DAA

2012

Annual Report 2012

Údarás Aerfort Bhaile Átha Cliath cpt

Dublin Airport Authority plc

daa

2012

Dublin Airport Authority plc

Annual Report and Financial Statements

Contents

4	**Board of Directors**
6	**DAA Management Team**
9	**Chairman’s Statement**
19	**Operational Review**
45	**2012 Financial Review**

47	**Reports and Consolidated Financial Statements 2012**
49	Report of the directors
58	Statement of directors’ responsibilities
59	Independent auditor’s report
60	Statement of accounting policies
63	Group profit and loss account
64	Group statement of total recognised gains and losses
64	Reconciliation of movement in shareholders’ funds
65	Group balance sheet
66	Company balance sheet
67	Group cash flow statement
68	Notes on and forming part of the financial statements
96	Five-year summaries

101	**DAA Group Structure**
102	**Aeronautical Information**
103	**General Business Information**

Board of Directors

DUBLIN AIRPORT AUTHORITY PLC

Pádraig Ó Ríordáin
Chairman

Niall Greene

Patricia King

John Lynch

Mary McCabe

Colm McCarthy

Barry Nevin

Paul Schütz

Conor Swords

Kevin Toland

Gerry Walsh

Pádraig Ó Ríordáin, Chairman

Pádraig Ó Ríordáin was appointed Chairman in January 2012. Pádraig is a Corporate Partner in Arthur Cox, the 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 the National University of Ireland and Harvard Law School and has practised in New York and Dublin. He is a non-executive director of Paddy Power and of TVC Holdings. Pádraig serves as Chair of the Nomination & Remuneration Committee and the Pensions Committee.

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 GECAS. He was Chair of the Youth Employment Agency and of the Council of AnCO in the 1980s. He is a member of the Board of the Institute of International and European Affairs and serves on the boards of a number of aviation finance related companies and of not-for-profit organisations in the Limerick area. He holds LLB and LLM degrees from the University of Limerick. Niall has an in-depth knowledge of aviation matters and experience of working with and advising private and public sector organisations. Niall is Chair of the Health, Safety, Security & Environment Committee and a member of the Pensions Committee.

Patricia King

Patricia King was appointed to the Board in July 2012. Patricia is Vice President of the trade union SIPTU and has served as a board member of the RTÉ Authority and the National Roads Authority. Patricia has extensive experience in the field of industrial relations at both sectoral and national level in Ireland.

John Lynch

John Lynch was appointed to the Board in February 2012. 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.

Mary McCabe

Mary McCabe was originally appointed to the Board in December 2008 and re-appointed in October 2009 under the Workers Participation (State Enterprises) Acts, 1977 to 2001. Mary joined the company in 1998 and works in the cleaning section of the airport. Mary is a divisional committee member and a Union Learner Representative of the Utilities and Construction Section of SIPTU and represents the DAA cleaning section's interests at local and branch level. Mary has first-hand knowledge of customer service matters and employee related matters. Since January 2010, Mary has been a member of the Health, Safety, Security & Environment Committee.

Colm McCarthy

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

Barry Nevin

Barry Nevin was first appointed to the Board in March 2005 and re-appointed in October 2009 under the Worker Participation (State Enterprises) Acts, 1977 to 2001. Barry joined the company in 1991 and works in the Airport Police / Fire Service. He is a member of the Irish Congress of Trade Unions Worker Directors' Group and the Dublin Airport Authority Group of Unions. Barry holds a law degree from Dublin Institute of Technology. Barry has first-hand knowledge of the company operations and in particular airport policing and experience of dealing with industrial relations matters. Since September 2005, Barry has been a member of the Health, Safety, Security & Environment Committee, he acted as Interim Chair for the period December 2011 to November 2012 and continues to serve on this committee.

Paul Schütz

Paul Schütz was appointed to the Board in July 2012. 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. Paul is a member of the Board Audit Committee.

Conor Swords

Conor Swords was appointed to the Board in January 2013 under the Worker Participation (State Enterprises) Acts, 1977 to 2001. Conor joined the company in 1998 and has worked in a number of different departments in the company, gaining experience in retail and airport operations. He is a member of the trade union SIPTU and serves on the Aviation Divisional Committee and the Irish Congress of Trade Union Worker Directors' Group. Conor is studying for a degree in business studies. Conor has experience of airport operations and in particular airside safety operations.

Kevin Toland

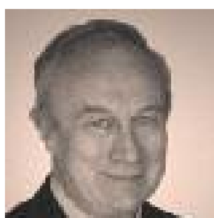
Kevin Toland became Chief Executive of DAA in January 2013. Prior to joining the company, Kevin was Chief Executive and President of Glanbia USA & Global Nutritionals, based in Chicago, Illinois. Previous roles at Glanbia, which he joined in 1999, included Group Development Director, Chief Executive of Consumer Foods and Director of Strategy and Marketing. Before joining Glanbia, he 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 has experience of working with, and leading, a large international company overseas. As Chief Executive of the company he has accountability for setting the strategic direction of the Group and overall management of the day-to-day operations.

Gerry Walsh

Gerry Walsh was originally appointed to the Board in November 2009 and re-appointed in February 2012. As an independent business advisor he provides strategic support to the boards and senior management teams of a number of Irish and international companies. He is a non-executive director of a number of Irish companies. As Chief Executive of Bord Gáis from 2000 to 2007, Gerry 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 has knowledge and experience of working in the Irish commercial semi-state sector gained through his time in Bord Gáis. Gerry is Chair of the Board Audit Committee, having served as a member of the committee from 2010 he was appointed Chair in 2012. Gerry is also a member of the Nomination & Remuneration Committee and a member of the Pensions Committee.

DAA Management Team

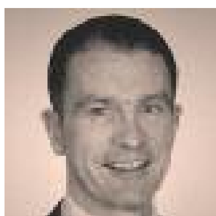
Kevin Toland
Chief Executive



Oliver Cussen
Deputy Chief Executive

Ray Gray
Chief Financial Officer

Vincent Harrison
Director, Strategy, Regulation & B2B



Maurice Hennessy
Director, Commercial

Robert Hilliard
Chief Operations Officer

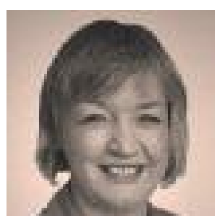
Damian Lenagh
Director, Human Resources

Niall MacCarthy
Director, Cork Airport

Jack MacGowan
Chief Executive, Aer Rianta International (ARI)

Colm Moran
Chief Asset Management & Development Officer

Paul Neeson
Director, Retail



Marion O'Brien
Director, Corporate Services

Paul O'Kane
Director, Public Affairs

Chairman's Statement

Pádraig Ó Ríordáin

The Group made significant progress on several fronts during 2012, as we continued to improve our overall passenger numbers, reduce our debt levels, and carefully manage our costs.

The long-standing issue of future ownership models for Cork and Shannon airports was decided by Government during the year under review with Shannon being separated and Cork remaining within the Group. Despite a very tight timeframe, we completed all of the necessary legal and logistical steps to enable that decision to be implemented by year end. We wish all the employees at Shannon Airport well as that company implements its new business plan.

Highlights from the year included:

- Passenger numbers up about 1% to 22.8 million – second successive year of growth
- Turnover up 3% to €575 million
- EBITDA up 4% to €167 million
- Operating costs 8% below 2008 levels
- Debt reduced by €60 million
- Shannon separated in accordance with Government decision
- Dublin Airport long-haul passengers up 16%
- New transatlantic capacity secured for Dublin – 224 flights per week will operate during 2013 peak summer season

We remain committed to encouraging further growth in traffic by pro-actively marketing our airports and providing best-in-class incentive schemes to share the risk of launching new services with airlines and to reward those airlines that grow their business at Dublin and Cork airports. Cost management, debt reduction and the resolution of the uncertain future arrangements associated with the multi-employer Irish Airlines (General Employees) Superannuation Scheme (IAS) will also continue to be major areas of focus for the Group in the medium term.

Passenger Growth

The increase in passenger numbers at our airports was achieved despite the ongoing macro-economic issues affecting Ireland and its key trading partners. Passenger numbers at Dublin, Cork and Shannon airports increased by about 1% last year to 22.8 million, the second consecutive year of overall traffic growth.

Dublin Airport was the strongest performer, recording a 2% increase in passenger numbers to 19.1 million. Traffic at Cork Airport declined by 1% to 2.3 million last year, while passenger numbers at Shannon Airport declined by 14% to 1.4 million. At both Dublin and Cork airports, a stronger performance from continental European traffic offset declines in passenger numbers from Britain.

Dublin Airport welcomed 420,000 additional international passengers last year – both incoming and outgoing – an increase of just over 2%. The number of passengers on international flights at Dublin has increased by 5% over the past two years.

Long-haul traffic performed exceptionally well at Dublin Airport last year, expanding by 16% due to a new Emirates service to Dubai, a new United service to Washington DC and additional seat capacity on routes to the United States and Canada.

Emirates' experience at Dublin has been particularly pleasing, as some commentators had publicly questioned the airline's decision to launch the route, given the sluggish economic performance in Ireland and the presence in the Irish market of Etihad, which flies to Abu Dhabi. Emirates has confirmed, however, that the Dublin-Dubai service has been one of its most successful ever route launches. Within weeks of commencing operations, Emirates said it would expand the available seat numbers on the route by 52%, such was the demand for the service. That expansion took place last summer and is working well for the airline.

Meanwhile, Etihad's Dublin-Abu Dhabi service has also continued to thrive, with more than 215,000 passengers using the service last year, making it one of the airline's 10 most popular routes. Post year-end, Etihad indicated that it plans to use a larger Boeing 777 aircraft on the Dublin route, which will increase capacity on the service by 34%.

The combination of Emirates and Etihad operating direct services from Dublin into the Middle East and offering onward connections to Africa, India, Southeast Asia and Australia creates greater choice and convenience for passengers on a large number of routes into fast-growing export markets for the Irish economy. It also helps expand the reach of Ireland as a tourist destination, as both airlines are working closely with DAA and representatives of Tourism Ireland to maximise the potential of inbound leisure traffic from these regions.

The growth in long-haul traffic at Dublin Airport is expected to continue into 2013, with significant additional capacity on transatlantic and Middle Eastern services and a new American Airlines route to New York's JFK Airport scheduled to commence operations in June.

Cork Airport also enjoyed growth in its international passenger numbers during 2012, however its overall performance continued to be adversely affected by the reduction in domestic traffic, as the ending of the Cork-Dublin service continued to be reflected in total passenger figures.

Shannon Airport had a difficult year in terms of passenger numbers, as the loss of a major contract previously held by one of its military transit operators contributed to a 14% decline in traffic. But there was some more positive news for Shannon in the latter part of the year, as the Group secured confirmation from United and US Airways of new routes for Shannon for summer 2013.

JOSEPH KORPOS, FACILITIES SERVICES, DUBLIN AIRPORT

Key Role

Our airports play a pivotal position in the Irish economy. Last year 90% of people who travelled by air to or from the Republic of Ireland used Dublin or Cork airports. The two airports were responsible for 70% of all passengers who took international flights to or from the island of Ireland during 2012.

Dublin Airport handled 80% of the Republic of Ireland's total aviation passengers last year and 62% of the island of Ireland's total air passenger traffic.

Dublin's pre-eminent position in the Irish aviation sector delivers the critical mass required to attract the necessary services to key short-haul and long-haul destinations for both business and leisure markets. Direct connections are essential for both expanding Irish exports and growing foreign direct investment in the Republic of Ireland. Dublin is also a key gateway for Northern Ireland, for inbound and outbound business and leisure traffic.

Few European airports can match Dublin's connections to Ireland's traditional markets of Britain and the United States. Dublin Airport's links to emerging markets are also improving as its long-standing services to the European super hubs are being complemented by flights to airports in the Middle East and Turkey.

Schedules that were confirmed last year will see a significant expansion in Dublin Airport's transatlantic traffic for the forthcoming summer season, as 224 flights will operate each week to and from the United States and Canada during the 2013 peak season.

Resilient Performance

During 2012 the Group's turnover increased by 3% to €575 million, while earnings before interest, tax, depreciation and amortisation (EBITDA) increased by 4% to €167 million.

Group profit for the financial year declined by 36% to €19 million due to the impact of a number of exceptional items. When exceptional items are excluded, Group profit for the year increased by 66% to €43 million. Group profit was boosted by a €13.7 million credit relating to the disposal of the Group's 50% shareholding in a joint venture company Turckton Developments.

Recognising the challenges that were being faced by the business, the Group embarked on a major Cost Recovery Programme (CRP) in 2009. That restructuring programme, which has already delivered significant savings, continued during the year and a €22 million exceptional item has been charged to the accounts in respect of it.

Operating costs were lower in 2012 than in 2008, despite the fact that we now operate a much larger facility at Dublin Airport. Payroll and related costs declined very marginally during the year to €157 million.

Notwithstanding the increase in EBITDA achieved during 2012, we will continue to focus on cost reduction. Our core Irish airport operations continue to be loss-making, which is unsustainable over the medium term. A restructuring programme at Cork Airport, which comprises a voluntary severance scheme and other payroll saving measures, is currently underway. We are also continuing to seek out further efficiencies in specific areas at Dublin Airport and across the wider Group.

Security Audit

During the year, an EU audit of security processes at Dublin Airport regrettably identified two issues that required remediation. Such audits occur regularly at European airports.

The issues raised by the EU auditors, which resulted in an Article 15 notice being issued, were taken extremely seriously by the Group, which reviewed all of its security processes in light of their findings and worked closely with senior officials in the Department of Transport in relation to this issue.

One of the issues flagged by the auditors was rectified immediately, while the other matter was resolved within a month. Neither issue related to the screening of passengers or their luggage at Dublin Airport.

New policies and structures have since been introduced to further enhance the Group's overall security processes and procedures.

Cork And Shannon Airports

On May 9, 2012, the Irish Government announced plans to position Shannon Airport within a new State-owned entity, together with parts of Shannon Development. The Government also decided that Cork Airport would remain within DAA.

This decision followed the publication of a consultants' report on the future ownership options for Cork and Shannon airports, which had been commissioned by the Minister for Transport, Tourism and Sport, Leo Varadkar TD.

In accordance with its legislative mandate under the State Airports Act 2004, DAA worked closely with the Government and its various agencies to implement the decision that was taken to separate Shannon. Shannon Airport's business, related assets and liabilities were transferred to Shannon Airport Authority on December 31 through a dividend in specie of €105.5 million and Shannon Airport is no longer part of the Group.

Airline Consolidation

In July 2012, the Group's second largest customer Ryanair launched a third bid to buy Aer Lingus, which is the Group's largest customer. Post year-end, the European Commission blocked the proposed takeover citing competition concerns. Ryanair has indicated that it plans to appeal the ruling.

ARI

The Group's overseas businesses, which are held in the main through Aer Rianta International (ARI), had another good year, generating profits of €27.4 million during 2012. ARI's outturn was lower than in 2011, however the profit level in 2011 was boosted by a number of one-off factors.

ARI continued its focus on its existing businesses in the Middle East, and in India, where its Delhi Duty Free operation has exceeded the expectations of both ARI and its local partner. ARI opened its first outlets in China during the year and post year-end was selected as preferred bidder to operate the main duty free concession at Mumbai Airport's new Terminal 2 facility.

Düsseldorf Airport, in which ARI holds a 20% stake, had a solid performance in 2012 with passenger numbers increasing by 2% to a record 20.8 million.

consult | daa

The Group has also established a new business known as consult|daa to provide airport consulting services internationally, leveraging the knowledge base and skills honed during the recent investment programme at Dublin Airport. This capital programme included the delivery of a new passenger terminal, two new boarding gate piers, new aircraft parking stands and taxiways, and other infrastructure.

consult|daa has already successfully designed and delivered passenger lounges for Aer Lingus in London Heathrow Airport and Boston Logan Airport, and post year-end the company was retained by Aer Lingus to work on its planned move to Terminal 2 in Heathrow.

consult|daa has also been selected by Heathrow Airport as one of a number of firms to potentially provide operational readiness programmes at the airport and has carried out airport safety audits and safety training in Europe, India and Australia, having been nominated by Airports Council International (ACI).

Funding

Although State-owned, the Group is funded exclusively through its own resources and borrowings and receives no income from the Exchequer. The Group's net debt level increased following the completion of a major capital programme at the three Irish airports, but has, in accordance with our plans, been reduced over the past two years.

Net debt was reduced by 8% to just under €675 million during the year. Our liquidity remains strong and based on current expectations, the facilities in place will secure DAA's funding requirements until 2018. About 85% of the Group's borrowings are due to mature in more than five years.

Pensions

The Group continues to seek a resolution to the ongoing issues related to the IAS scheme and engaged in a series of negotiations under the auspices of the Labour Relations Commission during the year and more recently with the Labour Court.

The scheme is a multi-employer one and the Group's current and former employees represent less than one-third of the total membership of the IAS scheme. The scheme also includes past and present employees of Aer Lingus, Shannon Airport Authority and former SR Technics employees.

The talks involve the Group and its staff representatives as well as Aer Lingus and representatives of its trades unions and the scheme's trustees. At the time of writing, those negotiations were ongoing. Further information in relation to the IAS scheme is set out in Note 23 to the Financial Statements.

Acknowledgements

On behalf of the Board, I would like to thank Oliver Cussen, who held the role of Interim Chief Executive for most of 2012, for his excellent leadership of the business during a time of change. Post year-end, Kevin Toland took up the position of DAA Chief Executive and I would like to welcome him to the Group.

Three directors retired from the Board during the year - Michael Lenane resigned from the Group in October, Gerard Collins' term of office ended in November, and Thomas Guilfoyle ceased to be a director following the separation of Shannon Airport on December 31. I would like to thank each of them for their hard work, contributions and insights during recent years.

I would also like to express my appreciation to the staff and management of DAA for their continued dedication and focus on our customers and on our key goals. I would also like to thank our former employees at Shannon Airport for their many years of loyal service to the Group.

On behalf of the Board, I would like to thank the Minister for Transport, Tourism and Sport Leo Varadkar TD, the Department's Secretary General Tom O'Mahony, and their colleagues for their support and guidance during the year. I would also like to express the Board's appreciation to our shareholder, the Minister for Public Enterprise and Reform, Brendan Howlin TD, the Department's Secretary General Robert Watt, and their colleagues in the Department.

In conclusion, on behalf of the Group and all my colleagues at DAA, I would like to thank all of our airline customers and our passengers during the year. We appreciate your business and look forward to continuing to serve you in the years ahead.

Pádraig Ó Ríordáin, Chairman
22 March 2013

Operational Review

Dublin Airport

Passenger numbers at Dublin Airport increased by 2% last year to 19.1 million. This was the second successive year of growth at Dublin Airport, which is Ireland's premier international gateway.

Long-haul traffic increased by 16% and was the best performing sector of the market last year. The growth in long-haul was underpinned by additional capacity to the Middle East and an improved performance from the North American market.

Passenger traffic to continental Europe increased by 2% to just over 10 million. Traffic between Ireland and Britain declined by 1% to just under 6.9 million. Within the British market, traffic to London was flat at 3.7 million passengers, while numbers travelling between Ireland and provincial British cities declined during the year. Dublin-London remains Europe's biggest international city pair, and the world's fifth biggest.

Transatlantic traffic was up 5% as more than 1.6 million passengers travelled on direct services between Dublin and North America. Other international traffic, which mainly comprised routes to North Africa and the Middle East, increased by 84% to 478,000 due to new services and additional capacity.

Domestic traffic continued to decline at Dublin and is now negligible as a market sector. The number of passengers taking domestic flights fell by 50% to a mere 61,000 during 2012.

In total, 25 airlines grew their passenger numbers at Dublin Airport during 2012, which resulted in DAA paying a €1.5 million rebate in airport charges to the airlines in question. The rebate was paid under the Growth Incentive Scheme, which is designed to reward growth by both existing and new carriers. The airlines that grew passenger traffic at Dublin Airport in 2012 included; Aer Lingus, Aer Lingus Regional, Air Canada, American Airlines, Etihad, Lufthansa, SAS and Turkish Airlines.

Fifty five airlines operated routes to 169 destinations from Dublin last year and 98% of passengers travelled on scheduled flights, as the long-term decline of the charter market continued. A total of 31 scheduled airlines at Dublin operated routes to 150 destinations, underlying the strong position of scheduled carriers at the airport.

Fifteen new services were launched at Dublin during the year, including two new long-haul routes. Emirates commenced daily services from Dublin to Dubai in early January and the route has been hailed as one of the airline's most successful ever launches. Within a month of launch, Emirates announced a 52% increase in capacity as it indicated that to satisfy demand, a larger Boeing 777 aircraft would operate the daily flight between Dublin and Dubai.

In June, United began a new daily Dublin-Washington DC service re-establishing a direct link between the two capital cities.

Aer Lingus, Air Moldova, Lufthansa and Ryanair launched a combined total of 13 new short-haul services from Dublin last year, serving destinations such as Düsseldorf, Stockholm, Verona and Warsaw.

The quality of the restaurants and bars in Terminal 2 helped Dublin Airport to win a major international food and beverage award during the year and Dublin also won an award for the world's best airport Twitter account.

Cork Airport

A total of 2.3 million passengers used Cork Airport last year, which was a 1% decline on the previous 12 months.

The decline in passenger numbers at Cork was due solely to the impact of the continued reduction of domestic traffic at the airport, as international traffic increased by 1% during 2012.

Europe was the star performer for Cork, as passenger numbers on services to continental Europe increased by 5% to almost 1.2 million during the year. Traffic to Britain declined by 3% to 1.1 million, while the number of people taking domestic flights declined by 88% to just 5,000 passengers.

Sixteen airlines operated services to 52 destinations from Cork during 2012. Cork had 44 scheduled routes, operated by five separate scheduled carriers.

Ryanair launched eight new services from Cork, with flights to Polish cities such as Warsaw and Gdansk, as well as to Girona, Pisa and Vilnius. Aer Lingus introduced a new Cork-Brussels service in March.

LILIBETH HORNE, HEAD OF RETAIL, CORK AIRPORT

Shannon Airport

Passenger numbers at Shannon Airport declined by 14% to 1.4 million last year. The main reason for the large decline in passenger numbers was a significant reduction in the amount of military transit traffic at the airport.

Terminal traffic – that is passengers who started or ended their journey at Shannon – declined by 6% last year to 1.3 million.

Traffic to Britain, which was Shannon Airport's largest market last year, declined by 2% to 736,000. Transatlantic traffic fell by 10% to 288,000, while traffic from Shannon to continental Europe was down 12% to 236,000.

Shannon's transit business declined by 53% to 133,000 last year. The fall came after one of the main companies that routes military transits through Shannon lost part of the business following a tender process.

Nineteen airlines operated services to 33 destinations from Shannon during 2012. There were seven scheduled airlines operating 19 routes.

There was some more positive news for passenger numbers at Shannon during the year, as DAA secured agreement from United Airlines to launch a new Shannon-Chicago service and from US Airways to resume its Shannon-Philadelphia route after a four year gap. Both of these additional long-haul services are scheduled to begin in the summer of 2013.

During the year under review, the Minister for Transport, Tourism and Sport decided that Shannon should separate from DAA in accordance with the State Airports Act 2004. That separation was completed at year end and Shannon Airport is now a separate State-owned company.

Commercial

The Group's car parking business delivered an improved performance during 2012, despite the continued sluggish economic environment.

The enhanced performance was achieved with a series of focused marketing campaigns offering both competitive prices and improved choice through a larger range of online car park products.

Separate commercial agreements were concluded during the year with both Aer Lingus and Ryanair whereby passengers booking flights from Dublin Airport with either airline are now automatically offered the chance to buy parking at a DAA car park within the airline ticket booking flow. Dublin Airport is the first airport in Europe to sell its car parking in this manner via airline websites as well as through its own direct online channel.

During the year, the Group agreed commercial terms with Aer Lingus for the airline to lease the former personnel and catering building at Dublin Airport. DAA is currently refurbishing the property which Aer Lingus intends to use for offices. The building occupies a landmark location on the approach to the passenger terminals and its planned upgrade will also enhance the overall airport campus.

Irish owned petrol retailer Topaz won a tender to operate the Dublin Airport service station last year and is in the process of delivering a major upgrade to the facility. Separately, subject to planning approval, McDonalds intends to construct and operate a new quick service restaurant on a site adjacent to the new Topaz service station. These developments will provide an enhanced offer for customers and also an improved property revenue stream for the Group.

ARI

Aer Rianta International (ARI) is a wholly-owned subsidiary of DAA that operates airport retail operations in Ireland and 11 other countries throughout Asia, the Middle East, Europe and North America. DAA's minority shareholding in Düsseldorf Airport in Germany is also held within ARI.

ARI delivered another very solid trading performance during 2012, despite continued challenging conditions in some of its core markets, including Ireland.

The company's operations outside Ireland made profits of €27.4 million last year compared to €31.8 million in 2011 when certain one-off factors, such as the disposal of its shareholding in three Russian businesses, boosted its financial performance. ARI's sales at overseas locations increased by 5% during the year.

ARI's joint venture interests across the Middle East performed strongly overall in 2012, despite the impact of ongoing political uncertainty in parts of the region on both passenger traffic and spending.

The company's joint venture at Delhi International Airport in India continued to exceed expectations. Delhi Duty Free Services, where ARI is the lead operator, commenced trading in mid-2010. The Indian business generated sales in excess of $100 million last year and delivered operating profits and growth targets ahead of forecasts.

India is one of the fastest-growing markets in the world for air travel and airport retail services and has been identified by ARI's most recent strategic review as one of the company's key targets for focused regional growth.

In this context, the company is pleased that a joint venture which includes ARI has been selected by Mumbai International Airport Ltd. (MIAL) as the preferred candidate to operate the core duty free concession at Mumbai Chhatrapati Shivaji International Airport's new Terminal 2. The new terminal is scheduled to open in late 2013.

ARI and its Indian partner, Buddy Retail, are working closely with MIAL to deliver a retail proposition at Mumbai that will meet the expectations of all those who travel through this dynamic gateway to the Indian sub-continent.

ARI commenced trading in another key Asian market in 2012, when it opened duty paid shops at Kunming Changshui International Airport in south-west China. These stores provide an opportunity to learn directly about the retail preferences and expectations of passengers on internal flights within China and ARI continues to work with Kunming Airport, and our suppliers, to ensure we service this market successfully and can successfully build on our existing presence in the Chinese market.

ARI's operations in Canada and Barbados had a solid trading year, with sales in Canada modestly ahead of the record C$50 million figure achieved in 2011. ARI North America is planning significant investment during 2013 in its international stores in Montreal, while the company's concession contract in Ottawa has been extended for three years.

ARI continues to keep its exposure to certain markets under review. In this context, the company's trading performance at Kiev Boryspil Airport in the Ukraine remained very robust despite the ongoing migration of passengers between various terminals at the airport. In Russia, ARI now operates supply-only contracts to outlets that it previously operated directly in Moscow and St Petersburg.

At home, ARI Ireland performed well given the context of a further deterioration in the general retail environment during 2012. The positive trend, which was more marked towards the latter part of the year, was underpinned by higher passenger numbers generally, and by particularly strong transatlantic traffic and the launch of new services to the Middle East.

Sales at ARI's own-operated shops rose by an average of 1% across Dublin, Shannon and Cork airports in 2012. The average spend per passenger also increased by almost 1%.

This average performance was impacted negatively by the outturn at Shannon Airport, where significantly reduced numbers of military transit passengers affected trading in particular.

Total retail sales at the Irish airports, including retail, and food and beverage sales by concessionaires, amounted to €221 million, a modest decline on the previous year.

ARI Ireland's constant focus on service quality, innovation and understanding our customers to offer the products, promotions and value they want continues to be reflected in overall satisfaction with shopping facilities at our airports. Dublin Airport, for example, has maintained its rating as one of the top five airports in Europe for retail facilities, in independent surveys carried out by the global airports organisation ACI.

ARI Ireland is pleased that its performance has also been recognised by its peers in Ireland. ARI Ireland's branded airport concept, The Loop, was the recipient of three major awards by Retail Excellence Ireland last autumn. The Loop itself won two of these accolades as National Company of the Year and Industry Leader of the Year. The Irish Whiskey Collection meanwhile was crowned as Retail Store of the Year in the category of stores under 1,000 sq ft.

Internationally, for the second year in a row, The Loop was shortlisted at the Cannes Frontier Awards in the Best Airport Retailer category.

In what remains a challenging retail and aviation environment, the innovative retail services developed by ARI Ireland continued to generate a very positive customer response.

KEITH ANDREUCETTI, PASSENGER SERVICES, DUBLIN AIRPORT

Shop & Collect, the convenient service that enables passengers to purchase their goods on their outbound journey for collection on their return, saw sales rise by an impressive 26% during 2012. This service currently represents 6% of overall turnover.

The award-winning Irish Whiskey Collection, which was formally launched at Cork and Shannon airports during the year, supported a further 8% increase in Irish whiskey sales during 2012. ARI's own brand of bottled water, Plane Water was introduced very successfully in early 2012 and an extension of the concept to other product categories is currently under evaluation.

In the increasingly significant online sphere theloop.ie was formally launched in September. The site, which currently showcases more than 4,000 separate product categories, offers the largest available for purchase selection of any airport retail website in Europe.

Sustainability

DAA is committed to being a sustainable business by minimising the Group's impact on the environment and on our immediate neighbours, while at the same time contributing to Ireland's economic growth through the prudent management and development of our airport assets, which are a key element of national infrastructure.

DAA will continue to make a positive contribution to the communities in which it operates and to Irish society in general through its sponsorships, community-based activities and significant charitable donations through the efforts of its staff.

We are committed to continuing to reduce the carbon footprint at our airports and to also lower our water consumption. During the year, Shannon Airport joined Dublin and Cork airports in being recognised for its reduction in greenhouse gas emissions under a European-wide scheme. All three airports are part of the Airport Carbon Accreditation programme, and each has been formally accepted under Level 2 of the scheme, which records and rewards reductions in overall carbon emissions.

DAA will now focus on further reducing its CO2 output at Dublin and Cork airports and will continue to work to help influence other businesses based at the two airports to lower their greenhouse gas emissions.

As part of its commitment to sustainability, during the year the Group purchased nine electric mini-vans in 2012 for use at Dublin and Cork airports. By opting for electric vehicles, DAA will save more than 200,000kg in CO2 over the lifetime of the vans, which is equivalent to planting more than 6,000 new trees. Five charging points for electric vehicles were also installed in the public car parks at Dublin Airport last year.

Sustainability is embedded within the Group's procurement function to ensure that life cycle costs and potential environmental impacts are considered when purchasing decisions are being made.

Through a network of national and local sponsorships and community-based activities, which it supports, DAA is an active and responsible member of the communities in which it operates.

A Charity of the Year scheme operates at DAA and Irish-based staff at the Group raised €250,000 last year for the children's charity Barretstown. The collective efforts of staff, who organise a myriad of sponsored events each year to generate funds, have raised more than €1 million for charitable causes over the past six years.

Dublin Airport is also a founding member of the Green Way – a group comprising Dublin-based industry, academic institutions and State bodies which is working in partnership to create an international Cleantech cluster in the region.

THE LOOP
The Future of Airport Shopping
Dublin Cork Shannon
www.theloop.ie

CRAIG SWEETMAN, AIRPORT POLICE / FIRE SERVICE, DUBLIN AIRPORT

POLICE
AIRPORT
POLICE

SYLVANNA DENNEHY, AIRPORT SEARCH UNIT, CORK AIRPORT

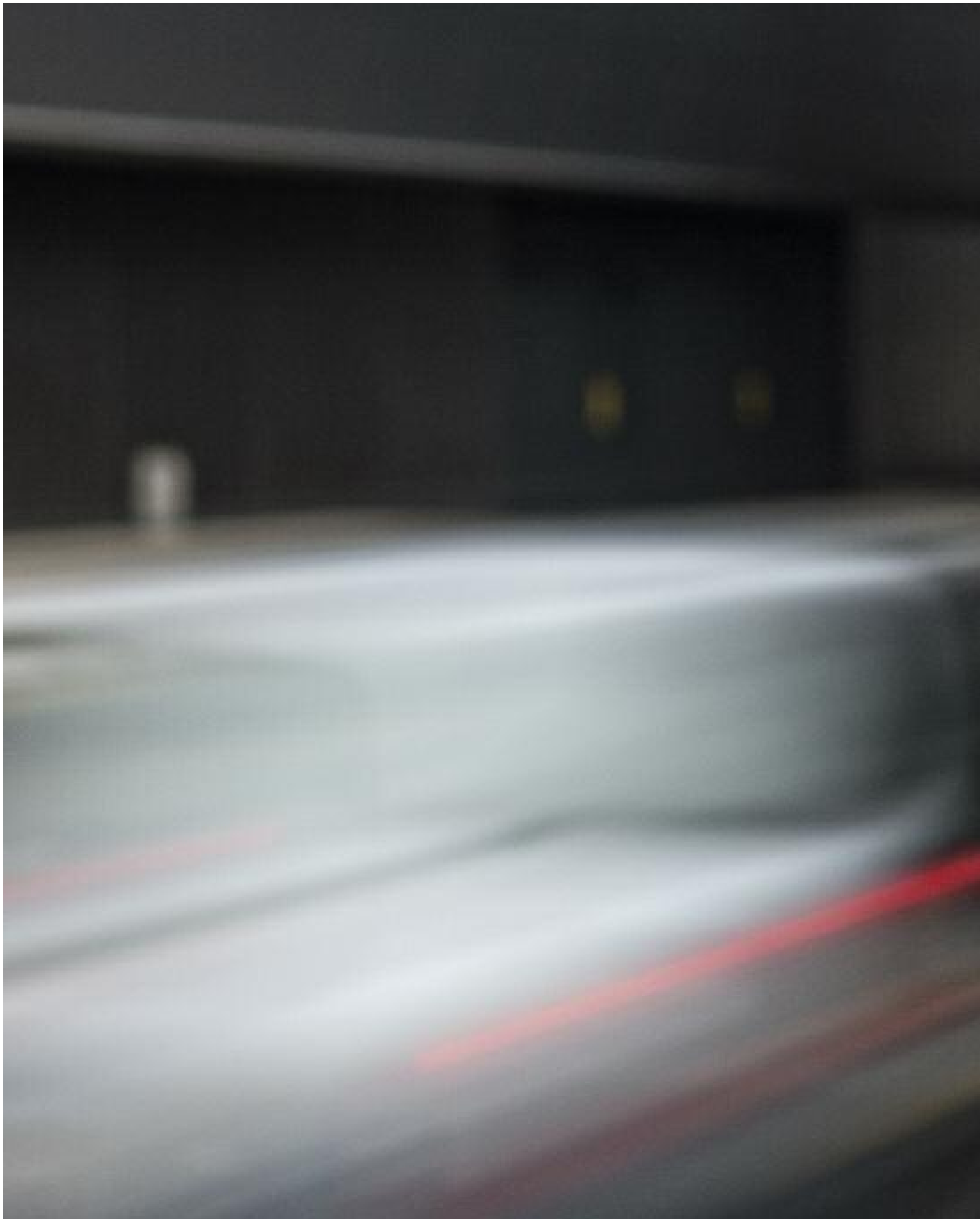
RUTH THEWLIS, HEAD OF PROTOCOL / VIP, DUBLIN AIRPORT

ADRIAN KEVANE, DUTY MANAGER, CORK AIRPORT

AIRPORT
& RESCUE
39

ROZ O'NEILL, AIRPORT FIRE SERVICE, DUBLIN AIRPORT

BARBARA McNALLY, RETAIL SALES ASSISTANT, DUBLIN AIRPORT



BERNARD DARCY, GARDENING SECTION, DUBLIN AIRPORT

2012 Financial Review

Group Financial Highlights	2012	2011	2010
Passengers			
Total ('000)	22,835	22,728	22,612
Growth (%)	*0.5%*	*0.5%*	*-13.3%*
Profitability (€'m)			
Turnover	575	557	558
Growth (%)	*3%*	*0%*	*2%*
Group EBITDA[1]	167	160	147
Growth (%)	*4%*	*9%*	*17%*
Group profit excluding exceptionals	43	26	33
Group profit for the year	19	30	33
Cash Flow (€'m)			
Cash flow from operating activities	136	153	117
Cash flow before financing / liquid resources	59	25	(148)
Balance Sheet (€'m)			
Gross assets[2]	2,434	2,564	2,612
Shareholders' funds	952	1,044	1,012
Gross debt	1,174	1,188	1,242
Cash	499	453	477
Net debt	675	735	765
Capital Expenditure (€'m)			
Capital expenditure additions	34	86	243
Key Ratios			
Group EBITDA: Net interest charge[3]	3.5x	3.1x	5.0x
Net debt: Group EBITDA	4.0x	4.6x	5.2x
Group EBITDA: Turnover	29%	29%	26%
Return on average equity[4]	4%	3%	3%

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 €19 million (post-tax), compared with a profit of €30 million in 2011. When the exceptional loss (net of tax) of €24 million (2011: exceptional profit €4 million) are excluded Group profit for the year was €43 million (2011: €26 million). Group EBITDA for the year increased by €7 million (4%) to €167 million. This reflected an increase in gross profit contribution of €15 million associated with an increase in aeronautical and other turnover offset by operating cost increases (payroll and non payroll) of €8 million.

Passenger volume and growth

Passenger numbers at the three airports were 22.8 million, an increase of 0.5%. Passenger numbers at Dublin Airport were 19.1 million, an increase of 2%. At Shannon Airport passenger numbers declined to 1.4 million, a decrease of 14%. Passenger numbers at Cork Airport were 2.3 million, a decrease of 1%.

Turnover

Group turnover was €575 million, an increase of €18 million (3%) on the previous year. Turnover from aeronautical activities increased by €9 million (4%) to €234 million. Some €341 million of turnover came from retail and other commercial activities both overseas and at the three airports, an increase of €9 million (3%) on 2011.

Operating costs

Total Group operating costs (excluding cost of sales, depreciation, amortisation, impairment and exceptional items) increased by €8 million (3%) to €283 million. Group payroll costs decreased by €2 million (1%) and Group non-payroll costs increased by €10 million (8%).

Exceptional items

Exceptional items are set out in Note 5 and include a provision of €22 million in respect of a cost recovery programme ("CRP") and a provision for restructuring costs of €5 million. Total net exceptional loss after tax was €24 million in 2012 (2011: net exceptional profit €4 million).

Depreciation, amortisation and impairment

Depreciation, amortisation and impairment costs increased by €4 million to €107 million.

Associates and joint ventures

Group share of operating profits (before interest and taxation) from associates and joint ventures increased by €17 million to €53 million which includes €13.7 million relating to a credit on disposal of the Group's 50% shareholding in a joint venture undertaking, Turckton Developments Limited.

Interest

Group net interest expense (excluding associates and joint ventures) for 2012 was €48 million (2011: €52 million). Interest capitalised amounted to €0.4 million (2011: €0.5 million). The Group's share of net interest cost from associates and joint ventures was €8 million (2011: €5 million).

Taxation

The Group taxation charge decreased by €0.3 million to €7 million. Excluding exceptional items, the effective tax rate was 17% (2011: 20%) reflecting that, in particular, higher tax rates apply to the Group's international operations relative to its Irish activities.

Cash flow and funding

Net cash inflow from operating activities was €136 million (2011: €153 million). At the end of 2012, the Group had net debt of €675 million compared to €735 million in 2011. Cash was €499 million at year-end (2011: €453 million).

Group interest cover was 3.5 times (2011: 3.1 times) based on Group EBITDA divided by the Group net interest charge.

Balance sheet

Shareholders' funds decreased to €952 million (2011: €1,044 million). Pursuant to the Government decision announced on 3 December 2012, Shannon Airport was separated from DAA on 31 December 2012. In accordance with the State Airports Act 2004, a distribution of €105.5 million was made. See Note 1 in the financial statements.

Gross assets were €2.4 billion (2011: €2.6 billion). Fixed and financial assets were €1.9 billion (2011: €2.0 billion).

Company accumulated profit and loss account, the basis for determining Company distributable reserves, decreased by €125 million to €510 million at 31 December 2012.

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. Some 85% of the Group's borrowings at the end of 2012 were due to mature in more than five years. Undrawn committed facilities were €150 million at the year-end. At the year-end the Group had capital commitments (both contracted and uncontracted) of €35 million. Liquidity at the same date was €649 million, comprising cash of €499 million and undrawn committed borrowing facilities of €150 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 2012, 78% of the Group's debt was denominated as fixed interest debt, thus minimising exposure to interest rate fluctuations. This includes listed debt through an eurobond issue and long-term loans from the European Investment Bank. During 2012, the weighted average interest rate applicable to the Group's borrowings was 4.8% down from 5.0% in 2011. The Group's policy is to maintain a minimum fixed ratio of 70% on existing debt.

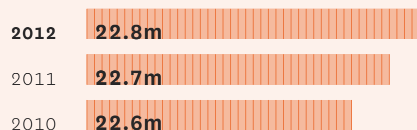
Foreign exchange risk management

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 29. The Group does not carry foreign currency exposures other than in the normal course of business.

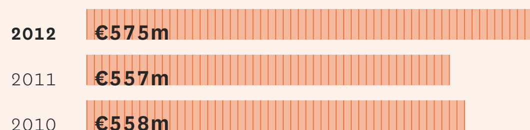
Credit risk

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.

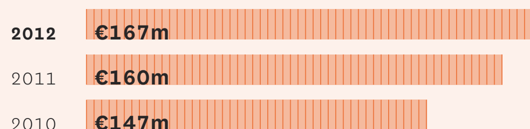
Total Passenger Numbers



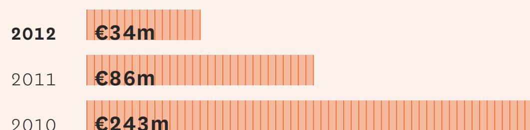
Group Turnover



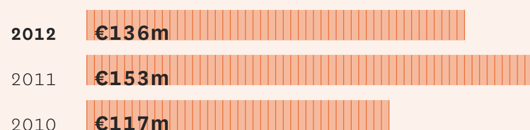
Group EBITDA



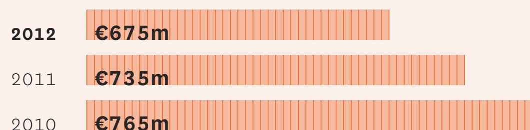
Fixed Asset Additions



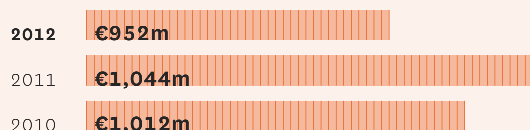
Cashflow from Operating Activities



Group Net Debt



Shareholders' Funds



Reports and Consolidated Financial Statements

2012

49	Report of the directors
58	Statement of directors' responsibilities
59	Independent auditor's report
60	Statement of accounting policies
63	Group profit and loss account
64	Group statement of total recognised gains and losses
64	Reconciliation of movement in shareholders' funds
65	Group balance sheet
66	Company balance sheet
67	Group cash flow statement
68	Notes on and forming part of the financial statements
96	Five-year summaries

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 2012.

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 2012 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 Operational Review and the 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 €19.4 million compared with a profit of €30.2 million for 2011, summarised as follows:

	2012	2011
	€ million	€ million
Group operating profit	**59.7**	57.7
Share of operating profit of associates and joint ventures	**53.0**	36.0
Exceptional items[1] – cost recovery programme and other	**(27.1)**	(1.5)
Group profit before interest and taxation	**85.6**	92.2
Interest (net)[2] – Group, associates and joint ventures	**(55.5)**	(56.2)
Exceptional item[1] – profit on repurchase of loan notes	**–**	5.0
Group profit before taxation	**30.1**	41.0
Tax – Group, associates and joint ventures	**(6.5)**	(6.8)
Group profit after taxation	**23.6**	34.2
Minority interest	**(4.2)**	(4.0)
Group profit for the financial year	**19.4**	30.2

1. See Note 5 to the financial statements
2. Includes income from other financial assets

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

Pursuant to the State Airports Act 2004 (the "2004 Act" – see below), a dividend in specie of €105.5 million was effected on 31 December 2012 by the transfer by the Group of the Shannon Airport business, related assets, liabilities, and certain of its employees to Shannon Airport Authority plc ("SAA").

State Airports Act 2004 and Separation of Cork and Shannon Airports

In 2003, the Government announced its intention to restructure the Company, the necessary legislative basis for which is set out in the 2004 Act, pursuant to which it was proposed that the Group would cease to own Shannon and Cork airports (the "Restructuring").

In 2012, pursuant to the 2004 Act, the Government decided that:

— Shannon Airport was to be separated from the Group;
— The existing ownership of Cork Airport by the Group will be maintained for the present; and
— The Company will be renamed to reflect the fact that there are now two airports and international businesses in the group structure.

The Shannon Airport business was transferred to SAA, a separate State-owned entity with effect from 31 December 2012. Further details are set out in Note 1 to the financial statements.

Corporate Governance

The directors are committed to maintaining high standards of corporate governance. Dublin Airport Authority plc complies with the Code of Practice for the Governance of State Bodies 2009 (the "Code of Practice") which sets out the principles of corporate governance which the boards of State bodies are required to observe. The text of this Code is available on the Irish Government website www.gov.ie. In addition, set out below are details of how the relevant principles of good governance contained in the UK Corporate Governance Code 2010 (the "UK Code") available on www.frc.org.uk, and the Irish Corporate Governance Annex, published by the Irish Stock Exchange (the "ISE Annex"), available on www.ise.ie, are voluntarily applied by the Group.

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 budget, treasury policy, acquisitions, disposals, and investments in joint ventures, major capital expenditure, property transactions and material contracts. Other matters reserved for the Board include the oversight of the system of risk management and internal control and the appointment of the Chief Executive. Certain other matters are specifically delegated to board committees as set out in the section on Board Committees. 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 and ensures that directors receive accurate, timely and clear information and manages effective communication with the Shareholder.

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 enables 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 2004 Act. 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 Chief Executive shall be *ex officio* a director of the Company;
— The role of the Chairman and Chief Executive is 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.

Government policy is to have at least 40% of each gender on all State boards. In December 2012, the Government took steps to put in place a programme to ensure that targeted level of female representation on boards is achieved. These steps include setting up a talent bank of women suitable for appointment to State boards and monitoring progress in achieving gender balance across all government departments.

The terms of office of a number of directors expired towards the end of 2011 and the vacancies created by these retirements were filled during 2012, together with a number of other vacancies arising during the year. There are eleven directors serving on the Board as of the date of approval of the financial statements. The changes in the composition of the Board during 2012 are set out below:

Date	Appointment	Retirement
19 January 2012	Mr Pádráig Ó Ríordáin	—
3 February 2012	Mr John Lynch	—
	Mr Colm McCarthy	—
	Mr Gerry Walsh (re-appointed)	—
4 April 2012	—	Mr Declan Collier (Chief Executive)
5 April 2012	Mr Oliver Cussen (Interim Chief Executive)	—
2 July 2012	Mr Niall Greene	—
	Ms Patricia King	—
	Mr Paul Schütz	—
19 October 2012	—	Mr Michael Lenane
6 November 2012	—	Mr Gerard Collins
31 December 2012	—	Mr Oliver Cussen
	—	Mr Tommy Guilfoyle

Mr Declan Collier (former Chief Executive), Mr Michael Lenane and Mr Tommy Guilfoyle (both Elected Directors) retired from the Board consequent on them ceasing to be employees of the Company. Mr Gerard Collins' term of office expired on 6 November 2012. Mr Oliver Cussen retired as a director consequent on him ceasing to be Interim Chief Executive. Since the year-end, Mr Kevin Toland (Chief Executive) and Mr Conor Swords have been appointed to the Board with effect from 1 January 2013.

In late 2011, the Senior Independent Director retired from the Board, following the expiry of his term of office. Given the changes to Board membership during 2012 a replacement was not appointed to this role until 22 March 2013 when Mr Gerry Walsh was appointed a Senior Independent Director.

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 areas of aviation, finance, economics, business 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.

A significant number of Board changes took place during 2012 resulting in the appointment of directors with new skills and experience. 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 year or the preceding financial year.

The Board considers that all directors are independent in character and judgement. As required by the UK Code and the ISE Annex, the Board has completed an evaluation of the independence of its members using the independence criteria as set out in the UK Code. Having regard to the criteria as set out in the UK Code, the Board considers that the Chief Executive and the four Elected Directors all of whom have contracts of employment with the Company, cannot for that reason be considered as independent for the purposes of the UK Code.

On occasion, members of the Board may also hold directorships or executive positions or have interests in third party companies including trade union organisations, banks and financial institutions, certain of which are under ownership, control or significant influence from the Irish Government, 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 31 (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 Ó Ríordáin, is a partner in Arthur Cox, a law firm which provides legal services to the Group. However, as Mr Ó Ríordáin has no involvement in either the procurement by the Group of such services or the provision of legal services to the Group, his partnership of the firm is not considered to compromise his independence. In addition, Mr Ó Ríordáin's partnership in Arthur Cox was disclosed to and considered by both the Shareholder and the Joint Oireachtas Committee on the Environment, Transport, Culture and the Gaeltacht during his appearance before that committee in accordance with Government policy, prior to his appointment.

Ms Patricia King is Vice President of the Services Industrial Professional and Technical Union ("SIPTU"), the largest union representing DAA staff. As Ms King is not directly involved in negotiating with the Company on behalf of DAA staff, she is considered to be independent for the purposes of the UK Code.

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

Company Secretary and Access to Professional Advice

The Company Secretary is appointed by the Board. Mr Oliver Cussen resigned as Company Secretary on 5 April 2012 and was replaced by Ms Marion O'Brien. 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 advisors 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.

Meetings

Regular meetings of the Board are held throughout the year.

The Board met formally twelve times during 2012. 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 year ended 31 December 2012

Director	Board	Audit	Health, Safety, Security & Environment	Nomination & Remuneration	Pensions
Mr Pádraig Ó Ríordáin	12/12	—	—	5/5	4/4
Mr Oliver Cussen	10/10	—	—	—	—
Mr Declan Collier	02/02	—	—	—	—
Mr Gerard Collins	08/10	4/4	3/4	—	—
Mr Niall Greene	07/07	—	—	—	4/4
Mr Thomas Guilfoyle	12/12	—	—	—	—
Ms Patricia King	07/07	—	—	—	—
Mr Michael Lenane	10/10	—	—	—	—
Mr John Lynch	10/12	—	—	—	—
Ms Mary McCabe	12/12	—	4/5	—	—
Mr Colm McCarthy	10/12	5/5	—	—	—
Mr Barry Nevin	12/12	—	5/5	—	—
Mr Paul Schütz	07/07	1/1	—	—	—
Mr Gerry Walsh	11/12	5/5	—	5/5	4/4

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.

In line with the requirements of the UK Code, it is Board policy that the Chairman holds meetings with directors without executives present and directors had an opportunity to meet without any executives present on a number of occasions during 2012. In addition, the Chairman met with all directors individually during 2012. Following his appointment as Senior Independent Director in March 2013, Mr Gerry Walsh met directors without the Chairman present.

Performance Evaluation

The Board completed a formal evaluation of its performance and that of the Audit Committee in respect of 2012. These reviews were conducted by way of online confidential surveys with the majority of directors participating in the process. The Board evaluation survey sought directors' views on areas of leadership, accountability, effectiveness, relations with Shareholder, meetings and services to the Board, and the performance of the Chairman. The objective of the evaluation was to ascertain from directors how they perceived the Board was performing, to identify aspects of the Board's performance that were working well and those areas where improvements could be made to enhance the overall effectiveness of the Board's performance. Overall, there was a very high level of satisfaction with the operation of the Board. A report on the outcome was shared with the Board and recommendations acted upon.

The Board does not conduct a formal review of the individual performance of directors but the Chairman does communicate with directors individually during the year.

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. 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.

Details of the work of the Audit Committee, the Nomination & Remuneration Committee, the Health, Safety, Security & Environment Committee (formerly the Health, Safety, Security & Customer Service Committee) and the Pensions 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 2012* – left.

Terms of reference for each of 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). Mr Gerard Collins' term of office expired in November 2012. The Board is satisfied that the Audit Committee had membership which incorporated recent and relevant financial experience for the purposes of paragraph C.3.1 of the UK Code.

The Audit Committee met five times in 2012.

During the course of the 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 private line of communication with the chairman of the Audit Committee. His executive reporting line is to the Deputy Chief Executive 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 Chief Executive, Deputy Chief Executive, Group Chief Financial Officer, Director of Corporate Services (responsible for the risk management function), 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
- Review 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 Chief Executive, 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.

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 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 reviewed and recommended to the Board for approval certain risk tolerance levels. 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 and significant changes in the business and external environment which affect the existing risk register.

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 ("whistle blowing") 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 tendered for external audit services in 2012, following which the committee made a recommendation to the Board regarding the appointment of Deloitte & Touche in respect of the audit of the 2012 consolidated financial statements.

Audit Committee Evaluation and Reporting

The Audit Committee conducted a self-evaluation of its terms of reference, composition, procedures, contribution and effectiveness, ensuring that it is satisfied as to its effective operation and compliance with all applicable legal and regulatory requirements. The committee was satisfied that it understands and fulfils its obligations, with the commitment and contribution of members and with its effectiveness. The committee continued its practice of periodically reviewing the terms of reference of the Audit Committee, with changes being recommended to the Board for approval.

The report of the chairman of the committee was a standing item at each scheduled Board meeting, whereby significant issues considered by the committee are reported to and considered by the Board.

Nomination & Remuneration Committee

The Nomination & Remuneration Committee comprised of Mr Pádraig Ó Ríordáin (chairman) and Mr Gerry Walsh, who were both appointed to this committee in 2012. The principal task of this committee in 2012 was the selection and appointment of a new Chief Executive. There were five meetings of the committee during the year.

The committee's other principal responsibilities are to determine, on behalf of the Board, the remuneration and other terms and conditions of employment of the Chief Executive, 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.

Health, Safety, Security & Environment Committee

In 2012, the Health, Safety, Security & Environment Committee (as renamed) comprised of Mr Gerard Collins until November 2012, Mr Tommy Guilfoyle until December 2012, Ms Mary McCabe and Mr Barry Nevin (interim chairman to November 2012). Mr Niall Greene was appointed to the committee as chairman in December 2012. The year in which the members were appointed are set out below.

Mr Niall Greene (2012)	Mr Barry Nevin (2005)	Ms Mary McCabe (2010)

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.

Pensions Committee

In September 2012, the Pensions Committee was established comprising Mr Pádraig Ó Ríordáin (chairman), Mr Niall Greene and Mr Gerry Walsh. There were four meetings held in 2012. The committee is responsible for dealing with matters relating to the funding of the Company's pension arrangements, in the context of discussions taking place with trade unions and employee representatives on these issues.

Directors' Remuneration

Fees for directors are determined by the Shareholder, with the consent of the Principal Shareholder. The remuneration of the Chief Executive is determined in accordance with the arrangements issued by the Department of Transport, Tourism and Sport for determining the remuneration of chief executives of commercial State bodies under its aegis and is subject to the approval of the Nomination & Remuneration Committee and the 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. With effect from April 2012, no directors' fee is payable to the Chief Executive 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 Chief Executive 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 Chief Executive are set out in Note 8 to the financial statements in accordance with the requirements of the Companies Acts, 1963 to 2012, 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 Chief Executive 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 in *Internal Control: Guidance for Directors on the Combined Code (Turnbull)*. 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 Chief Executive;
	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;
	A Pensions Committee which deals with matters relating to the funding of the Company's pension arrangements;
	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, internal audit, security and health, safety and environmental compliance, report to the Deputy Chief Executive. 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 individual risk owners 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. During the course of the year, a third party independent review of the Group's risk management system was undertaken. The DAA was found to have reached a mature position with regards to Enterprise Risk Management, with mandate and commitment, together with the risk management framework and culture assessed to be at an optimised level. In keeping with a commitment for continuous improvement, the Group will implement recommendations arising from the review to bring further enhancements to the 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.

Mitigation

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

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 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 prevent a serious breach of statutory or other regulatory obligations.

Financial Performance:

DAA's revenue is sensitive to economic conditions 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 and the impact of further economic austerity measures 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 increases arising from the nature of its operating cost base. Notwithstanding that the Group has implemented significant cost reductions in recent years, the fixed and semi-fixed nature of its operating costs exposes it to the risk of higher unit and per passenger costs in an environment where revenues are flat or declining.

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 Chief Executive. The Group is focused on continuous improvement of processes to drive efficiency, improve flexibility and proactively manage cost base.

Pensions:

The majority of the Group's employees are members of the Irish Airlines (General Employees) Superannuation Scheme (the "IAS Scheme"). The IAS Scheme is multi-employer and not segregated; both benefits and contributions are defined within the scheme rules and there is no legal or contractual obligation on the employer to alter its contribution rate whether in the event of a deficiency or otherwise.

A very substantial funding shortfall in the IAS Scheme exists such that were the IAS Scheme to have been wound up on 31 December 2012, current employees and former employees who are not yet in receipt of a pension (deferred members) would have received approximately 5% of their expected IAS Scheme pension benefits. The current funding position of the IAS Scheme is considered unsustainable such that it must be addressed by the scheme trustee.

The principal sponsoring employers of the scheme proposed, inter alia, to the trustee that contributions to and benefit accruals within the IAS Scheme should cease, past service benefits be provided by sovereign annuities and accrued benefits of active and deferred members be adjusted so as to remove the anomaly within the rules of the scheme whereby a member can transform a benefit which is coordinated with the State pension to an uncoordinated benefit by leaving service early. Such measures would improve the pension prospects of affected members of the IAS Scheme whilst balancing the interests of all members.

The consequential potential reduction in pension benefits for employees represents a significant employee relations issue for the Group with the resultant risk that it could become involved in a significant industrial dispute with its employees.

If the Group were required, for any reason, to vary its contributions to the IAS Scheme or any other scheme or if the Group were to otherwise agree to vary such contributions, this could materially increase the Group's pension funding obligations and/or could have a material adverse effect on the Group's prospects and/or financial condition.

Mitigation

DAA is engaged in extensive discussions with its staff, through their trade union representatives, under the auspices of the Irish Labour Relations Commission and, more recently, the Labour Court in efforts to achieve a fair outcome that will improve the pension prospects of affected IAS Scheme members in a way that will balance the interests of all parties, including shareholders, and is seeking to achieve this in a manner that reflects its firm view that it has no legal obligation for the deficit in the IAS Scheme.

The Group has proposed a potential package of additional future defined contribution pension measures in the context of transitioning from the IAS Scheme to new defined contribution ("DC") future service arrangements and achieving a full restructuring of its airport staff pension arrangements.

If such a restructuring is agreed, arrangements are expected to include a once-off initial contribution by the Group to any new DC funds of eligible affected IAS Scheme members.

The engagement process is complex and involves many parties. There can be no certainty that agreement will be reached between all parties involved.

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 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 rating achieved will be heavily influenced by that targeted by the Commission for Aviation Regulation ("CAR") in its periodic regulatory price cap determinations and actual financial performance against the regulatory assumptions. Currently CAR targets an investment grade rating, lower than the "A" level rating that the Group proposed as the most appropriate.

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 Financial Review) which are effected by the Group's Treasury function.

A prudent approach has been adopted to managing 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.

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.

Investments and Capacity:

Airports are by nature capital intensive. There is a risk that investments made in respect of regulated activities 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. The risk of the delay in mobilising capacity infrastructure in a timely manner may result in the failure of the Group to meet unanticipated demand.

Mitigation

The Group has determined its risk appetite for commercial investments and set financial tolerance levels accordingly. Decisions regarding investment in regulated infrastructure are based on professional evidence-based inputs and formal consultation processes with key stakeholders as required including CAR.

Reliance on Core Airline Customers:

The prospect of future air traffic movements at DAA airports are dependent to a significant extent on the future strategies and financial strengths of core airline customers. Changes in the strategic direction of key airlines operating to/from DAA airports, including restructuring of route networks, consolidation of airline industry or a change in ownership/control could have an adverse effect on the Group's business.

Mitigation

The Group is focused on keeping abreast of developments in the airline industry and on the competitiveness of its offering and appropriateness of facilities for the needs of its current and prospective customers.

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.

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 Chief Executive, maintains regular dialogue with the Shareholder and his officials. The Shareholder is also invited to attend at a Board meeting annually and met with the Board during 2012.

Compliance Statement

The Group has been in compliance with the provisions of the UK Code and the Irish Annex relevant to it throughout the financial year under review and up to the date of this report other than in the areas noted below and for the reasons stated:

- The Shareholder, with the consent of the Principal Shareholder, selects and appoints the Chairman and seven other directors to the Board. The Shareholder also appoints four directors following a nomination and election process under the Worker Participation Acts. The Chief Executive is appointed by, and is an ex-officio member of, the Board. As a result, the Board is satisfied that the provisions of Section B.2.1 and Section B.7 of the UK Code and Section 2.1 of the ISE Annex in relation to appointments to the Board and director re-election do not apply.
- During 2012, given the changes to the composition of the Board, a Senior Independent Director was not formally appointed. This role has now been filled and a member of the Board nominated as a Senior Independent Director.
- As directors' fees are determined by the Shareholder with the consent of the Principal Shareholder the role of the Nomination & Remuneration Committee is to determine matters in relation to executive pay. Accordingly the Board considers it appropriate that this committee is chaired by the Chairman of the Board.
- New directors received induction and familiarisation training during 2012. The training programme will be extended during 2013 to include individual training and development requirements.
- Full disclosure is made in these financial statements relating to directors' emoluments and pension contributions in accordance with the requirements of the Irish Companies Acts, 1963 to 2012, and the Department of Finance. However, the disclosures do not extend to those contained in the UK Code and the ISE Annex as the Board believes that to do so is not warranted given that remuneration for services as directors and the remuneration of the Chief Executive require Shareholder and Principal Shareholder approval.

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 202 of the Companies Act, 1990 with regard to books of account by employing accounting personnel with appropriate expertise and by providing adequate resources to the financial function. The books of account of the Company are maintained at the Company's premises at Dublin, Cork and Shannon airports.

Health and Safety
The well-being 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 158 of the Companies Act, 1963 in relation to subsidiary, associated and joint venture undertakings is set out in Note 13.

Prompt Payments Act
Dublin Airport Authority plc's policy is to comply with the provisions of the Prompt Payment of Accounts Act 1997 as amended by the European Communities (Late Payments in Commercial Transactions) Regulations 2002. Standard terms of credit taken, unless otherwise specified in specific contractual arrangements, are 30 days. Appropriate internal financial controls are in place, including clearly defined roles and responsibilities and the regular review of payment practices. These procedures provide reasonable but not absolute assurance against material non-compliance with the regulations. 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 & Touche, Chartered Accountants, were appointed as external auditor during the year and in accordance with Section 160(2) of the Companies Act 1963, will continue in office.

On behalf of the Board
Pádraig Ó Ríordáin, Chairman
Gerry Walsh, Director
22 March 2013

Statement of Directors' Responsibilities in respect of the Annual Report and the Financial Statements

The directors are responsible for preparing the Annual Report and financial statements, in accordance with applicable law and regulations.

Company law requires the directors to prepare Group and parent company financial statements for each financial year. Under that law the directors have elected to prepare the Group and parent company financial statements in accordance with Generally Accepted Accounting Practice in Ireland, comprising applicable law and the accounting standards issued by the Financial Reporting Council and promulgated by Chartered Accountants Ireland and Irish statute comprising the Companies Acts, 1963 to 2012.

The Group and parent company financial statements are required by law to give a true and fair view of the state of affairs of the Group and the parent company and of the profit or loss of the Group for that period. In preparing each of the Group and parent company financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group and the parent company will continue in business.

The directors are responsible for keeping proper books of account that disclose with reasonable accuracy at any time the financial position of the parent company and enable them to ensure that its financial statements comply with the Companies Acts, 1963 to 2012. They are also responsible for taking such steps as are reasonably open to them to safeguard the assets of the Group and to prevent and detect fraud and other irregularities.

The directors are also responsible for preparing a Report of the Directors that complies with the requirements of the Companies Acts, 1963 to 2012. The directors have also elected to prepare a report on Corporate Governance which is included in the Report of the Directors.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the Company's website. Legislation in the Republic of Ireland governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

On behalf of the Board

Pádraig Ó Ríordáin, Chairman

Gerry Walsh, Director

22 March 2013

Independent auditor's report to the member of Dublin Airport Authority plc

We have audited the financial statements of Dublin Airport Authority plc for the year ended 31 December 2012 which comprise the Group Financial Statements: the Group Profit and Loss Account, the Group Statement of Total Recognised Gains and Losses, the Reconciliation of Movement in Shareholders' Funds, the Group Balance Sheet, the Group Cash Flow Statement, the Company Financial Statements: the Balance Sheet, and the related notes 1 to 35. The financial reporting framework that has been applied in their preparation is applicable Irish law and accounting standards issued by the Financial Reporting Council and promulgated by the Institute of Chartered Accountants in Ireland (Generally Accepted Accounting Practice in Ireland).

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

Respective responsibilities of directors and auditors

As explained more fully in the Statement of Directors' Responsibilities, the directors are responsible for the preparation of the financial statements giving a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with Irish law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Boards (APB'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 and parent company'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 2012 to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion

In our opinion the financial statements:

— give a true and fair view, in accordance with Generally Accepted Accounting Practice in Ireland, of the state of the group's and of the parent company's affairs as at 31 December 2012 and of the group's profit for the year then ended; and

— have been properly prepared in accordance with the Companies Acts, 1963 to 2012.

Matters on which we are required to report by the Companies Acts, 1963 to 2012

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

— In our opinion proper books of account have been kept by the parent company.

— The parent company's financial statements are in agreement with the books of account.

— The net assets of the parent company, as stated in the parent company balance sheet are more than half of the amount of its called-up share capital and, in our opinion, on that basis there did not exist at 31 December 2012 a financial situation which under Section 40 (1) of the Companies (Amendment) Act, 1983 would require the convening of an extraordinary general meeting of the parent company.

Matters on which we are required to report by exception

We have nothing to report in respect of the following:

Under the Companies Acts 1963 to 2012 we are required to report to you if, in our opinion the disclosures 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.

At the request of the directors, we are required to review the part of the voluntary compliance statement relating to the company's compliance with the nine provisions of the UK Corporate Governance Code and the two provisions of the Irish Corporate Governance Annex specified for our review.

Kevin Sheehan *for and on behalf of*
Deloitte & Touche, Chartered Accountants and Statutory Audit Firm
Dublin
22 March 2013

Statement of accounting policies

for the year ended 31 December 2012

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

Basis of Preparation

The financial statements are prepared in accordance with generally accepted accounting principles in Ireland under the historical cost convention and comply with financial reporting standards of the Financial Reporting Council, as promulgated by Chartered Accountants Ireland and Irish statute comprising the Companies Acts, 1963 to 2012.

Basis of Consolidation

The Group financial statements consolidate the financial statements of the Company and its subsidiary undertakings (subsidiaries) up to 31 December 2012.

The results of subsidiaries 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.

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

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 includes its share of joint ventures' profits and losses and separately discloses its share of turnover in the consolidated profit and loss account. The Group includes its share of gross assets and gross liabilities in the consolidated balance sheet.

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 includes its share of associates' profits and losses in the consolidated profit and loss account. The Group includes its share of net assets in the consolidated balance sheet.

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.

Financial Assets

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. Other financial assets are also carried in both the Company and the Group balance sheet on the same basis.

Financial Income

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

Turnover

Turnover represents the fair value of goods and services, net of discounts, delivered to external customers in the accounting period excluding intra-Group sales and value added tax.

Aeronautical revenue comprises passenger charges which are recognised on their departure, runway movement charges (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 regulates the level of revenues that the Group may collect in airport charges levied on users of Dublin Airport. The Commission achieves this by setting a maximum level of airport charges per passenger that can be collected at Dublin Airport.

Direct retailing and retail/catering concessions comprise direct retail revenue which is recognised when the customer takes delivery of the goods and concession fee income which, in general, is a percentage of turnover which may be subject to certain minimum contracted amounts.

Other commercial activities include property letting, which is recognised on a straight-line basis over the term of the rental period, usage charges for the operational systems (e.g. check-in desks), which are recognised as each service is provided and car park income, which is recognised at the time of exiting the car park.

International retail and other activities comprise goods and services supplied to both external customers and certain of the Group's associate undertakings. Management fees and other direct income from overseas associate 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 or at contracted rates. Monetary assets and liabilities denominated in foreign currencies are translated into euro at the contracted rates or at year-end rates of exchange. The resulting profits or losses are dealt with in the profit for the year.

Where applicable, the Group's net investment in overseas subsidiaries, associates and joint ventures 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 taken to reserves and reflected in the statement of total recognised gains and losses.

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.

Borrowing costs incurred up to the time that separately identifiable major capital projects are ready for service are capitalised as part of the cost of the assets. Where appropriate, cost also includes own labour costs of construction related architectural and engineering services and directly attributable overheads.

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 net realisable values 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 income-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.

In estimating the present values of future cash flows, the discount rate used is the pre-tax discount rate that reflects the time value of money and the risk specific to the income generating unit.

The cash flows are taken from the Group's ten-year business plan. The main components of the business plan are:

- Earnings projections based on expected passenger numbers, revenues and costs;
- Capital investment and working capital projections.

Added to these cash flows is a terminal value including an estimate of the full remuneration for all regulated assets, some of which has been deferred due to the regulatory profiling of future revenues.

The main assumptions that affect the estimation of the value in use are continuation of the current regulatory regime without material change, the passenger growth rate and the discount rate.

Intangible Assets and Goodwill

Purchased goodwill arising on an acquisition (representing the excess of the fair value of the consideration given over the fair value of the separate net assets acquired) is capitalised and 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 Financial Reporting Standard 2 (FRS 2) "Subsidiary Undertakings", using the true and fair override where necessary, purchased 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.

Purchased goodwill is being amortised over a twenty year period, or where shorter, over the period of the concession agreement 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.

Negative goodwill arising on acquisitions of associate undertakings is included within financial assets and released to the profit and loss account in the periods in which the fair values of the non-monetary assets purchased on the same acquisition are recovered.

Other intangible assets are recorded at acquisition cost, being fair values at 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 three to eleven years.

Stocks

Stocks are stated at the lower of cost and net realisable value. Cost is based on invoice price on either an average basis or on a first-in first-out basis depending on the stock category. Net realisable value is calculated as estimated selling price less estimated selling costs. A provision is made on an annual basis in respect of potential stock obsolescence. It is made 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

Corporation tax in respect of the Company and its subsidiary undertakings is provided at current rates and is calculated on the basis of their results for the year, adjusted for taxation purposes. The taxation charge in the profit and loss account includes taxation on the Group's share of profits of associated and joint venture undertakings.

Full provision without discounting is made for all timing differences, other than those arising from unremitted earnings of certain overseas subsidiaries and associates, at the balance sheet date in accordance with Financial Reporting Standard 19 (FRS 19) "Deferred Tax". Provision is made at the tax rates that are expected to apply in the periods in which the timing differences are expected to reverse. No deferred tax has been recognised on the unremitted earnings of certain overseas subsidiaries and associates as no tax is expected to be payable on them and there is no contractual arrangement to pay dividends. Deferred tax assets are recognised to the extent that they are regarded as recoverable based on the likelihood of there being suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

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.

Pension and Other Post-Retirement 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 net of deferred tax (to the extent that it is recoverable).
- 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 expected return on the pension schemes' assets during the year and the increase in the schemes' liabilities due to the unwinding of the discount during the year are shown in finance income/costs in the profit and loss account.
- Any differences between the expected return on assets and that actually achieved and any changes to the liabilities due to changes in assumptions or because actual experience during the year was different to that assumed, are recognised as actuarial gains and losses in the statement of total recognised gains and losses.

The Group has certain unfunded retirement benefit liabilities which are accounted for as defined benefit arrangements.

Operating Leases

Expenditure on operating leases is charged to the profit and loss account on a basis representative of the benefit derived from the asset, normally on a straight-line basis over the lease period.

Capital Grants

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

Derivative Financial Instruments

The principal objective of using derivative financial instruments, including forward exchange contracts and forward rate agreements, is to hedge the Group's interest rate and currency exposures. Where these derivative financial instruments hedge an asset, liability or interest cost reflected in the financial statements, the cost of the hedging instrument is included in the carrying amount together with the income and expenses relating to the asset and liability. Where the derivative is a hedge of future cash flow, the gains and losses on the hedging instruments are not recognised until the hedged future transaction occurs.

Cash and Liquid Resources

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 one year, are classified as liquid resources.

Debt and Finance Costs

Debt is initially stated at the amount of the net proceeds after deduction of finance/issue costs. Finance and issue costs are charged to the profit and loss account over the term of the debt at a constant rate on the carrying amount.

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 and costs of a fundamental reorganisation or restructuring.

Group profit and loss account

for the year ended 31 December 2012

		2012			2011		
		Pre-exceptional	Exceptional	Total	Pre-exceptional	Exceptional	Total
	Note	€000	€000	€000	€000	€000	€000
Turnover							
Group and share of joint ventures		**574,611**	**–**	**574,611**	558,123	–	558,123
Less: share of joint ventures' turnover		**–**	**–**	**–**	(631)	–	(631)
Group turnover – continuing operations	2	**574,611**	**–**	**574,611**	557,492	–	557,492
Operating costs							
Cost of goods for resale		**(124,361)**	**–**	**(124,361)**	(122,254)	–	(122,254)
Payroll and related costs	3	**(157,476)**	**–**	**(157,476)**	(158,812)	–	(158,812)
Materials and services		**(126,011)**	**–**	**(126,011)**	(116,153)	–	(116,153)
Depreciation, amortisation and impairment		**(107,011)**	**–**	**(107,011)**	(102,569)	–	(102,569)
		(514,859)	**–**	**(514,859)**	(499,788)	–	(499,788)
Group operating profit – continuing operations		**59,752**	**–**	**59,752**	57,704	–	57,704
Share of operating profit/(loss)							
Joint venture undertakings	13	**13,725**	**–**	**13,725**	(5,613)	–	(5,613)
Associated undertakings	4	**39,327**	**–**	**39,327**	41,658	–	41,658
Exceptional items							
Cost recovery programme							
– continuing operations	5	**–**	**(22,000)**	**(22,000)**	–	(5,691)	(5,691)
Restructuring costs	5	**–**	**(5,139)**	**(5,139)**	–	–	–
Profit on sale of discontinued operations	5	**–**	**–**	**–**	–	349	349
Profit on disposal of investment in associates	5	**–**	**–**	**–**	–	3,842	3,842
Group profit before interest and taxation		**112,804**	**(27,139)**	**85,665**	93,749	(1,500)	92,249
Income from other financial assets		**395**	**–**	**395**	313	–	313
Interest receivable and similar income							
Group	6	**12,646**	**–**	**12,646**	11,313	–	11,313
Joint venture undertakings	6	**–**	**–**	**–**	4,587	–	4,587
Profit on repurchase of loan notes	5	**–**	**–**	**–**	–	5,038	5,038
Interest payable and similar charges							
Group	7	**(60,943)**	**–**	**(60,943)**	(63,099)	–	(63,099)
Joint venture undertakings	7	**–**	**–**	**–**	(723)	–	(723)
Associated undertakings	7	**(7,613)**	**–**	**(7,613)**	(8,641)	–	(8,641)
Group profit on ordinary activities before taxation	8	**57,289**	**(27,139)**	**30,150**	37,499	3,538	41,037
Tax on profit on ordinary activities	9	**(9,931)**	**3,392**	**(6,539)**	(7,505)	668	(6,837)
Group profit on ordinary activities after taxation		**47,358**	**(23,747)**	**23,611**	29,994	4,206	34,200
Minority interest	32	**(4,172)**	**–**	**(4,172)**	(4,007)	–	(4,007)
Group profit for the financial year	24	**43,186**	**(23,747)**	**19,439**	25,987	4,206	30,193

On behalf of the Board

Pádraig Ó Ríordáin, Chairman

Gerry Walsh, Director

22 March 2013

Group statement of total recognised gains and losses

for the year ended 31 December 2012

	Note	2012 €000	2011 €000
Group profit for the financial year		**19,439**	30,193
Exchange differences on translation of overseas investments (arising on net assets)			
Subsidiary undertakings	24	**(372)**	1,214
Associated undertakings	24	**(468)**	(572)
Actuarial (loss)/gain recognised in pension schemes			
Group	23	**(6,371)**	1,217
Deferred tax credit/(charge) thereon			
Group	23	**999**	(201)
Total recognised gains and losses for the year		**13,227**	31,851

Reconciliation of movement in shareholders' funds

for the year ended 31 December 2012

	Note	2012 €000	2011 €000
At 1 January		**1,043,974**	1,012,123
Total recognised gains and losses for the year		**13,227**	31,851
Dividend in specie	1	**(105,545)**	–
At 31 December		**951,656**	1,043,974

Group balance sheet

at 31 December 2012

	Note	2012 €000	2012 €000	2011 €000	2011 €000
Fixed assets					
Tangible assets	11		**1,753,962**		1,943,541
Intangible assets	12		**7,084**		8,272
			1,761,046		1,951,813
Financial assets					
Investments in joint venture undertakings					
Share of gross assets		–		8,021	
Share of gross liabilities		–		(26,843)	
Loan to joint venture undertaking		–		4,882	
Total of investments in and liabilities relating to joint venture undertakings			–		(13,940)
Investments in associated undertakings			**90,192**		85,181
Other financial assets			**10,588**		11,237
Total financial assets	13		**100,780**		82,478
Total fixed assets			**1,861,826**		2,034,291
Current assets					
Stocks	14	**16,586**		18,891	
Debtors	15	**56,094**		57,568	
Cash at bank and in hand	28	**499,509**		453,040	
		572,189		529,499	
Creditors: amounts falling due within one year	16	**(149,610)**		(218,117)	
Net current assets			**422,579**		311,382
Total assets less current liabilities			**2,284,405**		2,345,673
Creditors: amounts falling due after more than one year	17		**(1,176,408)**		(1,185,301)
Capital grants	19		**(12,227)**		(13,853)
Provisions for liabilities	20		**(102,362)**		(71,808)
Net assets excluding net pension liability			**993,408**		1,074,711
Net pension liability	23		**(25,670)**		(18,773)
Net assets			**967,738**		1,055,938
Capital and reserves					
Called up share capital	22		**186,337**		186,337
Profit and loss account	24		**764,270**		855,748
Other reserves	24		**1,049**		1,889
Shareholders' funds			**951,656**		1,043,974
Minority interest	32		**16,082**		11,964
			967,738		1,055,938

On behalf of the Board

Pádraig Ó Ríordáin, Chairman

Gerry Walsh, Director

22 March 2013

Company balance sheet

at 31 December 2012

	Note	2012 €000	2011 €000
Fixed assets			
Tangible assets	11	**1,741,472**	1,929,525
Financial assets	13	**15,431**	31,319
		1,756,903	1,960,844
Current assets			
Stocks	14	**9,593**	10,774
Debtors	15	**49,190**	48,400
Cash at bank and in hand		**470,570**	434,105
		529,353	493,279
Creditors: amounts falling due within one year	16	**(270,451)**	(340,141)
Net current assets		**258,902**	153,138
Total assets less current liabilities		**2,015,805**	2,113,982
Creditors: amounts falling due after more than one year	17	**(1,183,866)**	(1,193,740)
Capital grants	19	**(12,227)**	(13,853)
Provisions for liabilities	20	**(98,131)**	(67,165)
Net assets excluding net pension liability		**721,581**	839,224
Net pension liability	23	**(25,053)**	(18,005)
Net assets		**696,528**	821,219
Capital and reserves			
Called up share capital	22	**186,337**	186,337
Profit and loss account	24	**510,191**	634,882
Shareholders' funds		**696,528**	821,219

On behalf of the Board

Pádraig Ó Ríordáin, Chairman

Gerry Walsh, Director

22 March 2013

Group cash flow statement

for the year ended 31 December 2012

	Note	2012 €000	2011 €000
Cash inflow from operating activities	25	**136,463**	153,115
Dividends received from associated undertakings (net)	13	**19,148**	22,892
Returns on investments and servicing of finance	26	**(49,765)**	(67,166)
Taxation paid		**(2,904)**	(3,021)
		102,942	105,820
Capital expenditure	26	**(44,067)**	(89,930)
Acquisitions and disposals	26	**(215)**	9,300
Cash inflow before management of liquid resources and financing		**58,660**	25,190
Management of liquid resources			
Net cash transferred (to)/from liquid resources	28	**(37,150)**	20,958
Financing	26	**(12,198)**	(48,915)
Increase/(decrease) in cash in year	27	**9,312**	(2,767)

Notes on and forming part of the financial statements

for the year ended 31 December 2012

1. The Restructuring

In 2012, pursuant to the State Airports Act 2004 (the "2004 Act"), the Government decided that:

a. Shannon Airport was to be separated from the Group;

b. The existing ownership of Cork Airport by the Group will be maintained for the present; and

c. The Company will be renamed to reflect the fact that there are now two airports and international businesses in the group structure.

Pursuant to the Government decision the Shannon Airport business was transferred to Shannon Airport Authority plc ("SAA"), a separate State-owned entity, with effect from 31 December 2012.

In accordance with the 2004 Act, a dividend in specie of €105.5 million was effected by the transfer by the Group of the Shannon Airport business, related assets, liabilities and certain of its employees to SAA in consideration for the issue by SAA of one ordinary share of €1 in its share capital to the Minister for Public Expenditure and Reform, being the beneficial holder of the entire issued share capital of the Group.

The dividend in specie comprised of assets and liabilities with carrying values as set out below:

	€000
Tangible Fixed Assets	**109,540**
Current Assets	**4,986**
Creditors: amounts falling due within one year	**(4,647)**
Creditors: amounts falling due after more than one year	**(922)**
Provisions for Liabilities / Net Pension Liability	**(3,412)**
Dividend in specie (Note 24)	**105,545**

2. Turnover

		Group
	2012	2011
	€000	€000
Ireland		
Aeronautical revenue	**234,237**	225,099
Direct retailing and retail/catering concessions	**102,845**	105,499
Other commercial activities	**100,918**	96,512
Total Ireland	**438,000**	427,110
International retail and other activities	**136,611**	130,382
Total turnover	**574,611**	557,492

A segmental analysis of results and net assets is not provided, as disclosure of such information would, in the opinion of the directors, be seriously prejudicial to the interests of the Group.

3. Payroll and related costs

	Group	
	2012	2011
	€000	€000
Wages and salaries	**136,707**	139,022
Social welfare costs	**12,730**	11,995
Pension costs (Note 23)	**6,726**	7,352
Other staff costs	**3,247**	2,377
	159,410	160,746
Staff costs capitalised into fixed assets (Note 11)	**(1,934)**	(1,934)
Payroll and related costs (pre-exceptional)	**157,476**	158,812
Exceptional cost recovery programme (Note 5)	**22,000**	5,691
Net staff costs charged to the profit and loss account	**179,476**	164,503

	2012	2011
Average employee numbers (full-time equivalents) were as follows:		
Airports	**2,458**	2,513
International activities	**558**	519
	3,016	3,032

4. Share of operating profits of associated undertakings

€39.3 million (2011: €41.7 million) relates to the Group's share of profits before interest and taxation for the year in its associated undertakings (see Note 13) as defined in the Statement of Accounting Policies. 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.

5. Exceptional items

a. Cost Recovery Programme ("CRP")

In 2009, in response to significant challenges in the business environment, a CRP was developed following consultation with staff and staff representatives, to address fundamental changes to the cost base.

The Group has continued to restructure under the CRP. €22.0 million has been charged to exceptional items in 2012 (2011: €5.7 million). The impact on taxation was to reduce the tax charge by €2.8 million in 2012 (2011: €0.7 million).

The CRP includes a voluntary severance scheme and changes to work practices and conditions.

b. The Restructuring costs

Pursuant to the Government decision announced on 3 December 2012 Shannon Airport was separated from the Group (see Note 1). The Government also confirmed that the Group will be renamed to reflect the revised nature of the Group's business arising from the restructuring. Costs associated with the separation and consequent renaming of the Group amounting to €5.1 million have been charged to exceptional items. The impact on taxation was to reduce the tax charge by €0.6 million.

c. Profit on sale of discontinued operations

In 2011, €0.3 million was released to the profit and loss account arising from the revisions of cost estimates relating to the disposal of a former business of the Group. The impact on taxation was to increase the tax charge by €0.04 million in 2011.

d. Profit on disposal of investment in associates

During 2011 the Group disposed of its equity investments in certain overseas retail interests. The aggregate gain on the disposals was €3.8 million after accounting for legal fees and other associated disposal costs. In addition to this gain, included in the share of operating profits of associated undertakings per the 2011 profit and loss account is an amount of €6.7 million in relation to the profits of these associated undertakings which were previously provided against but are now recognised based on the cash proceeds received. There was no taxation payable.

e. Profit on repurchase of loan notes

In 2011, the Group repurchased and cancelled €50.35 million of the €600 million loan notes due 2018 (see Note 18), following which the amount of the principal outstanding on the loan notes due 2018 is €549.65 million. The profit arising on the repurchase of these loan notes was €5.0 million. There was no taxation payable.

6. Interest receivable and similar income

	Group	
	2012	2011
	€000	€000
Bank interest income	**12,040**	10,658
Other finance income (Note 23)	**606**	655
Total interest receivable – Group	**12,646**	11,313

Joint venture undertakings

In addition to the above, a gain of €4.6 million was recognised in 2011 following the restructuring of a financial liability, which was non-recourse to the Group, held by a joint venture undertaking which became a subsidiary undertaking during that year (see Note 13).

7. Interest payable and similar charges

	Group	
	2012	2011
	€000	€000
Interest payable on loans wholly repayable by instalments:		
— Within five years	**1,158**	391
— After five years	**21,073**	22,331
Interest on loan notes	**36,207**	38,673
Amortisation of issue costs/other funding costs	**792**	562
Other interest payable	**376**	5
Other finance costs (Note 23)	**1,762**	1,650
	61,368	63,612
Interest capitalised (Note 11)	**(425)**	(513)
Total interest payable – Group	**60,943**	63,099
Joint venture undertakings:		
Interest on loans repayable by instalments within five years	**–**	723
Associated undertakings:		
Interest payable on loans repayable by instalments within five years	**2,722**	3,187
Interest payable on loans repayable by instalments after five years	**4,891**	5,454
Total share of interest payable – associated undertakings	**7,613**	8,641

8. Statutory and other information

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

	2012 **€000**	2011 €000
Auditors' remuneration:		
Auditor – Irish firm		
— audit of the Group accounts	**186**	253
— other assurance services	**28**	34
— tax advisory services	**3**	62
— other non-audit services	**–**	25
	217	374
Auditor – international firm		
— audit of the Group accounts	**–**	–
— other assurance services	**93**	74
— tax advisory services	**30**	36
— other non-audit services	**–**	45
	123	155
	340	529

Included in the above are audit fees incurred of €30,000 for the statutory audit of the Company, €6,000 for other assurance services and €1,000 for tax advisory services. No amounts were incurred by the Company for other non-audit services in 2012.

	2012	2011
Operating lease rentals:		
— Equipment	**1,076**	1,751
— Buildings	**1,698**	1,484
Depreciation (Note 11)	**106,301**	101,937
Impairment of fixed assets (Note 11)	**866**	–
(Profit)/loss on retirements and disposals of tangible fixed assets	**(115)**	312
Amortisation of capital grants (Note 19)	**(953)**	(991)
Amortisation of intangible assets and goodwill/negative goodwill:		
— Group (Note 12)	**1,191**	1,217
— Associated undertakings	**–**	(1,250)
	1,191	(33)

8. Statutory and other information (continued)

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 Acts, 1963 to 2012, is set out below.

	2012 €000	2011 €000
Directors' fees – for services as director	**166.0**	162.5
Other amounts – in connection with their employment	**955.0**	681.2
	1,121.0	843.7

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, together with, where applicable, the discounted value of any amounts payable under an approved voluntary severance scheme arising on voluntary termination of a general contract of employment.

Director's 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:

	€
— Pádraig Ó Ríordáin	**29,976**
— Declan Collier	**3,938**
— Gerard Collins	**13,411**
— Oliver Cussen	**-**
— Niall Greene	**7,876**
— Thomas Guilfoyle	**15,750**
— Patricia King	**-**
— Michael Lenane	**12,633**
— John Lynch	**14,348**
— Mary McCabe	**15,750**
— Colm McCarthy	**14,348**
— Barry Nevin	**15,750**
— Paul Schütz	**7,876**
— Gerry Walsh	**14,348**

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 €8,593 (2011: €16,538). These amounts primarily related to travel, subsistence and reimbursed expenses.

The term of office of the former Chief Executive, Mr Declan Collier, expired on 4 April 2012 following the conclusion of his seven-year contract. Pursuant to his contract, the salary of Mr Collier was €350,556. Mr Collier had previously voluntarily reduced his annual basic pay and a reduction of 15% applied for the relevant period in 2012. Total remuneration in respect of Mr Collier for the relevant period in 2012 amounted to €169,032 (2011: €445,400) which included basic salary of €77,722, a director's fee of €3,938 and pension contributions and other taxable benefits of €87,372.

9. Tax on profit on ordinary activities

	2012 €000	2011 €000
Current tax:		
Corporation tax – Ireland	**92**	(2,286)
Overseas corporation tax	**2,655**	3,500
Adjustment in respect of prior years	**(429)**	(608)
Tax attributable to Group	**2,318**	606
Share of overseas tax of associated undertakings	**6,942**	5,595
Current tax charge	**9,260**	6,201
Deferred tax:		
Origination/reversal of timing differences		
Attributable to Group (Note 21)	**(2,068)**	1,075
Adjustment in respect of prior years (Note 21)	**(387)**	(419)
Timing differences relating to FRS 17 pension liabilities (Note 23)	**(266)**	(20)
Deferred tax (credit)/charge	**(2,721)**	636
Tax on profit on ordinary activities	**6,539**	6,837

A further deferred tax credit of €1.0 million (2011: €0.2 million charge) in relation to timing differences relating to FRS 17 liabilities is included in the statement of total recognised gains and losses.

The Group's Irish operations are subject to differing rates of corporation taxation, according to the nature of activities. During 2012 and 2011, these rates varied from 12.5% to 25% while the standard rate of corporation taxation was 12.5%.

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:

	2012 €000	2011 €000
Profit on ordinary activities before taxation	**30,150**	41,037
Profit on ordinary activities at standard corporation tax rate in Republic of Ireland of 12.5% (2011: 12.5%)	**3,769**	5,130
Effects of:		
Differences between capital allowances for period and depreciation	**(5,781)**	(6,892)
Expenses deductible for tax purposes (timing differences)	**(784)**	(1,835)
Expenses (deductible)/not deductible for tax purposes (permanent differences)	**(76)**	1,447
Profits of foreign undertakings taxable at higher rates	**4,783**	4,733
Adjustment in respect of prior periods	**(429)**	(608)
Unutilised losses carried forward	**7,778**	8,338
Non taxable profits on disposals and loan note repurchase	**–**	(3,941)
Other	**–**	(171)
Current tax charge for the year	**9,260**	6,201

Corporation tax is provided on taxable profits at current rates.

10. Loss for the financial year

A separate Company profit and loss account is not presented, as provided for under the Companies Act 1963, Section 148(8). A loss for the financial year of €13.8 million (2011: €12.2 million) 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 account with the Registrar of Companies as permitted by Section 7(1A) of the Companies (Amendment) Act 1986.

11. Tangible fixed assets

Group	Terminal complexes €000	Lands and airfields €000	Plant and equipment €000	Other property €000	Assets in the course of construction €000	Total €000
Cost						
At 1 January 2012	972,336	401,403	789,398	393,270	42,609	2,599,016
Additions	745	712	9,200	112	23,008	33,777
Transfer to completed assets	3,439	3,042	6,885	2,048	(15,414)	–
Asset reclassification	(193)	–	521	(328)	–	–
Disposals	–	–	(272)	(545)	–	(817)
Retirements and other adjustments	–	(934)	(4,225)	(754)	(4,867)	(10,780)
Dividend in specie (Note 1)	(68,612)	(40,106)	(44,949)	(44,763)	(1,306)	(199,736)
Translation reserves	–	–	(17)	–	–	(17)
At 31 December 2012	**907,715**	**364,117**	**756,541**	**349,040**	**44,030**	**2,421,443**
Depreciation						
At 1 January 2012	177,865	110,670	257,096	109,844	–	655,475
Charge for the year (Note 8)	25,668	12,917	56,320	11,396	–	106,301
Asset reclassification	(66)	–	232	(166)	–	–
Disposals	–	–	(270)	(545)	–	(815)
Retirements and other adjustments	–	–	(4,138)	–	–	(4,138)
Dividend in specie (Note 1)	(22,890)	(15,897)	(30,898)	(20,511)	–	(90,196)
Translation reserves	–	–	(12)	–	–	(12)
Impairment (Note 8)	–	–	866	–	–	866
At 31 December 2012	**180,577**	**107,690**	**279,196**	**100,018**	**–**	**667,481**
Net book value						
At 31 December 2012	**727,138**	**256,427**	**477,345**	**249,022**	**44,030**	**1,753,962**
At 31 December 2011	794,471	290,733	532,302	283,426	42,609	1,943,541

11. Tangible fixed assets (continued)

Company	Terminal complexes	Lands and airfields	Plant and equipment	Other property	Assets in the course of construction	Total
	€000	€000	€000	€000	€000	€000
Cost						
At 1 January 2012	972,336	391,317	775,699	388,457	42,609	2,570,418
Additions	745	712	8,618	112	23,008	33,195
Transfer to completed assets	3,439	3,042	6,885	2,048	(15,414)	–
Asset reclassification	(193)	–	521	(328)	–	–
Disposals	–	–	(272)	(545)	–	(817)
Retirements and other adjustments	–	(934)	(3,722)	(754)	(4,867)	(10,277)
Dividend in specie (Note 1)	(68,612)	(40,106)	(44,949)	(44,763)	(1,306)	(199,736)
At 31 December 2012	**907,715**	**354,031**	**742,780**	**344,227**	**44,030**	**2,392,783**
Depreciation						
At 1 January 2012	177,865	110,670	247,077	105,281	–	640,893
Charge for the year	25,668	12,917	55,109	11,390	–	105,084
Asset reclassification	(66)	–	232	(166)	–	–
Disposals	–	–	(270)	(545)	–	(815)
Retirements and other adjustments	–	–	(3,655)	–	–	(3,655)
Dividend in specie (Note 1)	(22,890)	(15,897)	(30,898)	(20,511)	–	(90,196)
At 31 December 2012	**180,577**	**107,690**	**267,595**	**95,449**	**–**	**651,311**
Net book value						
At 31 December 2012	**727,138**	**246,341**	**475,185**	**248,778**	**44,030**	**1,741,472**
At 31 December 2011	794,471	280,647	528,622	283,176	42,609	1,929,525

The accounting policies used by the Group and Company for tangible fixed assets, including depreciation, cost capitalisation and impairment reviews, are set out on pages 60 and 61.

Lands and airfields includes land at a cost of €39.1 million (2011: €40.0 million) (Group) and €29.0 million (2011: €29.9 million) (Company). Fixed asset additions include internal architectural and engineering payroll costs of €1.9 million (2011: €1.9 million) (Group and Company) (see Note 3). Cost of fixed assets includes cumulative interest capitalised of €68.1 million (2011: €67.7 million) (Group and Company). Interest of €0.4 million (2011: €0.5 million) (Group and Company) was capitalised during the year at an average rate of 5.8% (2011: 5.8%) per annum.

12. Intangible assets

Group	Goodwill	Concession rights	Total
	€000	€000	€000
Cost			
At 1 January 2012	10,373	17,987	28,360
Exchange movement	–	6	6
At 31 December 2012	**10,373**	**17,993**	**28,366**
Amortisation			
At 1 January 2012	3,876	16,212	20,088
Charge for the year	999	192	1,191
Exchange movement	–	3	3
At 31 December 2012	**4,875**	**16,407**	**21,282**
Net book value			
At 31 December 2012	**5,498**	**1,586**	**7,084**
At 31 December 2011	6,497	1,775	8,272

The goodwill arose in 2008 on the acquisition of Aer Rianta International (Middle East) WLL (“ARIME”) and is being amortised over ten years which is the average term of the concession agreements held by ARIME.

13. Fixed assets – financial

Group	1 January 2012 €000	Additions / other increases during the year €000	Disposals / other movements during the year €000	31 December 2012 €000
Joint venture undertakings				
Share of gross assets	8,021	–	(8,021)[a]	**–**
Share of gross liabilities	(26,843)	–	26,843 [a]	**–**
Loan to joint venture undertaking	4,882	–	(4,882)[a]	**–**
	(13,940)	**–**	**13,940**	**–**
Associated undertakings				
Equity interest at cost	69,602	–	(34)	**69,568**
Loan to associated undertaking	563	–	–	**563**
Share of post acquisition profits	148,831	24,851	(62)	**173,620**
Dividends received	(138,635)	–	(19,276)	**(157,911)**
Translation reserve	4,820	–	(468)	**4,352**
	85,181	**24,851**	**(19,840)**	**90,192**
Other financial assets				
Listed investments at cost	4,713	–	(32)	**4,681** [b]
Other unlisted investments	6,524	–	(617)	**5,907** [c]
	11,237	**–**	**(649)**	**10,588**
Total financial assets	**82,478**	**24,851**	**(6,549)**	**100,780**

Company	1 January 2012 €000	Additions / other increases during the year €000	Disposals / other movements during the year €000	31 December 2012 €000
Ordinary shares in subsidiary undertakings at cost	22,614	–	(10,506)[d]	**12,108**
Capital contributions to subsidiary undertakings	3,260	550	(1,050)[e]	**2,760**
Loan to associated undertaking	563	–	–	**563**
Loan to joint venture undertaking	4,882	–	(4,882)[a]	**–**
	31,319	**550**	**(16,438)**	**15,431**

a. The net movement in joint venture undertakings of €13.9 million reflects the disposal of a joint venture. This primarily relates to the release of provisions against previous share of losses.

b. Listed investments are held by a subsidiary undertaking and are stated at the lower of cost and net realisable value. The market value of these listed investments at 31 December 2012 was €5.6 million (2011: €5.0 million).

c. A subsidiary undertaking holds an unlisted investment in loan stock. The loan stock accrues interest at a rate of six month EURIBOR plus 6% per annum. The movement relates to loan repayments made during the year.

d. During 2012, the Company received a dividend from a subsidiary undertaking, including an amount of €10.5 million which represented a recovery of its original cost of investment.

e. These charges relate to impairments of subsidiary undertakings by the Company.

In the opinion of the directors, the net realisable value of the investments is not less than the book amounts shown above. The basis on which financial assets are stated is set out in the Statement of Accounting Policies.

13. Fixed assets – financial (continued)

The principal operating subsidiary, associated and joint venture 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	Nature of business	%
Subsidiary undertakings			
Aer Rianta International cpt	Shannon, Ireland	International management services and airport investor	100
Aer Rianta International (North America) Inc.	Montreal, Canada	Duty-free shopping and related activities	100
Aer Rianta International Kosovo LLC	Pristina, Kosovo	Duty-free shopping and related activities	100
ASC Airport Services Consolidated Limited	Dublin, Ireland	Provision of services to DAA plc	100
Aer Rianta International Duty Free LLC	Moscow, Russia	Duty-free shopping and related activities	100
DAA Airport Services Limited	Dublin, Ireland	Secondment of employees to DAA plc	100
DAA Finance plc	Dublin, Ireland	Financing company	100
Derryquin Hotels Limited	Dublin, Ireland	Former hotel operator – non trading	100
Gatland Property Limited	Dublin, Ireland	Property development	100
Kievrianta LLC	Kiev, Ukraine	Duty-free shopping and related activities	99
ARI Yunnan Trading Company Limited	China	Airport retailing and related activities	65
Aer Rianta International (Middle East) WLL	Manama, Bahrain	Duty-free shopping and related activities	61.25
Associated undertakings			
Caribbean ARI Inc.[1]	Bridgetown, Barbados	Duty-free shopping and related activities	50
Brooklyn Properties Limited	Cork, Ireland	Cork Airport Business Park development	37.5
CTC – ARI Airports Limited	Nicosia, Cyprus	Duty-free shopping and related activities	30.63
CTC – ARI (F&B) Limited	Nicosia, Cyprus	Duty-free shopping and related activities	30.63
Oman Sales & Services LLC	Muscat, Oman	Duty-free shopping and related activities	30.63
Delhi Duty Free Services Private Limited[2]	Delhi, India	Duty-free shopping and related activities	25.55
Flughafen Düsseldorf GmbH	Düsseldorf, Germany	Airport operator	20
Phoenicia Aer Rianta Co. SAL	Beirut, Lebanon	Duty-free shopping and related activities	9.92

1. In the opinion of the directors the investment should be treated as an associated undertaking as defined under Financial Reporting Standard 9 (FRS 9) “Associates and Joint Ventures” on the grounds that the Group exercises significant influence rather than dominant influence or joint control over this entity.
2. 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, associated and joint venture 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 2012 for the purposes of including results of this company in the Group financial statements. Transactions between the Group and its associated and joint venture undertakings are detailed in Note 31.

During 2012, the Group disposed of its 50% shareholding in a joint venture undertaking, Turckton Developments Limited.

During 2011, the Group acquired the remaining 50% shareholding in a joint venture undertaking, Gatland Property Limited, which became a 100% subsidiary from the date of the transaction. Total proceeds paid by the Group were €3.2 million representing the fair value of the land acquired.

14. Stocks

	Group		Company	
	2012	2011	**2012**	2011
	€000	€000	**€000**	€000
Goods for resale	**13,643**	15,743	**6,650**	7,626
Maintenance	**2,943**	3,148	**2,943**	3,148
	16,586	18,891	**9,593**	10,774

The replacement value of stocks is not materially different from the carrying amounts.

15. Debtors

	Group		Company	
	2012	2011	**2012**	2011
	€000	€000	**€000**	€000
Trade debtors	**37,004**	38,441	**28,073**	27,138
Prepayments and accrued income	**2,239**	1,970	**677**	408
Due from subsidiary undertakings	**–**	–	**10,381**	11,799
Due from associated undertakings	**6,331**	7,978	**–**	–
Corporation tax	**829**	431	**341**	360
Other debtors	**9,691**	8,748	**9,718**	8,695
	56,094	57,568	**49,190**	48,400

Debtors of €6.3 million (2011: €6.7 million) in the Group and debtors of €11.3 million (2011: €12.2 million) in the Company, fall due after more than one year.

16. Creditors: amounts falling due within one year

	Group		Company	
	2012	2011	**2012**	2011
	€000	€000	**€000**	€000
Bank loans (Note 18)	**23,041**	14,487	**14,904**	6,749
Trade creditors	**15,631**	23,489	**6,540**	6,666
Due to subsidiary undertakings	**–**	–	**160,989**	167,394
Due to associated undertakings	**–**	589	**–**	–
Other creditors	**10,077**	9,926	**10,114**	10,272
Accruals and deferred income	**66,198**	122,336	**43,241**	101,770
Capital accruals	**34,663**	47,290	**34,663**	47,290
	149,610	218,117	**270,451**	340,141
Tax included in other creditors:				
PAYE	**2,693**	3,089	**2,633**	3,046
PRSI	**1,866**	1,858	**1,839**	1,833
VAT	**1,474**	694	**1,642**	1,166
Other taxes	**888**	661	**866**	635

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

	Group		Company	
	2012	2011	**2012**	2011
	€000	€000	**€000**	€000
Bank loans (Note 18)	**604,341**	626,796	**273,654**	288,558
Loan notes (Note 18)	**546,954**	546,560	**–**	–
Deferred income	**25,113**	11,945	**25,112**	11,945
Due to subsidiary undertakings	**–**	–	**885,100**	893,237
	1,176,408	1,185,301	**1,183,866**	1,193,740

Deferred income of €12.0 million (2011: €7.3 million), Group and Company, falls due after more than five years.

18. Financial liabilities

	Group		Company	
	2012	2011	**2012**	2011
	€000	€000	**€000**	€000
Repayable by instalments:				
Repayable within one year	**23,041**	14,487	**14,904**	6,749
Repayable within one to two years	**31,685**	23,042	**15,475**	14,903
Repayable within two to five years	**124,450**	113,530	**50,117**	48,245
Repayable after more than five years	**448,206**	490,224	**208,062**	225,410
	627,382	641,283	**288,558**	295,307
Repayable other than by instalments:				
Repayable after more than five years	**546,954**	546,560	**–**	–
	1,174,336	1,187,843	**288,558**	295,307
Split as follows:				
Bank loans	**627,382**	641,283	**288,558**	295,307
Loan notes	**546,954**	546,560	**–**	–
	1,174,336	1,187,843	**288,558**	295,307
Included in creditors falling due within one year (Note 16)	**23,041**	14,487	**14,904**	6,749
Included in creditors falling due after more than one year (Note 17)	**1,151,295**	1,173,356	**273,654**	288,558

The loan notes comprise €549.65 million (2011: €549.65 million) of loan notes repayable in 2018 (less amortised 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 €338.2 million (2011: €346.0 million) which are guaranteed by the Company. Interest rates and risk profile of financial liabilities are further analysed in Note 29.

The Company's bank loans at 31 December 2012 of €288.6 million (2011: €295.3 million) are unsecured and are repayable by instalments.

Borrowing facilities

The Group has a €150 million undrawn committed borrowing facility as at 31 December 2012 in respect of which all conditions precedent had been met. This facility expires in more than two years but not more than five years.

19. Capital grants

	Group		Company	
	2012	2011	**2012**	2011
	€000	€000	**€000**	€000
At 1 January	**13,853**	14,844	**13,853**	14,844
Amortised to profit and loss account (Note 8)	**(953)**	(991)	**(953)**	(991)
Grants received	**22**	–	**22**	–
Dividend in specie (Note 1)	**(695)**	–	**(695)**	–
At 31 December	**12,227**	13,853	**12,227**	13,853

The above grants will be fully amortised to the profit and loss account between 2013 and 2048.

20. Provisions for liabilities

	Pension costs (Note 23)	Deferred tax (Note 21)	Cost recovery programme (Note 5)	Restructuring costs (Note 5)	Insurance [a] and other	Total
	€000	€000	€000	€000	€000	€000
Group						
At 1 January	35,236	14,731	21,841	–	–	71,808
(Credit)/charge for the year	–	(2,455)	22,000	5,139	–	24,684
Utilised during the year	(93)	–	(8,805)	(675)	–	(9,573)
Transfer from accruals	–	–	–	–	17,526	17,526
Dividend in specie (Note 1)	–	(2,083)	–	–	–	(2,083)
At 31 December	**35,143**	**10,193**	**35,036**	**4,464**	**17,526**	**102,362**
Company						
At 1 January	35,236	13,089	18,840	–	–	67,165
(Credit)/charge for the year	–	(1,999)	22,000	5,139	–	25,140
Utilised during the year	(93)	–	(8,849)	(675)	–	(9,617)
Transfer from accruals	–	–	–	–	17,526	17,526
Dividend in specie (Note 1)	–	(2,083)	–	–	–	(2,083)
At 31 December	**35,143**	**9,007**	**31,991**	**4,464**	**17,526**	**98,131**

a. In accordance with Financial Reporting Standard 12 (FRS 12) "Provisions, Contingent Liabilities and Contingent Assets" the Group and Company carry provisions for reported and potential claims under its self-insurance programme and for other liabilities 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.

21. Deferred tax liability

	Group		Company	
	2012	2011	**2012**	2011
	€000	€000	**€000**	€000
Liability at 1 January	**14,731**	14,075	**13,089**	12,405
(Credit)/charge for the year (Note 9)	**(2,068)**	1,075	**(1,999)**	1,103
Adjustment in respect of prior years (Note 9)	**(387)**	(419)	**–**	(419)
Dividend in specie (Note 1)	**(2,083)**	–	**(2,083)**	–
Liability at 31 December	**10,193**	**14,731**	**9,007**	**13,089**
Deferred tax				
Comprising:				
Timing differences on capital allowances	**12,931**	17,058	**11,745**	15,416
Amounts temporarily not deductible for corporation tax	**(2,738)**	(2,327)	**(2,738)**	(2,327)
Deferred tax liability	**10,193**	14,731	**9,007**	13,089

The deferred tax asset related to the pension liability is not included above and is disclosed separately in Note 23.

22. Called up share capital

	Group and Company	
	2012	2011
	€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.

23. Pensions

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.

The Group accounts for pensions in accordance with Financial Reporting Standard 17 (FRS 17) "Retirement Benefits".

Dublin Airport Authority plc

Irish Airlines (General Employees) Superannuation Scheme

The majority of the Group's employees are those of the parent company, Dublin Airport Authority plc, whose permanent employees over the age of twenty are members of the multi-employer Irish Airlines (General Employees) Superannuation Scheme (the "IAS Scheme" or the "IAS"). The Company's current and past employees comprise less than one third of the membership of the IAS Scheme as at the last valuation date. Aer Lingus, whose past and present employees comprise the majority of the membership, Shannon Airport Authority plc and SR Technics (which has ceased trading) are the other employer members of the IAS.

Both the benefits and the contributions are defined within the rules of the IAS Scheme. Benefits payable are determined by reference to final salary and the IAS Scheme is registered as a defined benefit scheme with the Pensions Board. However, under the trust deed governing the scheme, normal contributions are specified for both the employer and employees at the rate of 6.375% of pensionable salary. Employer contributions cannot be varied without the consent of all of the participating employers, whether in the event of a deficiency or otherwise and DAA is of the view that it has no legal or contractual obligation to alter its contribution rate. Accordingly, the IAS Scheme is accounted for as a defined contribution scheme under FRS 17 with the annual charge to the profit and loss account being the actual contributions payable by the Company to the scheme during the year.

The Trustee of the IAS Scheme has advised the participating employers and membership of the IAS that, following a significant fall in asset values, there existed at 31 March 2012 a material deficiency, as measured under the statutory minimum funding standard, in the scheme. Pursuant to the Pensions Act 1990, the Trustee is required to submit an agreed funding proposal to the Pensions Board by 30 June 2013 outlining how the deficiency is to be eliminated.

The Company and Aer Lingus, together with their respective unions, agreed to participate in a process under the auspices of the Labour Relations Commission and, more recently, the Labour Court, the objectives of which are to consider the future of the IAS Scheme, the funding of past service benefits and the manner in which pension benefits may be provided in respect of future service. This process is ongoing and it may result in alternative independent single employer pension arrangements becoming necessary in respect of future service. Any change in existing arrangements would be subject to, inter alia, the approval of the Ministers for Transport, Tourism and Sport and Public Expenditure and Reform.

While a change in the current IAS Scheme arrangements for past and future pension provision in respect of current and past employees of the Company is possible, the directors are unable at this juncture to determine the precise nature of any alternative arrangements that might be agreed and whether, or to what extent, changes in the accounting treatment afforded to pension obligations in the Group's financial statements might be necessary.

Other Company Pension Arrangements

During 2008, the Company reached agreement with the trade unions representing the majority of staff to establish, subject to Ministerial approval:

a. additional discretionary, fixed contribution, pension arrangements for DAA members of the multi-employer IAS Scheme. The purpose of these arrangements is to seek to provide to eligible members, insofar as available funds permit and subject to the trustees' discretion, additional pensions to those paid by the IAS Scheme. The Company intends to make a once-off contribution to these arrangements in respect of past service which will be conditional, inter alia, upon employee election to join and contribute to the arrangements, the associated cost of which is included in a provision of €35.1 million at 31 December 2012 (2011: €35.2 million) (see Note 20); and

23. Pensions (continued)

b. new "hybrid" (i.e. part defined benefit and part defined contribution) pension scheme arrangements, for new employees.

These new pension scheme arrangements would be independent of the IAS Scheme.

The Company also contributes to certain other pension arrangements, accounted for as defined benefit schemes under FRS 17, the principal one of which is the Aer Rianta Supplemental Superannuation Scheme (the "AR Supplemental Scheme"), a scheme for certain categories of company employees to provide certain retirement pension benefits supplementary to those payable under the IAS Scheme.

The Company also has an unfunded obligation to provide for the costs of early retirement for a certain category of employees (the "Early Retirement Obligation") as a result of agreements entered into in prior years. The Company has recognised a pension liability in respect of the Early Retirement Obligation at 31 December 2012 of €23.0 million (2011: €18.5 million), of which €1.9 million (2011: €1.9 million) was included in the profit and loss account, representing current service costs and net finance costs. A charge of €2.5 million (2011: €1.4 million credit) was reflected in the statement of total recognised gains and losses, representing actuarial gains/losses.

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 17 "Retirement Benefits" disclosures

The pension cost to the Group charged against operating profit under FRS 17 for the financial year amounted to €6.7 million (2011: €7.4 million) (see Note 3).

	2012	2011
	€000	€000
Defined benefit arrangements – service cost	**1,567**	1,852
Defined contribution schemes	**5,159**	5,500
	6,726	7,352

There were contributions of €0.7 million outstanding at 31 December 2012 (2011: €0.7 million) in relation to defined contribution schemes.

The combined after tax net pension liabilities of arrangements, accounted for as defined benefit schemes under FRS 17, consisting primarily of the Early Retirement Obligation, the AR Supplemental Scheme and the ARINA Scheme were as follows:

	Group	**Company**	Group	Company
	2012	**2012**	2011	2011
	€000	**€000**	€000	€000
Net pensions liability	**25,670**	**25,053**	18,773	18,005

The AR Supplemental Scheme and the ARINA Scheme are actuarially valued every three years by independent professionally qualified actuaries. The actuarial valuations are not available for public inspection. In accordance with FRS 17, at each reporting date the most recent valuation of the schemes 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 2012, the net pensions liability in the Group was €25.670 million (2011: €18.773 million) being assets of €13.001 million (2011: €12.337 million) and present value of accrued scheme liabilities of €42.480 million (2011: €33.686 million) net of a related deferred tax asset of €3.809 million (2011: €2.576 million).

At 31 December 2012, the net pensions liability in the Company was €25.053 million (2011: €18.005 million) being assets of €10.219 million (2011: €9.989 million) and present value of accrued scheme liabilities of €38.852 million (2011: €30.570 million) net of a related deferred tax asset of €3.580 million (2011: €2.576 million).

23. Pensions (continued)

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

	As at 31/12/2012	As at 31/12/2011
Valuation method	**Projected Unit**	Projected Unit
Rate of increase in salaries	**2.25% – 3.25%**	2.25% – 3.25%
Rate of increase in pension payment	**0.00% – 3.25%**	0.00%– 3.25%
Discount rate	**3.75% – 4.00%**	4.40% – 5.00%
Inflation assumption	**2.00% – 2.25%**	2.00% – 2.25%
Life expectancy		
Male member age 61 – 65 (current life expectancy)	**22.7 – 23.3**	22.7 – 23.2
Male member age 40 (life expectancy at age 61 – 65)	**22.7 – 26.4**	22.7 – 26.3
Female member age 59 – 65 (current life expectancy)	**24.7 – 27.0**	24.6 – 27.0
Female member age 40 (life expectancy at age 59 – 65)	**27.0 – 27.4**	27.0 – 27.3

The discount rates of 3.75% (Ireland) and 4.00% (overseas) are based on AA Rated Corporate Bonds which are considered appropriate for the duration of the liabilities of the schemes.

The asset allocations and expected long-term rate of return on assets at the year-end were as follows:

		Group 2012		**Company 2012**		Group 2011		Company 2011
	Percentage of plan assets	**Expected return**	**Percentage of plan assets**	**Expected return**	Percentage of plan assets	Expected return	Percentage of plan assets	Expected return
Equities	**40.7%**	**6.6%**	**35.4%**	**7.0%**	47.2%	6.6%	44.2%	7.0%
Bonds	**54.1%**	**2.7%**	**59.3%**	**3.0%**	36.3%	3.5%	36.6%	4.0%
Property	**1.1%**	**6.0%**	**1.4%**	**6.0%**	1.3%	6.5%	1.6%	6.5%
Other	**4.1%**	**1.2%**	**3.9%**	**2.0%**	15.2%	1.9%	17.6%	2.0%
	100.0%		**100.0%**		100.0%		100.0%	

To develop the expected long term rate of return on assets assumption, the Group and Company considered the current level of expected returns on risk free investments, the historical level of the risk premium associated with the other asset classes in which the portfolio is invested and the expectations for future returns of each asset class. The expected return for each asset class was then weighted based on the target asset allocation to develop the expected long-term rate of return on assets assumption for the portfolio. This resulted in the selection of an assumption of the weighted average long-term rate of return on assets of 4.25% (2011: 4.78%). The actual return on assets for 2012 was €1.3 million (2011: €0.2 million).

	Group 2012 €000	**Company 2012 €000**	Group 2011 €000	Company 2011 €000
Amounts recognised in the balance sheet				
Present value of funded obligations	**(19,494)**	**(15,866)**	(15,206)	(12,090)
Fair value of plan assets	**13,001**	**10,219**	12,337	9,989
Deficit for funded plans	**(6,493)**	**(5,647)**	(2,869)	(2,101)
Present value of unfunded obligations	**(22,986)**	**(22,986)**	(18,480)	(18,480)
Gross liability	**(29,479)**	**(28,633)**	(21,349)	(20,581)
Related deferred tax asset	**3,809**	**3,580**	2,576	2,576
Net liability	**(25,670)**	**(25,053)**	(18,773)	(18,005)
Change in benefit obligation				
Benefit obligation at beginning of year	**(33,686)**	**(30,570)**	(32,020)	(29,450)
Service cost	**(1,567)**	**(1,374)**	(1,852)	(1,675)
Interest cost	**(1,762)**	**(1,616)**	(1,650)	(1,515)
Plan members' contributions	**(416)**	**(360)**	(402)	(354)
Actuarial (loss)/gain	**(7,107)**	**(6,901)**	2,100	2,307
Benefits paid	**205**	**115**	195	117
Translation loss	**(1)**	**–**	(57)	–
Dividend in specie (Note 1)	**1,854**	**1,854**	–	–
Benefit obligation (funded and unfunded) at end of year	**(42,480)**	**(38,852)**	(33,686)	(30,570)

23. Pensions (continued)

	Group 2012 €000	**Company 2012 €000**	Group 2011 €000	Company 2011 €000
Change in plan assets				
Fair value of plan assets at beginning of year	**12,338**	**9,989**	9,469	7,419
Expected return on plan assets	**606**	**456**	655	506
Actuarial gain/(loss)	**736**	**744**	(883)	(706)
Employer contributions	**734**	**410**	2,850	2,533
Member contributions	**416**	**360**	402	354
Benefits paid from plan	**(205)**	**(115)**	(195)	(117)
Translation gain	**1**	**–**	40	–
Dividend in specie (Note 1)	**(1,625)**	**(1,625)**	–	–
Fair value of plan assets at end of year	**13,001**	**10,219**	12,338	9,989
Components of pension expense				
Amounts recorded in profit and loss				
Current service cost	**1,567**	**1,374**	1,852	1,675
Interest cost (Note 7)	**1,762**	**1,616**	1,650	1,515
Expected return on plan assets (Note 6)	**(606)**	**(456)**	(655)	(506)
Total defined benefit pension expenses	**2,723**	**2,534**	2,847	2,684
Actuarial loss/(gain) immediately recognised	**6,371**	**6,157**	(1,217)	(1,601)
Total pension loss/(gain) recognised in the statement of total recognised gains and losses ("STRGL")	**6,371**	**6,157**	(1,217)	(1,601)
Cumulative amount of actuarial loss immediately recognised	**21,559**	**19,906**	15,188	13,749

Contributions of €1.4 million are expected to be paid by the Group in the forthcoming accounting period for defined benefit arrangements.

							Year ended 31 December	
	Group	**Company**	Group	Company	Group	Company	Group and Company	
	2012	**2012**	2011	2011	2010	2010	2009	2008
	€000	**€000**	€000	€000	€000	€000	€000	€000
History of experience adjustments								
Difference between expected and actual return on assets	**736**	**744**	(883)	(706)	1,576	321	833	(2,490)
Expressed as a percentage of scheme assets	**5.7%**	**7.3%**	7.2%	7.1%	16.6%	4.3%	13.8%	60.6%
Experience (losses) and gains on scheme liabilities	**(1,644)**	**(1,438)**	(2,560)	(2,275)	1,380	1,807	(770)	(490)
Expressed as a percentage of scheme liabilities	**3.9%**	**3.7%**	7.6%	7.4%	4.3%	6.1%	2.7%	1.9%
Total actuarial (losses) and gains	**(6,371)**	**(6,157)**	1,217	1,601	(738)	317	1,524	(18,070)
Expressed as a percentage of scheme liabilities	**15.0%**	**15.8%**	3.6%	5.2%	2.3%	1.1%	5.3%	70.0%
History of scheme deficits								
Fair value of scheme assets	**13,001**	**10,219**	12,337	9,989	9,469	7,419	6,038	4,106
Present value of scheme liabilities	**(42,480)**	**(38,852)**	(33,686)	(30,570)	(32,020)	(29,450)	(28,692)	(25,822)
Deficit in schemes	**(29,479)**	**(28,633)**	(21,349)	(20,581)	(22,551)	(22,031)	(22,654)	(21,716)

	Group 2012 €000	**Company 2012 €000**	Group and Company 2011 €000
Deferred tax asset – pension related			
At beginning of year	**2,576**	**2,576**	2,757
Credit to profit (Note 9)	**266**	**266**	20
Credit/(charge) to STRGL	**999**	**770**	(201)
Dividend in specie (Note 1)	**(32)**	**(32)**	–
At end of year	**3,809**	**3,580**	2,576

24. Reserves

	2012				2011
	Profit and loss account €000	**Translation reserve €000**	**Other reserves €000**	**Total reserves €000**	Total reserves €000
Group					
At 1 January	**855,748**	**1,643**	**246**	**857,637**	825,786
Profit for the financial year	**19,439**	**–**	**–**	**19,439**	30,193
Currency translation adjustments	**–**	**(840)**	**–**	**(840)**	642
Actuarial (loss)/gain in pension schemes	**(6,371)**	**–**	**–**	**(6,371)**	1,217
Deferred tax credit/(charge) thereon	**999**	**–**	**–**	**999**	(201)
Dividend in specie (Note 1)	**(105,545)**	**–**	**–**	**(105,545)**	–
At 31 December	**764,270**	**803**	**246**	**765,319**	857,637
Group reserves are comprised as follows:					
Dublin Airport Authority plc	**510,191**	**–**	**–**	**510,191**	634,882
Subsidiary undertakings	**214,360**	**(332)**	**–**	**214,028**	221,320
Joint venture undertakings	**–**	**–**	**–**	**–**	(13,940)
Associated undertakings	**39,719**	**1,135**	**246**	**41,100**	15,375
	764,270	**803**	**246**	**765,319**	857,637

	2012 €000	2011 €000
Company		
Profit and loss account		
At 1 January	**634,882**	645,703
Loss for the financial year	**(13,759)**	(12,221)
Actuarial (loss)/gain in pension schemes	**(6,157)**	1,601
Deferred tax credit/(charge) thereon	**770**	(201)
Dividend in specie (Note 1)	**(105,545)**	–
At 31 December	**510,191**	634,882

During 2012, a dividend in specie totalling €105.5 million was made by the Group (2011: nil). This was in relation to the separation of Shannon Airport (see Note 1).

25. Reconciliation of operating profit to cash inflow from operating activities

	Group	
	2012	2011
	€000	€000
Operating profit	**59,752**	57,704
Depreciation charge	**106,301**	101,937
Amortisation of intangible assets	**192**	180
Amortisation of goodwill/negative goodwill	**999**	(213)
Loss on retirements of tangible fixed assets	**866**	168
Amortisation of capital grants	**(953)**	(991)
(Profit)/loss on disposal of tangible fixed assets	**(115)**	144
Payments in respect of cost recovery and restructuring programmes	**(8,805)**	(11,593)
Payments in respect of provisions	**(768)**	(190)
Decrease in stocks	**1,469**	4,304
Increase in debtors	**(805)**	(3,116)
(Decrease)/increase in creditors	**(22,557)**	5,687
Increase/(decrease) in pension liability	**887**	(906)
Net cash inflow from operating activities	**136,463**	153,115

26. Analysis of headings grouped in cash flow statement

	Group	
	2012	2011
	€000	€000
Returns on investments and servicing of finance		
Interest and similar income received	**10,193**	15,720
Interest and similar charges paid	**(60,299)**	(78,917)
Income from other financial assets	**395**	313
Dividends paid to minority interests	**(54)**	(4,282)
	(49,765)	(67,166)
Capital expenditure		
Purchase of tangible fixed assets	**(44,228)**	(90,028)
Sale of tangible fixed assets	**139**	98
Grants received towards purchase of tangible fixed assets	**22**	–
	(44,067)	(89,930)
Acquisitions and disposals		
Disposal of joint venture	**(215)**	–
Disposal of associate undertakings	**–**	12,500
Acquisition of subsidiary undertakings	**–**	(3,200)
	(215)	9,300
Financing		
Repayment of loan from associate undertaking	**1,703**	–
Loan from minority interests	**586**	–
Repayments of loan notes	**–**	(295,000)
Repayments of bank loans	**(14,487)**	(13,915)
New bank loans	**–**	260,000
	(12,198)	(48,915)

27. Reconciliation of net cash flow to movement in net debt

	Group	
	2012	2011
	€000	€000
Increase/(decrease) in cash in the year	**9,312**	(2,767)
Increase/(decrease) in liquid resources	**37,150**	(20,958)
Decrease in debt	**13,901**	48,915
Change in net debt resulting from cash flows	**60,363**	25,190
Profit on repurchase of loan notes (Note 5(e))	**–**	5,038
Amortisation of issue costs	**(394)**	(398)
Foreign exchange movement	**90**	(96)
Dividend in specie (Note 1)	**(83)**	–
Movement in net debt in the year	**59,976**	29,734
Net debt at 1 January	**(734,803)**	(764,537)
Net debt at 31 December	**(674,827)**	(734,803)

28. Analysis of net debt

	At 1 January 2012 €000	Cash flow €000	Non-cash movements €000	Foreign exchange movement €000	Dividend in specie (Note 1) €000	At 31 December 2012 €000
Cash	22,667	9,312	–	90	(83)	31,986
Liquid resources	430,373	37,150	–	–	–	467,523
	453,040	**46,462**	**–**	**90**	**(83)**	**499,509**
Debt due within one year	(14,487)	14,487	(23,041)	–	–	(23,041)
Debt due after one year	(1,173,356)	(586)	22,647	–	–	(1,151,295)
	(1,187,843)	13,901	(394)	–	–	(1,174,336)
Total	**(734,803)**	**60,363**	**(394)**	**90**	**(83)**	**(674,827)**

29. Financial Instruments

Narrative disclosures concerning the Group's treasury policy and management are set out in the Financial Review. The required disclosures in respect of relevant financial assets and liabilities (as defined) in accordance with Financial Reporting Standard 13 (FRS 13) "Derivatives and Other Financial Instruments" are provided below. Relevant financial assets/liabilities exclude short-term debtors and creditors and investments in subsidiaries, associated undertakings and joint ventures.

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 2012 was:

			2012			2011
	Total €000	**Floating rate €000**	**Fixed rate €000**	Total €000	Floating rate €000	Fixed rate €000
Financial liabilities						
Euro	**1,173,750**	**260,000**	**913,750**	1,187,843	260,000	927,843
Hong Kong dollar	**586**	**–**	**586**	–	–	–
	1,174,336	**260,000**	**914,336**	1,187,843	260,000	927,843
Financial assets						
Euro	**482,007**	**482,007**	**–**	441,275	441,275	–
Sterling	**262**	**262**	**–**	264	264	–
US dollar	**14,764**	**14,764**	**–**	8,894	8,894	–
Canadian dollar	**1,399**	**1,399**	**–**	1,819	1,819	–
Ukraine hryvnia	**496**	**496**	**–**	532	532	–
Russian rouble	**195**	**195**	**–**	136	136	–
Hong Kong dollar	**22**	**22**	**–**	90	90	–
Swiss franc	**46**	**46**	**–**	15	15	–
Renminbi	**318**	**318**	**–**	–	–	–
Other currencies	**–**	**–**	**–**	15	15	–
	499,509	**499,509**	**–**	453,040	453,040	–

The weighted average interest rate for fixed rate Euro currency financial liabilities was 5.8% (2011: 5.8%) and the weighted average period for which the rate was fixed was 8.6 years (2011: 9.6 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. No interest is received on loans to associated and joint venture undertakings of €0.6 million (2011: €5.4 million).

29. 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	Ukraine hryvnia	Russian rouble	Swiss franc	Swedish krona	Renminbi
As at 31 December 2012									
Functional currency of Group operations									
Euro	–	245	1,715	381	497	195	1	1	–
Canadian dollar	–	–	146	–	–	–	–	–	–
Hong Kong dollar	943	–	7	–	–	–	–	–	1
US dollar	3,222	17	–	–	–	–	67	–	–
Renminbi	130	–	–	–	–	–	–	–	–
	4,295	**262**	**1,868**	**381**	**497**	**195**	**68**	**1**	**1**
As at 31 December 2011									
Functional currency of Group operations									
Euro	–	211	2,377	906	516	140	10	15	–
Canadian dollar	–	–	86	–	–	–	–	–	–
Hong Kong dollar	2,457	–	4	–	–	–	–	–	–
US dollar	1,087	50	–	–	–	–	13	–	–
	3,544	**261**	**2,467**	**906**	**516**	**140**	**23**	**15**	**–**

The amounts shown in the table above take into account the effect of any forward contracts entered into to manage these currency exposures.

iii. Fair values of financial liabilities and assets

Set out below is a comparison by category of book values and fair values of the Group's relevant financial liabilities as at 31 December 2012.

	2012		2011	
	Book value €000	**Fair value €000**	Book value €000	Fair value €000
Primary financial instruments held or issued to finance the Group's operations				
Short-term financial liabilities and current portion of long-term borrowings (Note 18)	**23,041**	**27,591**	14,487	16,670
Long-term borrowings (Note 18)	**1,151,295**	**1,251,546**	1,173,356	1,185,324
	1,174,336	**1,279,137**	1,187,843	1,201,994
Derivative financial instruments held or issued to hedge the currency exposure on expected future sales				
Forward foreign exchange contracts	**–**	**–**	–	87

Where available, market values have been used to determine fair values. Where market values are not available, fair values have been calculated by discounting expected cash flows at prevailing interest rates.

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.

29. Financial Instruments (continued)

iv. Hedges

As set out in the Financial Review, the Group enters into forward foreign currency contracts to eliminate the currency exposure that arises on cash flows denominated in foreign currencies. It also may use interest rate swaps and forward rate agreements to manage its interest rate profile. As set out in the Statement of Accounting Policies, changes in the fair value of instruments used as hedges are not recognised in the financial statements until the hedged position matures. An analysis of these unrecognised gains and losses is as follows:

	Gains €000	Losses €000	Total net gains/ (losses) €000
Unrecognised gains and losses on hedges on 1 January 2012	**87**	**–**	**87**
Gains and losses arising in previous years recognised in 2012	(87)	–	(87)
Unrecognised gains and losses on hedges at 31 December 2012	**–**	**–**	**–**

30. Commitments and related matters

	Group		Company	
	2012	2011	**2012**	2011
	€000	€000	**€000**	€000
i. Capital commitments				
Contracted	**13,195**	9,898	**13,195**	9,898
Authorised by the directors but not contracted for	**22,110**	19,525	**18,864**	18,756
	35,305	29,423	**32,059**	28,654

ii. International concession agreements

Certain international retail activities of the Group are subject to arrangements that include guaranteed minimum concession fees. Amounts payable during the next twelve months are made up as follows:

	Group		Company	
	2012	2011	**2012**	2011
	€000	€000	**€000**	€000
Payable on concession agreements which expire within:				
Two to five years	**4,200**	4,545	**–**	–
Greater than five years	**6,717**	6,610	**–**	–
	10,917	11,155	**–**	–

At 31 December 2012, €4.0 million (2011: €4.0 million) of these commitments had been secured by performance bonds issued by banks and guaranteed by the Company's subsidiary undertaking, Aer Rianta International cpt.

30. Commitments and related matters (continued)

iii. Operating leases

Leasing commitments payable during the next twelve months are made up as follows:

	Group		Company	
	2012	2011	**2012**	2011
	€000	€000	**€000**	€000
Buildings				
Payable on leases which expire within:				
Two to five years	**201**	249	**–**	–
Greater than five years	**489**	486	**–**	–
	690	735	**–**	–
Plant and equipment				
Payable on leases which expire within:				
One year	**70**	655	**70**	655
Two to five years	**990**	263	**990**	263
	1,060	918	**1,060**	918

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 2012, the purchase commitments amounted to €8.9 million (2011: €9.2 million).

31. Related party disclosures

The related parties of the Group, as defined by Financial Reporting Standard 8 (FRS 8) "Related Party Disclosures", the nature of the relationship and the extent of transactions with them (excluding subsidiary undertakings), are summarised below.

	2012	2011
	€000	€000
Associated and joint venture undertakings		
Management charges to associated undertakings	**10,335**	10,095
Sales at cost to associated undertakings	**–**	1,479
Dividends received from associated undertakings	**19,148**	22,892
Loan to associated undertaking	**563**	563
Due from associated undertakings at year-end	**6,330**	7,978
Due to associated undertakings at year-end	**–**	589
Loan to joint venture undertaking at year-end	**–**	4,882
Entities under control of the Irish Government		
Revenues in the ordinary course of business	**5,587**	5,576
Operating expenses in the ordinary course of business	**24,925**	24,347
Interest receivable and similar income	**8,847**	8,805
Amounts owing to the Group from operating activities at year-end	**5,666**	3,344
Amounts owed by the Group from operating activities at year-end	**335**	1,203
Cash or cash equivalents placed on deposit at year-end	**294,081**	66,162
Entities under significant influence of the Irish Government		
Revenues in the ordinary course of business	**108,560**	103,150
Operating expenses in the ordinary course of business	**1,046**	1,131
Interest receivable and similar income	**–**	1,620
Interest payable and similar charges	**–**	78
Amounts owing to the Group from operating activities at year-end	**7,265**	9,516
Amounts owed by the Group from operating activities at year-end	**17,057**	20,382
Fixed assets acquisitions	**–**	20,342

Details of the Group's principal associated and joint venture undertakings are set out in Note 13.

31. Related party disclosures (continued)

In common with many other entities, 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. They also include Aer Lingus Group plc (Aer Lingus), which is 25.22% owned by the Minister for Finance.

Pursuant to the 2004 Act, on 31 December 2012, a dividend in specie of €105.5 million was effected by the transfer by the Group of the Shannon Airport business, related assets, liabilities and certain of its employees to SAA in consideration for the issue by SAA of one ordinary share of €1 in its share capital to the Minister for Public Enterprise and Reform, being the beneficial holder of the entire issued share capital of the Group (see Note 1).

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 2012 were €1.4 million. The amount owed by the Group at year end was €0.7 million.

Ms Marie O'Connor, a director of the Company until 6 November 2011, is also a partner in PricewaterhouseCoopers ("PwC") in Ireland. Fees in respect of professional services provided to the Group in the normal course of business by PwC in Ireland during the year ended 31 December 2011 were €269,478.
Mr Bill Cullen, a director of the Company until 6 November 2011, is a principal of the Europa Academy. Fees in respect of rental of rooms provided to the Group in the normal course of business by Europa Academy during the year ended 31 December 2011 were €3,300. Mr Brian O'Connell, a director of the Company until 31 December 2011, is also a director of Westpark Shannon Limited which is a property development company. During the prior year, Westpark provided office space at no charge to the Shannon College of Hotel Management, a business run by the Company. The market value of this was estimated at €3,600 at 31 December 2011.

By virtue of the 25.22% shareholding of the Government of Ireland, Aer Lingus is regarded as a related party of the Group for the purpose of FRS 8. In 2011, the Group acquired Aer Lingus' leasehold interest in a 9.9 acre site situated at Dublin Airport comprising its corporate headquarters, other buildings, structures and car parking spaces for a deferred consideration of €20.3 million to be settled over a ten year period (net of a cash payment to the Group of €1.0 million on completion of the transaction). The deferred consideration will be offset against certain fees, rents and licence fees payable by Aer Lingus to the Group in the ordinary course of business.

There were no amounts provided for or written off in the period in respect of debts due to or from related parties.

32. Minority interest

	2012	2011
	€000	€000
At beginning of year	**11,964**	12,240
Share of profit for the year	**4,172**	4,007
Exchange differences	**–**	(1)
Dividend to minority shareholders	**(54)**	(4,282)
At end of year	**16,082**	11,964

33. Associates

In accordance with the requirements of Financial Reporting Standard 9 (FRS 9) "Associates and Joint Ventures", the following additional information is given about associated undertakings which play a significant part in the operations of the Group, where applicable.

The Group's share of turnover, fixed assets, current assets, liabilities due within one year and liabilities due after more than one year of all associated undertakings is as follows:

	2012	2011
	€000	€000
Turnover	**209,760**	208,992
Fixed assets	**233,048**	236,147
Current assets	**66,233**	59,841
Liabilities due within one year	**(56,069)**	(45,844)
Liabilities due after one year or more	**(153,896)**	(164,963)

The Group's share of capital commitments of all associated undertakings amounted to €63.0 million (2011: €68.0 million).

The Group's share of the results, assets and liabilities of Flughafen Düsseldorf GmbH in which the Group holds a 20% stake (via its 40% stake in Airport Partners GmbH) (associated undertaking which exceeds certain size criteria as set down in FRS 9) is as follows:

	2012	2011
	€000	€000
Turnover	**88,931**	83,735
Profit before tax	**14,458**	15,242
Taxation	**(4,398)**	(4,526)
Profit after tax	**10,060**	10,716
Fixed assets	**214,506**	215,981
Current assets	**18,102**	10,415
Liabilities due within one year	**(19,615)**	(15,541)
Liabilities due after one year or more	**(133,513)**	(132,993)

34. 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.

35. Approval of financial statements

The financial statements were approved by the Board on 22 March 2013.

Five-year summary of financial results

	2012 €000	2011 €000	2010 €000	2009 €000	2008 €000
Operating results					
Turnover	**574,611**	557,492	558,153	546,716	630,940
Group EBITDA	**166,763**	160,273	146,756	125,512	154,657
Depreciation, amortisation and impairment	**(107,011)**	(102,569)	(74,262)	(62,820)	(67,000)
Group operating profit (pre-exceptional)	**59,752**	57,704	72,494	62,692	87,657
Share of profits of associates and joint ventures	**53,052**	36,045	18,907	14,007	30,272
Net interest payable – Group, joint ventures and associates	**(55,515)**	(56,250)	(39,803)	(20,118)	(17,117)
Group exceptional items	**(27,139)**	3,538	435	(56,916)	(35,194)
Profit/(loss) before taxation	**30,150**	41,037	52,033	(335)	65,618
Taxation	**(6,539)**	(6,837)	(15,108)	(9,459)	(16,572)
Minority interest	**(4,172)**	(4,007)	(3,815)	(3,473)	(1,972)
Profit/(loss) for the financial year	**19,439**	30,193	33,110	(13,267)	47,074
Profit excluding exceptional items (after tax)	**43,186**	25,987	32,771	37,947	77,899
Capital employed					
Tangible fixed assets	**1,753,962**	1,943,541	1,960,017	1,791,497	1,344,260
Intangible fixed assets	**7,084**	8,272	9,471	10,527	11,509
Financial fixed assets	**100,780**	82,478	79,010	83,578	103,981
Net current assets	**422,579**	311,382	70,162	483,292	699,982
Total assets less current liabilities	**2,284,405**	2,345,673	2,118,660	2,368,894	2,159,732
Creditors due after more than one year	**(1,176,408)**	(1,185,301)	(990,412)	(1,260,698)	(1,067,138)
Capital grants	**(12,227)**	(13,853)	(14,844)	(15,863)	(16,909)
Provisions for liabilities	**(102,362)**	(71,808)	(69,247)	(85,952)	(38,156)
Net pension liability	**(25,670)**	(18,773)	(19,794)	(19,820)	(19,002)
Net assets	**967,738**	1,055,938	1,024,363	986,561	1,018,527
Summary Cash Flow					
Cash flow from operating activities	**146,036**	164,898	147,284	131,368	161,624
Payments in respect of exceptional restructuring and other provisions	**(9,573)**	(11,783)	(30,379)	(1,918)	(9,028)
Dividends from associated undertakings (net)	**19,148**	22,892	17,097	19,025	13,567
	155,611	176,007	134,002	148,475	166,163
Net interest paid	**(49,711)**	(62,884)	(48,090)	(27,238)	(13,750)
Taxation (paid)/refund	**(2,904)**	(3,021)	2,056	(2,986)	(15,342)
	102,996	110,102	87,968	118,251	137,071
Investment in tangible fixed assets	**(44,228)**	(90,028)	(227,898)	(522,810)	(349,232)
Investment in/loans to associated and joint venture undertakings and financial assets	**–**	–	(11)	–	(1,245)
Other investments	**–**	–	(6,602)	–	–
Acquisition of subsidiary undertakings	**–**	(3,200)	–	–	(8,343)
Net (outflow)/proceeds from disposal of subsidiary/associated undertakings/joint ventures	**(215)**	12,500	–	(562)	–
Sale of tangible and financial assets	**139**	98	28	39	80
Grants received	**22**	–	–	–	–
	(44,282)	(80,630)	(234,483)	(523,333)	(358,740)
	58,714	29,472	(146,515)	(405,082)	(221,669)
Dividends paid					
to Minister for Finance	**–**	–	–	(19,400)	–
to minority undertakings of subsidiaries	**(54)**	(4,282)	(1,631)	(4,710)	–
Cash inflow/(outflow) before management of liquid resources and financing	**58,660**	25,190	(148,146)	(429,192)	(221,669)
Net debt					
Group net debt at year end	**674,827**	734,803	764,537	615,986	188,040

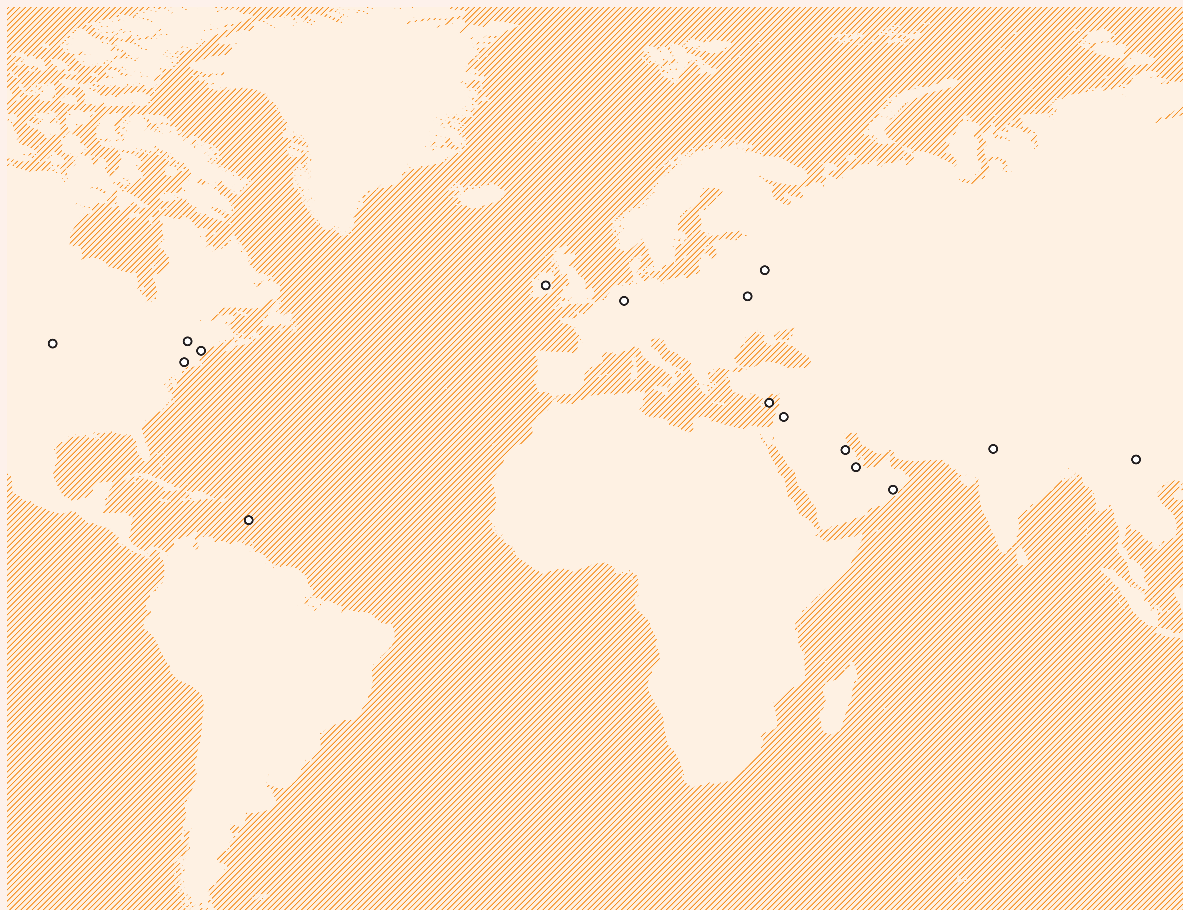
Five-year summary of passenger statistics

Passengers	**2012**	2011	2010	2009	2008
Overall					
Transatlantic	**1,932,077**	1,886,898	1,838,703	2,056,649	2,323,454
Britain	**8,774,890**	8,903,819	8,703,096	9,954,850	11,295,164
Continental Europe	**11,439,525**	11,220,625	10,922,184	12,409,145	14,221,820
Other International	**478,471**	261,645	272,534	248,992	261,793
Domestic	**66,744**	163,336	565,142	1,024,814	1,384,682
Transit	**142,838**	291,670	310,421	372,838	407,966
	22,834,545	22,727,993	22,612,080	26,067,288	29,894,879
Percentage change year-on-year	**+0.5%**	+0.5%	-13.3%	-12.8%	-0.6%
Dublin					
Transatlantic	**1,643,885**	1,566,787	1,489,081	1,614,375	1,748,299
Britain	**6,894,019**	6,970,219	6,726,793	7,575,288	8,559,677
Continental Europe	**10,015,982**	9,815,198	9,570,020	10,416,954	11,997,198
Other International	**477,890**	259,800	266,418	242,670	252,252
Domestic	**60,572**	120,428	369,010	634,973	844,594
Transit	**7,301**	8,161	9,742	19,417	64,691
	19,099,649	18,740,593	18,431,064	20,503,677	23,466,711
Percentage change year-on-year	**+1.9%**	+1.7%	-10.1%	-12.6%	+0.8%
Shannon					
Transatlantic	**287,923**	319,856	349,381	442,147	574,843
Britain	**735,967**	752,903	761,789	1,062,915	1,139,970
Continental Europe	**236,118**	269,718	323,358	888,946	1,020,437
Other International	**581**	745	1,063	869	2,820
Domestic	**1,393**	1,649	25,064	52,448	96,836
Transit	**132,799**	280,582	295,230	347,238	334,623
	1,394,781	1,625,453	1,755,885	2,794,563	3,169,529
Percentage change year-on-year	**-14.2%**	-7.4%	-37.2%	-11.8%	-12.5%
Cork					
Transatlantic	**269**	255	241	127	312
Britain	**1,144,904**	1,180,697	1,214,514	1,316,647	1,595,517
Continental Europe	**1,187,425**	1,135,709	1,028,806	1,104,245	1,204,185
Other International	**–**	1,100	5,053	5,453	6,721
Domestic	**4,779**	41,259	171,068	336,393	443,252
Transit	**2,738**	2,927	5,449	6,183	8,652
	2,340,115	2,361,947	2,425,131	2,769,048	3,258,639
Percentage change year-on-year	**-0.9%**	-2.6%	-12.4%	-15.0%	+2.5%

Five-year summary of aircraft movements

	2012	2011	2010	2009	2008
Overall					
Commercial					
Scheduled	**177,595**	175,300	175,334	197,797	231,139
Non Scheduled	**13,269**	16,184	17,124	19,859	26,803
Cargo	**6,224**	6,323	5,983	6,719	9,396
Commercial Air Transport Movements	**197,088**	197,807	198,441	224,375	267,338
Percentage change year-on-year	**-0.4%**	-0.3%	-11.6%	-16.1%	-0.5%
Others	**39,984**	40,116	37,627	40,120	48,787
Total Aircraft Movements	**237,072**	237,923	236,068	264,495	316,125
Dublin					
Commercial					
Scheduled	**147,380**	144,188	143,282	156,290	181,850
Non Scheduled	**5,288**	6,268	6,150	8,656	13,158
Cargo	**3,918**	3,995	3,670	4,132	5,103
Commercial Air Transport Movements	**156,586**	154,451	153,102	169,078	200,111
Percentage change year-on-year	**+1.4%**	+0.9%	-9.4%	-15.5%	+2.1%
Others	**7,084**	7,565	7,218	7,733	11,779
Total Aircraft Movements	**163,670**	162,016	160,320	176,811	211,890
Shannon					
Commercial					
Scheduled	**10,271**	11,054	10,702	18,357	21,172
Non Scheduled	**7,018**	8,586	9,504	9,255	8,513
Cargo	**1,517**	1,543	1,507	1,711	2,985
Commercial Air Transport Movements	**18,806**	21,183	21,713	29,323	32,670
Percentage change year-on-year	**-11.2%**	-2.4%	-26.0%	-10.2%	-8.3%
Others	**5,458**	6,663	5,669	5,643	9,689
Total Aircraft Movements	**24,264**	27,846	27,382	34,966	42,359
Cork					
Commercial					
Scheduled	**19,944**	20,058	21,350	23,150	28,117
Non Scheduled	**963**	1,330	1,470	1,948	5,132
Cargo	**789**	785	806	876	1,308
Commercial Air Transport Movements	**21,696**	22,173	23,626	25,974	34,557
Percentage change year-on-year	**-2.2%**	-6.2%	-9.0%	-24.8%	-6.9%
Others	**27,442**	25,888	24,740	26,744	27,319
Total Aircraft Movements	**49,138**	48,061	48,366	52,718	61,876

DAA Group Structure



Dublin Airport Authority plc (DAA)

Ireland
Dublin and Cork

Aer Rianta International (ARI)

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

CIS / Eastern Europe
Moscow, Kiev

India
Delhi

China
Kunming

Aeronautical Information

Dublin Airport

Location	Lat. 532517N, Long. 0061612W (midpoint Runway 10/28)
Elevation	242 ft. AMSL
Runway Data	**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	24 hrs
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
SITA	ORKARXH

General Business Information

Dublin Airport Authority plc

Head Office

Old Central Terminal Building
Dublin Airport, Co. Dublin, Ireland
T 353 1 814 1111
F 353 1 814 4120
W www.daa.ie

Registered Office

Dublin Airport, Co. Dublin, Ireland

Aer Rianta International cpt

Head Office

Shannon Airport, Co. Clare, Ireland
T 353 61 712 777
F 353 61 475 566
W www.ari.ie

Aer Rianta International Middle East

4th Floor, Falcon Tower Building,
Diplomatic Area, P.O. Box 10047
Manama, Kingdom of Bahrain
T 00 973 17537979
F 00 973 17533741
W www.ari.ie

DAA Finance plc

Old Central Terminal Building
Dublin Airport, Co. Dublin, Ireland
T 353 1 814 1111

Auditors

Deloitte & Touche
Chartered Accountants and Statutory
Audit Firm, Deloitte & Touche House
Earlsfort Terrace, Dublin 2

Principal Bankers

Bank of Ireland
European Investment Bank
HSBC Bank
Ulster Bank

Forward Looking Statements

This document contains certain forward looking statements with respect to the financial condition, results of operations and businesses of Dublin Airport Authority 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.

Design: ATELIER David Smith (www.atelier.ie)
Principal photography: Peter Rowen

Paper: Munken Lynx, Novatec Gloss
All papers used to produce this publication are certified by the Forest Stewardship Council (FSC)
Typefaces: National by Chris Sowersby (KLIM Type Foundry) and Neue Swift by Gerard Unger

Published by
Dublin Airport Authority plc
Head Office, Old Central Terminal Building
Dublin Airport, Co. Dublin, Ireland
T 353 1 814 1111. F 353 1 814 4120
www.daa.ie

©2013 Dublin Airport Authority plc

Forest Stewardship Council (FSC)
FSC facilitates the development of standards, ensures monitoring of certified operations and protects the FSC trademark so consumers can choose products that come from well managed forests.

FSC certification ensures that products come from well managed forests that provide environmental, social and economic benefits.

Mixed Sources
Product group from well-managed forests and other controlled sources
www.fsc.org Cert no. SGS-COC-004837
© 1996 Forest Stewardship Council

Dublin Airport Authority plc
Old Central Terminal Building
Dublin Airport
Co. Dublin, Ireland
T 353 1 814 1111 / F 353 1 814 4120
www.daa.ie