(478)**	**(405)**	**(616,240)**

In respect of prior financial year:

	At 1 January 2014 €000	Cash flow €000	Non-cash movement €000	Foreign exchange movement €000	At 31 December 2014 €000
Cash	43,877	(7,914)	–	112	36,075
Liquid resources	493,850	(6,611)	–	–	487,239
	537,727	(14,525)	–	112	523,314
Debt due within one year	(31,685)	33,010	(44,139)	–	(42,814)
Debt due after one year	(1,120,012)	–	39,198	–	(1,080,814)
	(1,151,697)	33,010	(4,941)	–	(1,123,628)
Total	(613,970)	18,485	(4,941)	112	(600,314)

27. Financial instruments

Narrative disclosures concerning the Group's treasury policy and management are set out in the 2015 Financial Review. The required disclosures in respect of relevant financial assets and liabilities (as defined) in accordance with FRS 102 Section 11 "Basic Financial Instruments" are provided below. Relevant financial assets/liabilities exclude short-term debtors and creditors and investments in subsidiaries and associated undertakings.

(i) Interest rate risk profile of financial liabilities and assets

The interest rate profile of the Group's relevant financial liabilities and interest bearing relevant financial assets at 31 December 2015 was:

			2015			2014
	Total	**Floating rate**	**Fixed rate**	Total	Floating rate	Fixed rate
	€000	**€000**	**€000**	€000	€000	€000
Financial liabilities						
Euro	**1,081,380**	**238,447**	**842,933**	1,123,628	256,089	867,539
Financial assets						
Euro	**444,175**	**444,175**	**–**	513,260	513,260	–
Sterling	**153**	**153**	**–**	206	206	–
US dollar	**12,771**	**12,771**	**–**	6,211	6,211	–
Canadian dollar	**4,061**	**4,061**	**–**	3,357	3,357	–
New Zealand dollar	**3,689**	**3,689**	**–**	–	–	–
Russian rouble	**–**	**–**	**–**	8	8	–
Hong Kong dollar	**23**	**23**	**–**	24	24	–
Swiss franc	**163**	**163**	**–**	156	156	–
Renminbi	**–**	**–**	**–**	92	92	–
Australian dollar	**105**	**105**	**–**	–	–	–
Other currencies	**–**	**–**	**–**	–	–	–
	465,140	**465,140**	**–**	523,314	523,314	–

The weighted average interest rate for fixed rate Euro currency financial liabilities was 5.9% (2014: 5.8%) and the weighted average period for which the rate was fixed was 5.4 years (2014: 6.5 years). There were no financial liabilities on which no interest is paid. The floating rate financial assets were comprised of term and call bank deposits of less than one year that bore interest based on market rates. The benchmark rate for determining interest payments for the floating rate financial liabilities is six month EURIBOR.

27. Financial instruments (continued)

(ii) Currency exposures

The table below shows the Group's currency exposure, being those assets and liabilities (or non-structural exposures) that give rise to the net monetary gains and losses recognised in the profit and loss account. Such exposures comprise the monetary assets and liabilities of the Group that are not denominated in the functional currency of the unit involved. These exposures were as follows:

	Net foreign currency monetary assets €000							
	Euro	**Sterling**	**US dollar**	**Canadian dollar**	**Russian rouble**	**Swiss franc**	**Australian dollar**	**Hong Kong dollar**
As at 31 December 2015								
Functional currency of Group operations								
Euro	–	463	5,088	1,971	–	–	–	–
Canadian dollar	–	–	288	–	–	–	–	–
Hong Kong dollar	66	–	6	–	–	–	–	–
US dollar	168	93	–	–	163	156	–	–
Renminbi	–	–	–	–	–	–	–	3
New Zealand dollar	53	20	36	–	–	–	105	–
	287	**576**	**5,418**	**1,971**	**163**	**156**	**105**	**3**
As at 31 December 2014								
Functional currency of Group operations								
Euro	–	142	141	523	8	–	–	–
Canadian dollar	–	–	245	–	–	–	–	–
Hong Kong dollar	44	–	5	–	–	–	–	–
US dollar	3,338	64	–	–	–	156	–	–
Renminbi	180	–	–	–	–	–	–	3
	3,562	206	391	523	8	156	–	3

27. Financial instruments (continued)

(iii) Carrying values of financial liabilities and assets

Set out below are the carrying values of the Group's relevant financial assets and liabilities:

	Group		Company	
	2015	2014	**2015**	2014
	€000	€000	**€000**	€000
Financial Assets				
Measured at fair value through profit or loss				
Financial asset	**10,436**	8,498	**441**	383
Debt instruments measured at amortised cost				
Loan stock receivable	**11,391**	11,466	**–**	–
Measured at undiscounted amount receivable				
Trade	**34,593**	33,945	**29,377**	30,027
Other debtors	**6,857**	6,394	**6,843**	6,387
Amounts due from subsidiary undertakings	**–**	–	**30,281**	13,963
Amounts due from associated undertakings	**2,020**	2,185	**–**	–
	65,297	62,488	**66,942**	50,760
Financial Liabilities				
Measured at fair value through profit or loss				
Derivative financial liabilities	**1,247**	968	**1,247**	968
Measured at amortised cost				
Bank loans	**533,079**	575,805	**242,106**	258,179
Loan notes	**548,301**	547,823	**–**	–
Amounts due to subsidiary undertakings	**–**	–	**844,584**	868,890
Measured at undiscounted amount payable				
Trade creditors	**24,655**	16,993	**8,896**	5,109
Other creditors	**12,211**	10,197	**13,191**	11,856
Amounts due to subsidiary undertakings	**–**	–	**135,002**	131,182
	1,119,493	1,151,786	**1,245,026**	1,276,184

The fair values of assets and liabilities, held at fair value through the profit and loss, are determined using quoted market prices in place at each balance sheet date.

At the balance sheet date the fair values of the relevant financial assets and other creditors falling due after more than one year were not materially different from their carrying value.

(iv) Income, expense, gains and losses in respect of financial instruments

The Group's income, expense, gains and losses in respect of financial instruments are summarised below:

	Group	
	2015	2014
	€000	€000
Interest income and expense		
Total interest expense for financial liabilities at amortised cost	**53,507**	55,427
Total interest income for financial assets at amortised cost	**1,035**	6,238
Fair value gains and (losses)		
On financial assets measured at fair value through profit or loss	**58**	166
On financial liabilities measured at fair value through profit or loss	**(220)**	(913)

28. Commitments and related matters

	Group		Company	
	2015	2014	**2015**	2014
	€000	€000	**€000**	€000
(i) Capital commitments				
Contracted	**22,432**	9,188	**22,432**	9,188
Authorised by the directors but not contracted for	**34,516**	95,865	**18,747**	91,877
	56,948	105,053	**41,179**	101,065

(ii) International concession agreements

Certain international retail activities of the Group are subject to arrangements that include guaranteed minimum concession fees.

Guaranteed minimum concessions fees payable over the life of concession agreements that are in place as at 31 December 2015 are made up as follows:

	Group		Company	
	2015	2014	**2015**	2014
	€000	€000	**€000**	€000
Payable on concession agreements within:				
One year	**45,044**	18,834	**–**	–
Two to five years	**318,104**	71,107	**–**	–
Greater than five years	**595,731**	230,603	**–**	–
	958,879	320,544	**–**	–

At 31 December 2015, €18.2 million (2014: €1.6 million) of these commitments had been secured by performance bonds issued by banks and guaranteed by the Group.

The total minimum concession fees payable as at 31 December 2015 includes a concession agreement entered into by ARIME, a subsidiary undertaking of the Group, on 21 December 2015 to operate a retail concession at the Midfield Terminal Building at Abu Dhabi International Airport for a period of 10 years from a future commencement date. It is proposed to establish a joint venture company with a local partner for the purpose of carrying out the obligations and liabilities set out in the concession agreement, which is to be novated to the joint venture entity.

The novation of the concession agreement to the joint venture entity is subject to a number of conditions and consents and is expected to be completed before the commencement date. The Group's share of committed investment costs to establish the retail outlets are indicated in Note 28 (i) and total commitments in respect of guaranteed minimum concession fees are included in Note 28 (ii).

28. Commitments and related matters (continued)

(iii) Lessee operating leases

Total future minimum lease payments under non-cancellable operating leases are as follows:

	Group		Company	
	2015	2014	**2015**	2014
	€000	€000	**€000**	€000
Buildings				
One year	**988**	573	**–**	–
Two to five years	**2,076**	1,274	**–**	–
Greater than five years	**1,670**	1,433	**–**	–
	4,734	3,280	**–**	–
Land				
One year	**14**	14	**14**	14
Two to five years	**56**	56	**56**	56
Greater than five years	**51**	51	**51**	51
	121	121	**121**	121
Plant and Equipment				
One year	**104**	94	**20**	20
Two to five years	**116**	67	**–**	–
Greater than five years	**7**	–	**–**	–
	227	161	**20**	20

Group lease payments expensed at 31 December 2015 amounted to €1.0 million (2014: €2.0 million). Company lease payments expensed at 31 December 2015 amounted to €0.2 million (2014: €1.4 million).

(iv) Other commitments

In the normal course of business the Group has entered into commitments for the future supply of gas and electricity at its airports. At 31 December 2015, the purchase commitments amounted to €3.0 million (2014: €4.5 million).

29. Lessor operating leases

Total future minimum lease payments receivable under non-cancellable operating leases are as follows:

	Group		Company	
	2015	2014	**2015**	2014
	€000	€000	**€000**	€000
Buildings				
One year	**14,743**	13,080	**14,743**	13,080
Two to five years	**31,456**	29,542	**31,456**	29,542
Greater than five years	**21,851**	20,309	**21,851**	20,309
	68,050	62,931	**68,050**	62,931
Land				
One year	**214**	105	**214**	105
Two to five years	**421**	421	**421**	421
Greater than five years	**875**	981	**875**	981
	1,510	1,507	**1,510**	1,507
Plant and Equipment				
One year	**1,061**	1,004	**1,061**	1,004
Two to five years	**2,750**	2,868	**2,750**	2,868
Greater than five years	**–**	598	**–**	598
	3,811	4,470	**3,811**	4,470

30. Related party disclosures

The related parties of the Group, as defined by Section 33 "Related Party Disclosures", the nature of the relationship and the extent of transactions with them (excluding subsidiary undertakings), are summarised below.

	2015	2014
	€000	€000
Associated undertakings		
Management charges to associated undertakings	**10,687**	10,116
Dividends received from associated undertakings	**24,098**	22,343
Due from associated undertakings at year-end	**2,020**	2,185

Details of the Group's principal associated undertakings are set out in Note 14.

Mr Pádraig Ó Ríordáin, the Chairman of the Company, is also a partner in Arthur Cox, a law firm which provides legal services to the Group. Fees in respect of professional services provided to the Group in the normal course of business by Arthur Cox in Ireland during the year ended 31 December 2015 were €1.2 million (2014: €1.7 million). The amount unbilled or billed and not yet paid by the Group at year-end was €0.7 million (2014: €0.8 million).

Ms Ann-Marie O'Sullivan was a director of Healy Design & Advertising Limited, a marketing firm which provides marketing and promotional services to the Group for the period to 11 March 2015. Fees in respect of professional services provided to the Group in the normal course of business by Healy Design & Advertising Limited during the period in which she was a director of the company were €727 (2014: €88,733).

The Group deals in the normal course of business with Government and state bodies and other entities that are under ownership, control or significant influence from the Government. Such dealings are with a wide range of entities that include central government, local authorities, commercial and non-commercial semi-state companies and financial institutions.

Terms and conditions of transactions with related parties

Outstanding balances with entities are unsecured, interest free and cash settlement is expected within 30 days of invoice. The Group has not provided or benefited from any guarantees for any related party receivables or payables. There were no amounts provided for or written off in the period in respect of debts due to or from related parties.

Key management compensation

The Board of Directors who have authority and responsibility for planning, directing and controlling the activities of the Group are considered to be key management personnel. Total remuneration in respect of the individuals in respect of 2015 was €0.9 million (2014: €0.9 million).

31. Non-controlling interest

	2015	2014
	€000	€000
At beginning of financial year	**11,615**	11,513
Share of profit for the financial year	**4,971**	4,212
Exchange differences	**1,021**	1,185
Dividend to non-controlling interest[1]	**(3,950)**	(4,798)
Dividend proposed to non-controlling interest	**–**	(576)
Purchase of minority shareholding[2]	**–**	79
At end of financial year	**13,657**	11,615

1. Amounts above represent dividend payments by ARIME to its non-controlling interests.
2. Purchase of additional 50% shareholding in CTC-ARI Holdings Limited in 2014.

32. Litigation

In the normal course of business, the Group is involved in various legal proceedings with third parties, the outcome of which is uncertain. Where appropriate, provision is made in the financial statements based on the directors' best estimate of the potential outcome of such proceedings. It is the policy of the Group to rigorously defend all legal actions taken against the Group.

33. Transition to FRS 102

This is the first year that the Group has presented its financial statements under FRS 102. The following disclosures are required in the financial year of transition. The last financial statements under previous Irish GAAP were for the year ended 31 December 2014 and the date of transition to FRS 102 was therefore 1 January 2014. Set out below are the changes in accounting policies which reconcile profit for the financial year ended 31 December 2014 and the total equity as at 1 January 2014 and 31 December 2014 between Irish GAAP as previously reported and FRS 102.

		At 1 January 2014			At 31 December 2014		
	Note	As Previously Stated €000	Effect of Transition €000	FRS102 (as restated) €000	As Previously Stated €000	Effect of Transition €000	FRS102 (as restated) €000
Reconciliation of equity							
Fixed assets	(i), (ii), (iii), (iv), (v)	1,826,306	19,524	1,845,830	1,846,384	44,392	1,890,776
Current assets		597,678	–	597,678	593,971	–	593,971
Creditors: amounts falling due within one year	(vi)	(148,413)	(55)	(148,468)	(165,620)	(678)	(166,298)
Net current assets		**449,265**	**(55)**	**449,210**	**428,351**	**(678)**	**427,673**
Total assets less current liabilities		**2,275,571**	**19,469**	**2,295,040**	**2,274,735**	**43,714**	**2,318,449**
Creditors: amounts falling due after more than one year	(v), (vi)	(1,144,039)	1,159	(1,142,880)	(1,102,194)	264	(1,101,930)
Capital grants		(11,418)	–	(11,418)	(10,655)	–	(10,655)
Provisions for liabilities	(vii), (viii)	(95,571)	(59)	(95,630)	(127,164)	(10,685)	(137,849)
Pension liability	(vii)	(24,642)	(3,577)	(28,219)	(18,515)	(2,926)	(21,441)
Net assets		**999,901**	**16,992**	**1,016,893**	**1,016,207**	**30,367**	**1,046,574**
Capital and reserves		**999,901**	**16,992**	**1,016,893**	**1,016,207**	**30,367**	**1,046,574**

33. Transition to FRS 102 (continued)

	Note	At 31 December 2014 As Previously Stated €000	Effect of Transition €000	FRS102 (as restated) €000
Reconciliation of profit and loss for the financial year				
Turnover	(v)	**563,792**	**284**	**564,076**
Operating costs				
Cost of goods for resale		(100,617)	–	(100,617)
Payroll and related costs		(154,658)	–	(154,658)
Exceptional item – pension		(27,133)	–	(27,133)
Materials and services	(v), (vii)	(126,892)	(1,047)	(127,939)
		(409,300)	(1,047)	(410,347)
Earnings before interest, tax, depreciation and amortisation		**154,492**	**(763)**	**153,729**
Depreciation, amortisation and impairment	(i), (iii), (v)	(103,188)	2,881	(100,307)
Fair value movement on investment property	(i)	–	16,004	16,004
Operating profit		**51,304**	**18,122**	**69,426**
Share of operating profit				
Joint venture		730	(116)	614
Associated undertaking	(iv)	34,750	(14,429)	20,321
Exceptional items				
Sale of associate	(iv)	3,468	(2,037)	1,431
Group profit before interest and taxation		**90,252**	**1,540**	**91,792**
Other financial income and expense	(ii), (vi)	436	23	459
Interest receivable and similar income		6,902	(264)	6,638
Interest payable and similar charges	(vii)	(57,890)		(57,890)
Interest payable and similar charges – associated undertakings		(6,617)	6,617	–
Group profit on ordinary activities before taxation		**33,083**	**7,916**	**40,999**
Tax on profit on ordinary activities	(viii)	(9,832)	4,370	(5,462)
Group profit on ordinary activities after taxation		**23,251**	**12,286**	**35,537**
Minority interest	(ii)	(3,991)	(221)	(4,212)
Group profit for the financial year		**19,260**	**12,065**	**31,325**

33. Transition to FRS 102 (continued)

The following notes explain the FRS 102 transitional and 2014 restatement adjustments shown in the tables above:

(i) Investment Property

These adjustments relate to the movement from cost to fair value on transition (€15.1 million) and the movement in fair value at the balance sheet date for the restatement of 2014 (€16.0 million). In addition, there is a reversal of depreciation previously recognised in 2014 of €3.7 million as these properties had previously been recognised as property, plant and equipment. Investment properties are not depreciated under FRS 102.

These adjustments are required because the definition of investment property has changed under FRS 102 which has resulted in a reclassification of certain fixed assets from property, plant and equipment to investment property. While property, plant and equipment is measured using the cost model, investment property is measured at fair value at each reporting date.

(ii) Financial Instruments at Fair Value Through Profit and Loss

FRS 102 requires certain financial instruments to be classified as assets or liabilities at fair value through profit or loss whereas previously they were recognised at cost. Financial instruments which are classified as assets or liabilities at fair value through profit or loss are recognised at fair value on initial recognition, with transaction costs being recognised in profit and loss, and are subsequently measured at fair value at each reporting date. Gains and losses on these financial assets and liabilities are recognised in profit or loss as they arise.

The financial instruments at fair value through profit and loss relate to surplus carbon credits in daa Company and quoted investments held by a subsidiary undertaking. On transition to FRS 102, the increase to financial assets amounts to €2.0 million and a further increase of €1.8 million for the restatement of 2014.

(iii) Intangible Assets

a. Software Reclassification

Previously software costs were specifically identified as falling under the scope of tangible fixed assets however while FRS 102 is not explicit on whether software should be accounted for as intangible or tangible fixed assets, from the definition of intangible assets it is deemed appropriate that software that is not an integral part of the related hardware and should be classified as an intangible asset. This resulted in a net book value of €4.8 million being reclassified from tangible fixed assets to intangible fixed assets on transition to FRS 102 and a further net amount of €0.3 million being reclassified during 2014.

b. Goodwill Reclassification – Subsidiary

ARI, a wholly owned subsidiary, acquired a further 50% of CTC-ARI during 2014 and the difference between the fair value of the net assets and the cost was deemed to be goodwill under previous Irish GAAP. Under FRS 102 this balance will be recognised as concession rights and not classified as goodwill. The estimated useful life of the concession rights remains the same as the previously recognised goodwill, i.e. seventeen years, as this is the term of the contract. The net book value at 31 December 2014 of €50.0 million has been reclassified from goodwill to concession rights. As detailed in Note (viii) below, deferred tax is recognised on all fair value adjustments arising on business combinations (other than goodwill). Therefore the Group is required to recognise a deferred tax charge of €6.1 million on these concession rights. In line with FRS 102, the amount attributed to goodwill is required to be adjusted by the amount of the deferred tax recognised. Therefore, goodwill of €6.1 million is also now recognised and is being amortised through the profit and loss account in line with the release of the deferred tax liability.

No other goodwill has been reassessed in the context of FRS 102 as the Group have opted to apply the exemption allowed by Section 35 'Transition to this FRS' which allows the Group not to apply Section 19 'Business Combinations and Goodwill' to business combinations that were effected before the date of transition to this FRS.

c. Goodwill Reclassification – Joint Venture

Similarly during 2014, ARIME, a subsidiary of the Group, acquired an additional 25.01% shareholding in Cyprus Airports (F&B) Limited which generated goodwill of €3.0 million under previous Irish GAAP. Under FRS 102 it was concluded that the full amount should be recognised as concession rights. The net book value at 31 December 2014 of €2.8 million was reclassified from goodwill to concession rights. This has no balance sheet impact as it is a reclassification within intangible fixed assets.

(iv) Losses in excess of investment

The majority of this adjustment is due to the investment in Brooklyn Properties Limited ("Brooklyn") which was disposed of in 2014 but needs to be considered in the FRS 102 transitional period. Under previous GAAP, the investor's share in all profits and losses of associated undertakings was recognised. FRS 102 states that if an investor's share of losses of an associate equals or exceeds the carrying amount of its investment in the associate, the investor should discontinue recognising its share of further losses. After the investor's interest is reduced to zero, the investor should recognise additional losses by a provision only to the extent that the investor has incurred legal or constructive obligations or has made payments on behalf of the associate. If the associate subsequently reports profits, the investor should resume recognising its share of those profits only after its share of the profits equals the share of losses not recognised.

At the date of transition, the Group had two associated undertakings where the share of losses exceeded the investment and there was no recourse to the Group. In accordance with FRS 102 these losses, which amounted to €3.0 million were released through reserves. Brooklyn was sold during 2014, which resulted in the release of the excess losses at that time. As this has been recognised on transition to FRS 102, the release in relation to excess losses which was reported in 2014 under previous GAAP, was reversed for the FRS 102 restatement of 2014 (€2.0 million). Also, during 2014, the other associates reported profits of €0.3 million which were recognised under previous GAAP. However, in line with FRS 102, these have been reversed as the investor should only resume recognising its share of those profits after its share of the profits equals the share of losses not recognised.

(v) Leases

On implementation of FRS 102 the Group have reassessed the treatment of some historical lease transactions. On transition to FRS 102, an adjustment of €0.6 million is being recognised through reserves in respect of a gain recognised in 2014.

(vi) Derivative Financial Instruments

Previously the Group was not required to recognise derivative financial instruments on the balance sheet. Instead the effects of the derivative financial instruments were recognised in profit and loss when the instruments were settled. FRS 102 requires derivative financial instruments to be recognised as a financial asset or a financial liability, at fair value, when an entity becomes a party to the contractual provisions of the instruments. These derivatives are embedded derivatives which relate to commitments the Group has entered into for future supply and electricity in the normal course of business. These commitments are denominated in a foreign currency but are agreed at a Euro rate at the date of agreement. A charge of €0.1 million was recognised through reserves at the date of transition and the fair value adjustment at the balance sheet date for the restatement of 2014 was a debit through profit and loss of €0.9 million.

33. Transition to FRS 102 (continued)

(vii) Employee Benefits

a. Defined Benefit Pension Scheme

Previously the Group recognised an expected return on defined benefit assets in the profit and loss account. Under FRS 102 a net interest expense, based on the net defined benefit liability, is recognised in the profit and loss account. There has been no change to the defined benefit liability at either 1 January 2014 or 31 December 2014. The effect of the change was to reduce the credit to the profit and loss account in the year by €0.3 million and increase the credit in other comprehensive income by an equivalent amount, thus there is no balance sheet impact.

FRS 102 requires the deferred tax relating to the defined benefit liability to be presented with other deferred tax and for the defined benefit liability to be shown gross of tax. This balance sheet reclassification amounted to the reclassification of a deferred tax asset of €3.5 million on transition to FRS 102 and a reduction in this deferred tax asset of €0.7 million at 31 December 2014.

b. Other Post-employment Benefits

Prior to the adoption of FRS 102, provisions were only required to be discounted to present value where the effect was material however discounting is mandated by FRS 102. The Group has a provision for certain post-employment benefits which were discounted for the first time in 2014. The element of this discount relating to periods prior to 2014 are now accounted for on transition to FRS 102. This amounted to €0.5 million.

(viii) Deferred Taxation

Under FRS 102, deferred tax is recognised on a timing difference plus approach, whereas previously it was recognised based on a timing difference approach. Consequently deferred tax has been recognised on all fair value re-measurements, which amounted to a deferred tax liability of €3.8 million on transition and a further increase to the liability of €4.0 million for the restatement of 2014. As previously discussed there is also a further increase to the liability of €5.6 million (after 2014 amortisation of €0.5 million) relating to the reclass of goodwill to concession rights on acquisition of CTC-ARI in 2014. The remaining tax impact relates to the current tax impact of other FRS 102 adjustments.

34. Subsequent events

There have been no significant post balance sheet events which require adjustment to the financial statements or inclusion of a note thereto.

35. Approval of financial statements

The financial statements were approved by the Board of Directors on 15 March 2016.

Five-Year Summary of Financial Results

	2015 €000	2014 €000	2013 €000	2012 €000	2011 €000
Operating results [1, 2]					
Turnover	**679,758**	564,076	500,589	574,611	557,492
EBITDA (pre-exceptional)	**206,042**	180,862	160,972	166,763	160,273
Depreciation, amortisation and impairment	**(105,146)**	(100,307)	(99,179)	(107,011)	(102,569)
Fair value adjustment on investment property	**19,661**	16,004	–	–	–
Group operating profit (pre-exceptional)	**120,557**	96,559	61,793	59,752	57,704
Share of profits of associates and joint ventures	**28,938**	20,935	38,213	53,052	36,045
Finance income/expenses	**(52,537)**	(50,793)	(57,162)	(55,515)	(56,250)
Group exceptional items	**8,195**	(25,702)	9,865	(27,139)	3,538
Profit before taxation	**105,153**	40,999	52,709	30,150	41,037
Taxation	**(16,770)**	(5,462)	(10,385)	(6,539)	(6,837)
Minority interest	**(4,971)**	(4,212)	(4,166)	(4,172)	(4,007)
Profit for the financial year	**83,412**	31,325	38,158	19,439	30,193
Profit excluding exceptional items (after tax)	**61,481**	41,895	28,119	43,186	25,987
Capital employed					
Tangible fixed assets	**1,744,383**	1,704,807	1,707,818	1,753,962	1,943,541
Intangible fixed assets	**66,099**	72,854	14,105	7,084	8,272
Investments	**121,421**	113,115	104,383	100,780	82,478
Net current assets	**351,441**	427,673	449,265	422,579	311,382
Total assets less current liabilities	**2,283,344**	2,318,449	2,275,571	2,284,405	2,345,673
Creditors due after more than one year	**(1,063,780)**	(1,101,930)	(1,144,039)	(1,176,408)	(1,185,301)
Capital grants	**(9,898)**	(10,655)	(11,418)	(12,227)	(13,853)
Provisions for liabilities	**(65,886)**	(137,849)	(95,571)	(102,362)	(71,808)
Pension liability	**(8,950)**	(21,441)	(24,642)	(25,670)	(18,773)
Net assets	**1,134,830**	1,046,574	999,901	967,738	1,055,938

	2015 €000	2014 €000	2013 €000	2012 €000	2011 €000
Summary Cash Flow [2]					
Cash flow from operating activities	**210,823**	178,783	158,630	146,036	164,898
Payments in respect of exceptional restructuring and other provisions	**(81,111)**	(11,935)	(13,907)	(9,573)	(11,783)
Dividends from associated undertakings (net)	**24,098**	22,343	23,361	19,148	22,892
	153,810	189,191	168,084	155,611	176,007
Net interest paid	**(51,558)**	(49,622)	(46,467)	(49,711)	(62,884)
Taxation paid	**(2,018)**	(2,784)	(640)	(2,904)	(3,021)
	100,234	136,785	120,977	102,996	110,102
Investment in tangible fixed assets and software	**(111,563)**	(65,402)	(55,866)	(44,228)	(90,028)
Investment in/loans to associated and joint venture undertakings and financial assets	**–**	(3,125)	–	–	–
Acquisition of subsidiary undertakings net of cash acquired	**–**	(45,023)	(11,121)	–	(3,200)
Net proceeds/(outflow) from disposal of subsidiary/associated undertakings/joint ventures	**–**	–	11,625	(215)	12,500
Sale of tangible and financial assets	**236**	37	73	139	98
Grants received	**–**	11	54	22	–
	(111,327)	(113,502)	(55,235)	(44,282)	(80,630)
	(11,093)	23,283	65,742	58,714	29,472
Dividends paid to minority undertakings of subsidiaries	**(3,950)**	(4,798)	(4,310)	(54)	(4,282)
Cash (outflow)/inflow before management of liquid resources and financing	**(15,043)**	18,485	61,432	58,660	25,190
Net debt					
Group net debt at year-end	**616,240**	600,314	613,970	674,827	734,803

1. 2011 to 2012 balances above include Shannon Airport results.

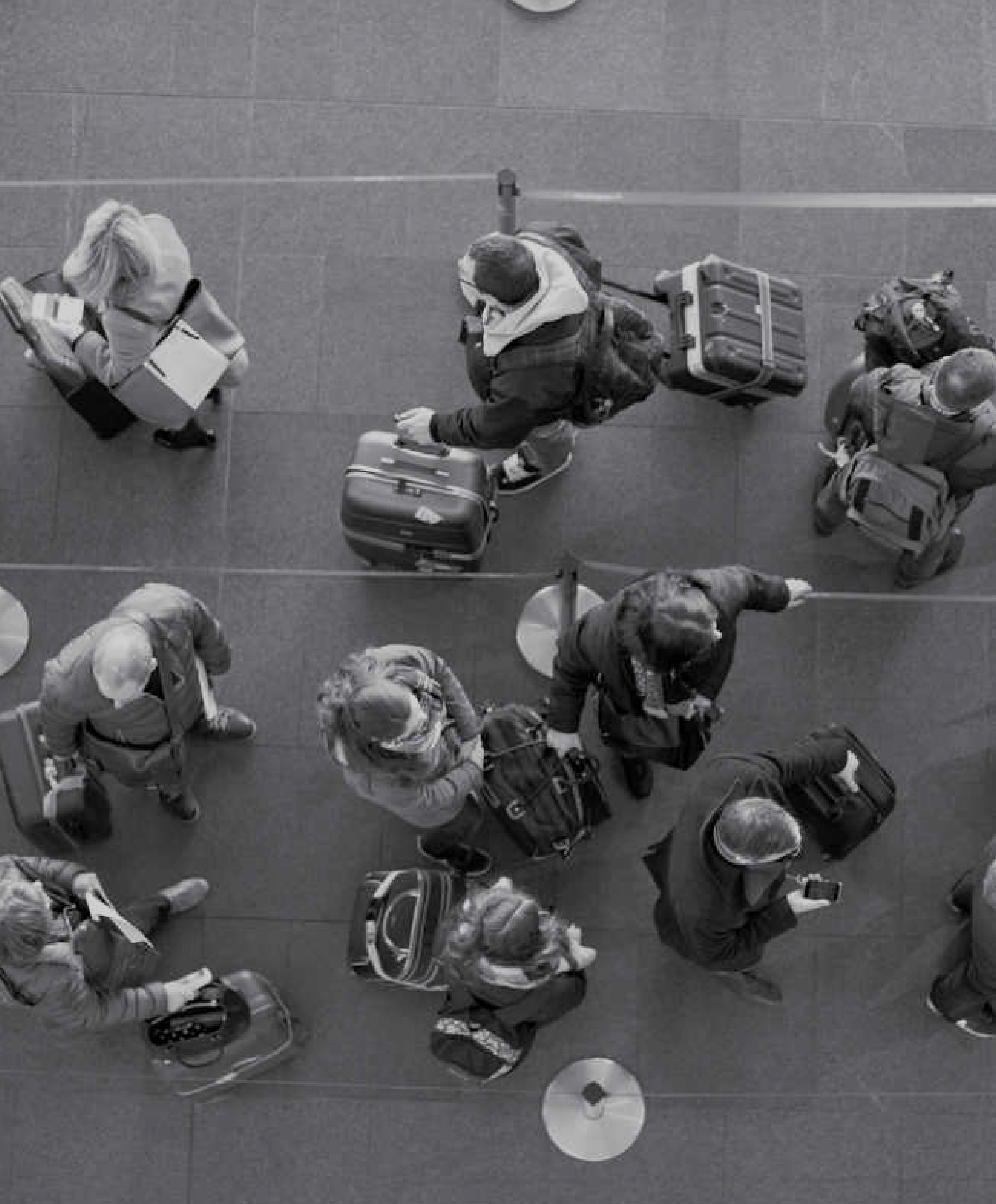
2. 2014 has been restated under FRS 102.

Five-Year Summary of Passenger Statistics

Passengers	**2015**	2014	2013	2012	2011
Overall					
Transatlantic	**2,396,684**	2,122,081	1,863,381	1,932,077	1,886,898
Britain	**10,108,080**	8,956,245	8,287,527	8,774,890	8,903,819
Continental Europe	**13,631,772**	12,054,857	11,652,325	11,439,525	11,220,625
Other International	**797,932**	643,038	540,265	478,471	261,645
Domestic	**84,008**	74,596	70,561	66,744	163,336
Transit	**102,053**	5,626	10,729	142,838	291,670
	27,120,529	23,856,443	22,424,788	22,834,545	22,727,993
Percentage change year-on-year	**+13.7%**	+6.4%	-1.8%	+0.5%	+0.5%
Dublin					
Transatlantic	**2,396,416**	2,121,880	1,863,134	1,643,885	1,566,787
Britain	**8,906,766**	7,789,004	7,179,756	6,894,019	6,970,219
Continental Europe	**12,768,193**	11,082,613	10,510,488	10,015,982	9,815,198
Other International	**797,932**	643,036	540,257	477,890	259,800
Domestic	**80,079**	70,795	65,392	60,572	120,428
Transit	**99,933**	4,639	7,756	7,301	8,161
	25,049,319	21,711,967	20,166,783	19,099,649	18,740,593
Percentage change year-on-year	**+15.4%**	+7.7%	+5.6%	+1.9%	+1.7%
Cork					
Transatlantic	**268**	201	247	269	255
Britain	**1,201,314**	1,167,241	1,107,771	1,144,904	1,180,697
Continental Europe	**863,579**	972,244	1,141,837	1,187,425	1,135,709
Other International	**–**	2	8	–	1,100
Domestic	**3,929**	3,801	5,169	4,779	41,259
Transit	**2,120**	987	2,973	2,738	2,927
	2,071,210	2,144,476	2,258,005	2,340,115	2,361,947
Percentage change year-on-year	**-3.4%**	-5.0%	-3.5%	-0.9%	-2.6%
Shannon					
Transatlantic	**N/A**	N/A	N/A	287,923	319,856
Britain	**N/A**	N/A	N/A	735,967	752,903
Continental Europe	**N/A**	N/A	N/A	236,118	269,718
Other International	**N/A**	N/A	N/A	581	745
Domestic	**N/A**	N/A	N/A	1,393	1,649
Transit	**N/A**	N/A	N/A	132,799	280,582
	N/A	N/A	N/A	1,394,781	1,625,453
Percentage change year-on-year	**N/A**	N/A	N/A	-14.2%	-7.4%

Five-Year Summary of Aircraft Movements

	2015	2014	2013	2012	2011
Overall					
Commercial					
Scheduled	**199,064**	184,353	173,139	177,595	175,300
Non Scheduled	**5,910**	4,808	6,417	13,269	16,184
Cargo	**4,413**	4,743	4,636	6,224	6,323
Commercial Air Transport Movements	**209,387**	193,904	184,192	197,088	197,807
Percentage change year-on-year	**+8.0%**	+5.3%	-6.5%	-0.4%	-0.3%
Others	**30,857**	27,504	29,955	39,984	40,116
Total Aircraft Movements	**240,244**	221,408	214,147	237,072	237,923
Dublin					
Commercial					
Scheduled	**181,735**	165,794	154,377	147,380	144,188
Non Scheduled	**5,394**	4,156	5,445	5,288	6,268
Cargo	**4,105**	3,968	3,878	3,918	3,995
Commercial Air Transport Movements	**191,234**	173,918	163,700	156,586	154,451
Percentage change year-on-year	**+10.0%**	+6.2 %	+4.5%	+1.4%	+0.9%
Others	**6,636**	6,416	6,657	7,084	7,565
Total Aircraft Movements	**197,870**	180,334	170,357	163,670	162,016
Cork					
Commercial					
Scheduled	**17,329**	18,559	18,762	19,944	20,058
Non Scheduled	**516**	652	972	963	1,330
Cargo	**308**	775	758	789	785
Commercial Air Transport Movements	**18,153**	19,986	20,492	21,696	22,173
Percentage change year-on-year	**-9.2%**	-2.5%	-5.5%	-2.2%	-6.2%
Others	**24,221**	21,088	23,298	27,442	25,888
Total Aircraft Movements	**42,374**	41,074	43,790	49,138	48,061
Shannon					
Commercial					
Scheduled	**N/A**	N/A	N/A	10,271	11,054
Non Scheduled	**N/A**	N/A	N/A	7,018	8,586
Cargo	**N/A**	N/A	N/A	1,517	1,543
Commercial Air Transport Movements	**N/A**	N/A	N/A	18,806	21,183
Percentage change year-on-year	**N/A**	N/A	N/A	-11.2%	-2.4%
Others	**N/A**	N/A	N/A	5,458	6,663
Total Aircraft Movements	**N/A**	N/A	N/A	24,264	27,846



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daa Group Structure

daa plc

- Dublin Airport
- Cork Airport
- daa International (daaI)
- ARI (Aer Rianta International)

Airport Investments

Europe
Düsseldorf, Larnaca, Paphos

Airport Retailing

Ireland
Dublin and Cork

Middle East
Bahrain, Cyprus, Lebanon, Oman, Qatar

North America / Caribbean
Barbados, Halifax, Montreal, Ottawa, Winnipeg

India
Delhi

New Zealand
Auckland

Aeronautical Information

Dublin Airport

Location	Lat. 532517N, Long. 0061612W (midpoint Runway 10/28)
Elevation	242 ft. AMSL
Runway	**Runway 10/28:** Length 2637 metres – Width 45 metres plus 7.5 metre shoulders each side Surface Asphalt Category III A (Runway 10) / Category III A (Runway 28) **Runway 16/34:** Length 2072 metres – Width 61 metres Surface Asphalt Category I (Runway 16) / Non-precision (Runway 34)
Refuelling	JET A1
Operational	24hrs
Postal Address	Dublin Airport, Co. Dublin, Ireland
Fax Number	(01) 814 1034 (09:00 – 17:00) (01) 814 5479 (24hrs)
Telephone Number	National (01) 814 1111 International 353 1 814 1111
Web	www.dublinairport.com
Sita	DUBRN7X (Airport Administration) DUBYREI (Operations)

Cork Airport

Location	Lat. 515029N, Long. 0082928W
Elevation	502 ft. AMSL
Runway Data	**Runway 17/35:** Length 2133 metres – Width 45 metres plus 7.5 metre shoulders each side Surface Asphalt Category II (Runway 17) / Category I (Runway 35) **Runway 07/25:** Length 1310 metres – Width 45 metres Surface Concrete Non Inst.
Refuelling	Full refuelling facilities available
Operational	24 hrs
Postal Address	Cork Airport, Co. Cork, Ireland
Fax Number	(021) 431 3442
Telephone Number	National (021) 431 3131 International 353 21 431 3131
Web	www.corkairport.com
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European Investment Bank
HSBC Bank
Ulster Bank
Danske Bank

Forward Looking Statements

This document contains certain forward looking statements with respect to the financial condition, results of operations and businesses of daa plc. These statements involve risk and uncertainty because they relate to events and depend upon circumstances that will occur in the future. There are a number of factors which could cause actual results or developments to differ materially from those expressed or implied by these forward looking statements. The statements are based on current expected market and economic conditions, the existing regulatory environment and interpretations of Financial Reporting Standards applicable to past, current and future periods. Nothing in this report should be construed as a profit forecast.

Colophon

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