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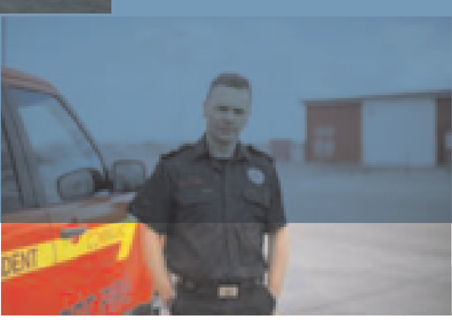
Dublin Airport Authority plc

daa

Annual Report 2013



2013

Dublin Airport Authority plc

Annual Report and Financial Statements

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DUBLIN AIRPORT AUTHORITY PLC

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Pádraig Ó Ríordáin, Chairman

Pádraig Ó Ríordáin was appointed Chairman in January 2012. Pádraig is a Corporate Partner in Arthur Cox, a leading Irish law firm, where he served as Managing Partner from 2003 to 2011. In 2009, he was named European Managing Partner of the Year and in 2012 was awarded the Lifetime Achievement Award by the Managing Partners' Forum. He studied law in 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, the Pensions Committee and Cork Airport Development Council.

Niall Greene

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

Colm McCarthy

Colm McCarthy was appointed to the Board in February 2012. Colm, a graduate of University College Dublin and the University of Essex, is a visiting Professor of Economics at Dubrovnik International University. He previously lectured in 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.

Des Mullally

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

Barry Nevin

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

Eric Nolan

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

Ann-Marie O'Sullivan

Ann-Marie O'Sullivan was appointed to the Board in May 2013. A graduate of UCC and a Fellow of the Public Relations Institute of Ireland, Ann-Marie is a communications professional, providing strategic communications counsel to large and small organisations across a broad spectrum of industry sectors. She is a Director of Healy Design & Advertising Limited and has served as Chairperson of the Public Relations Consultants Association (Ireland). Ann-Marie is a member of the Board of Cork Chamber of Commerce.

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.

Denis Smyth

Denis Smyth was appointed to the Board in January 2014 under the Worker Participation (State Enterprises) Acts, 1977 to 2001. Denis joined the company in 1979 and currently holds the position of Airport Duty Manager. He is a member of the SIPTU trade union and holds diplomas in Airport Operations Management and Security Management.

Kevin Toland

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

Gerry Walsh

Gerry Walsh was originally appointed to the Board in November 2009 and reappointed 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 and is a non-executive director of a number of Irish companies. Gerry has knowledge and experience of working in the Irish commercial semi-State sector gained from his time as Chief Executive of Bord Gáis Energy from 2000 to 2007. He led the transition of the company to an all-Ireland energy company providing both gas and electricity to customers throughout the island of Ireland. He is an engineering graduate from UCC. Gerry was Chairman of Cork Airport Authority from 2009 to the end of 2011. He 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 the Pensions Committee.

DAA Management Team

Kevin Toland
Chief Executive

Ray Gray
Chief Financial Officer

Vincent Harrison
Managing Director, Dublin Airport

Niall MacCarthy
Managing Director, Cork Airport

Jack MacGowan
Chief Executive, ARI

Colm Moran
Chief Executive, daa International

Maurice Hennessy
Chief Information Officer

Paul O'Kane
Chief Communications Officer

Michael Feehan
Chief Security Officer

Marion O'Brien
Company Secretary


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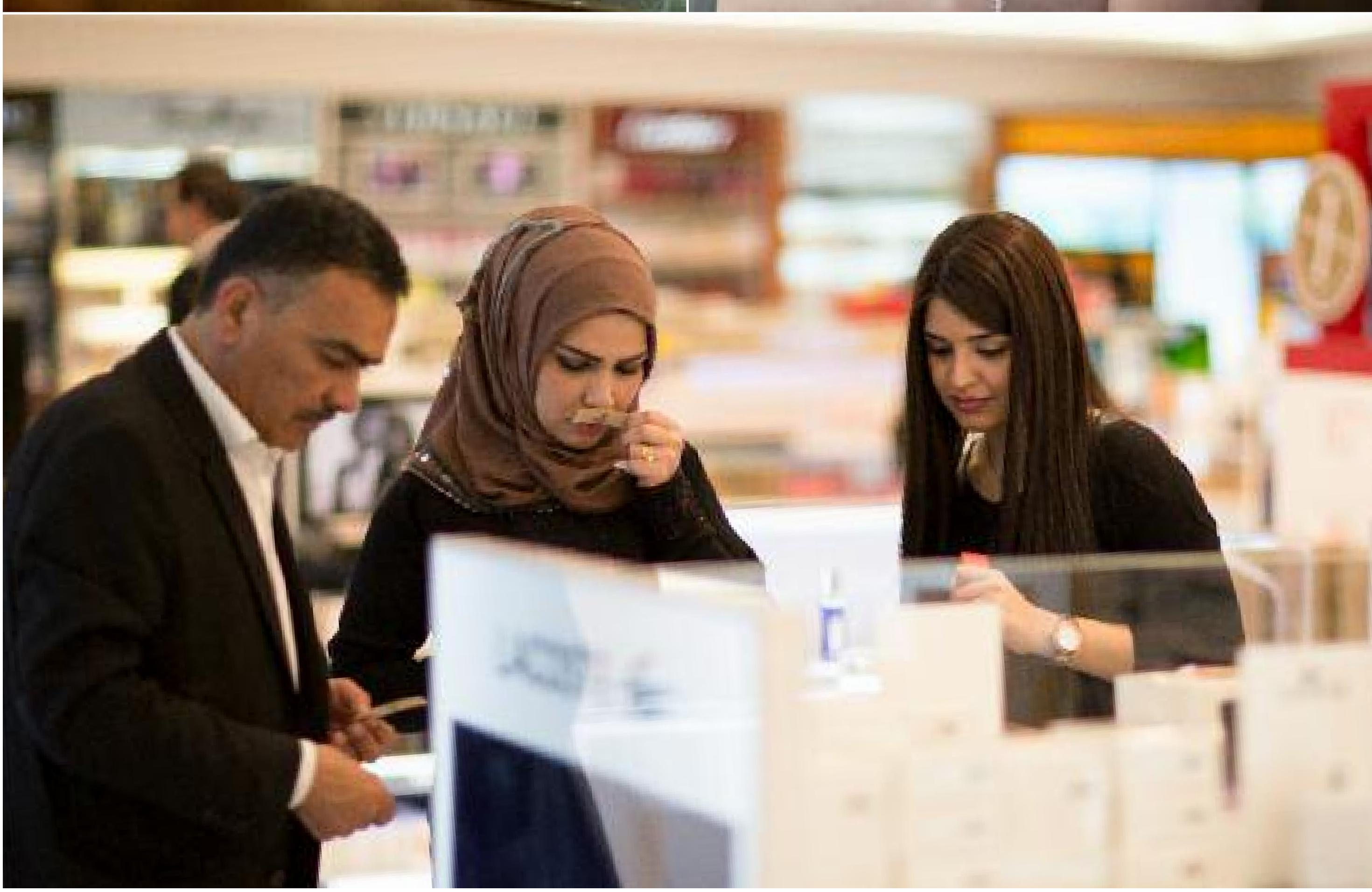

Chairman's Statement

Pádraig Ó Ríordáin

We are pleased with the overall progress that Dublin Airport Authority (DAA) continued to make in 2013, with strong growth in passenger numbers, combined with further reductions in operating costs and net debt.

The highlights of the year included:

- Passengers numbers at Dublin grew by 6% to 20.2 million, strongly ahead of the European Union average of 1%
- EBITDA was up 1% to €161 million
- Net debt reduced by 9% to €614 million
- Operating costs reduced by 2% to €250 million
- Record year for transatlantic traffic at Dublin Airport
- Cork Airport won a global award for customer service
- Significant new capacity was secured for Dublin Airport for 2014
- Cash inflow from operating activities up 6% to €145 million.

The year under review was the Group's first as an operator of two Irish airports – Dublin and Cork – and passenger numbers at the Republic of Ireland's two largest aviation gateways increased by 5% to more than 22.4 million during the year. This was the Group's strongest overall performance in passenger growth since 2007, but the 4% decline in traffic in Cork Airport remains a concern and a focus of the Board.

Even with overall passenger numbers increasing materially last year, our Irish airports are still barely profitable as Cork Airport remains loss-making and the Group's overall average return on equity is low at just 3%.

We remain committed to encouraging further growth at our Irish airports by offering attractive incentive schemes that share with our airline partners the risk of launching new services while also rewarding them for growing their traffic levels at Dublin and Cork airports.

Lowering our debt levels, continuing to control our cost base and achieving an equitable and sustainable solution to the current issues facing the Irish Airlines (General Employees) Superannuation Scheme (IAS) remain key goals for the Group.

Overall turnover declined by 6% to €501 million on a like-for-like basis which excludes Shannon Airport's 2012 results for comparative purposes, with the fall due to the Group's international travel retail operator Aer Rianta International (ARI) withdrawing from the Commonwealth of Independent States (CIS). Turnover in Ireland increased 5% during the year on a like-for-like basis.

Earnings before interest, taxes, depreciation, and amortisation (EBITDA) increased by 1% to €161 million during the year. Group profit after tax excluding exceptionals declined by 33% to €28 million, while post-exceptional after-tax profits increased by 100% to €38 million.

Dublin Airport remains the main gateway for Ireland, accounting for 82% of international traffic to and from the Irish State last year. Passenger numbers at Dublin Airport increased by almost 6% to 20.2 million last year – the first year of more than 20 million passengers since 2009 – and strongly outpacing passenger growth at EU airports as a whole which increased by just 1% in 2013.

Dublin saw particularly strong demand for long-haul business, with transatlantic traffic increasing by 13% to its highest ever level of 1.86 million passengers, aided by The Gathering. Traffic to the Middle East and North Africa, also increased by 13% in 2013, while continental European and British markets enjoyed solid growth, with traffic increasing by 5% and 4% respectively.

Contrary to the trend in Dublin, passenger numbers at Cork Airport declined by almost 4% last year to about 2.3 million, due in part to a significant rationalisation in services to Central Europe. The Group is working to return Cork Airport to passenger growth and is actively engaged with a wide range of airline customers and other stakeholders to continue to promote the airport and its hinterland. Post year-end, the Group established a new high level stakeholder body to boost the development of Cork Airport. The Cork Airport Development Council brings together key stakeholders in the region, who will work with management to help expand the business.

During the year, Cork Airport topped a global survey of business and leisure travellers, as it was ranked the world's best regional airport for customer service.

International profits at ARI increased by 7% to more than €29 million last year, aided by an €11 million exceptional gain arising from the sale of certain retail interests in Russia and Ukraine during the year as part of its exit from that market place. ARI had a satisfactory underlying trading performance in 2013, despite the continued political upheavals affecting some of its markets. Overseas sales increased by 1% at continuing locations while turnover at DAA's own operated shops in Ireland increased by 5%.


CORK

Clear Focus

During the year we restructured the Group into four distinct business units – Dublin Airport, Cork Airport, ARI and daa International. Management and staff worked closely together to devise a new Purpose, Vision and Goals for each unit, as well as for the overall Group.

DAA's core purpose is to connect Ireland to the world. In fulfilling this purpose, the Group intends to become an airport industry leader, growing its business by delivering great service and value for airlines, passengers and business partners.

The overarching goals and the linked goals of each individual business unit will help provide a clear focus for the business over the medium term.

Funding

The Group is funded through a combination of its own resources and borrowings, receiving no income or support from the State. Its net debt level, which had increased to fund a major capital investment programme, fell for a third successive year during 2013. Net debt declined by €61 million to €614 million, which represented a further 9% reduction. Since 2010, we have reduced our net debt levels by €151 million.

Pensions

One of the top priorities of the Group is to identify, agree and implement an equitable and sustainable resolution to the ongoing issues facing the multi-employer IAS pension scheme. These issues are challenging and deeply complex, but the Board recognises their core importance to many of our staff and is determined to solve them.

During the year, the Group engaged in an extensive series of discussions with staff representatives – including Labour Court hearings – in efforts to deliver an outcome that will improve the pension prospects of affected IAS Scheme members in a way that will balance the interests of all parties concerned.

Despite focusing heavily on this issue for some time now, progress towards a sustainable resolution has been significantly slower than we would have wanted. This is due to the complexity and uniqueness of the issues at the heart of the matter, as well as the wide range of stakeholders who must align in order to secure a resolution.

A key element of the Group's proposals is the establishment of a new defined contribution pension arrangement for all eligible staff, including many staff who have joined the organisation in recent years.

Post year-end, in February 2014, the Trustee of the IAS Scheme set out its funding proposal. At the time of writing, the Group is engaging closely with an Expert Panel, appointed by the Secretary Generals of the Department of Transport, Tourism and Sport and the Department of Jobs, Enterprise and Innovation in conjunction with the Irish Business and Employers' Confederation (IBEC) and the Irish Congress of Trade Unions (ICTU). The Panel is engaged in an urgent investigation of how a final resolution of the industrial relations issues relating to the IAS Scheme can be secured.

The Board will maintain its focus on this issue until it is resolved.

Company Name

During the year, the Government decided that the Group's name would change from Dublin Airport Authority (DAA) to daa to better reflect a business that operates both Dublin and Cork airports, an international travel retail business, and an international airport operating partner. The formal name change to daa requires legislation to be passed by the Oireachtas and is expected to take effect later this year.

Current Outlook

Dublin Airport has had a strong start to the year, with passenger numbers up by 9% in the first two months of the year over the same period last year. The additional summer long-haul and short-haul services, that were announced for Dublin last year, are due to begin operations shortly and the extra capacity that they will add augurs well for further material passenger growth in 2014.

The healthy demand for long-haul services at Dublin Airport has helped deliver a 17% increase in capacity to North America for the 2014 summer season as well as a major planned expansion in capacity to the Middle East. Post year-end, both Emirates and Etihad announced plans to operate double daily services from Dublin to Dubai and Abu Dhabi respectively.

Passenger numbers at Cork Airport had a weaker start to the year, declining by 6% in the first two months. Aer Lingus and Aer Lingus Regional are both adding extra capacity for the 2014 summer season and in March, Ryanair indicated that it is planning a 50% increase in capacity on its Cork-Stansted route for winter 2014.

Sustainability

The Group is committed to being a responsible airport operator and retailer by minimising its impact on the environment and on our immediate neighbours, whilst supporting overall economic growth and making a positive contribution to the societies in which we operate. At our Irish airports, we contribute to overall economic growth by managing and developing Dublin and Cork airports with a long-term focus on the air travel needs of the State.

We are committed to providing a safe environment for our employees and our customers.
We are also committed to reducing our energy consumption and overall carbon emissions, to increasing our water conservation and to reusing and recycling as much waste as feasible. We have incorporated sustainability in our planning, design, procurement and construction activities and are promoting sustainable practices among all users of our airports.

Dublin and Cork airports are both members of the international Airport Carbon Accreditation Scheme, and have been formally recognised for their success in reducing carbon emissions. Dublin Airport and Cork Airport are certified at the Reduction Level, which means that each airport has formally mapped its carbon footprint and has demonstrated that reduction targets have been achieved.

The Group is continuing to reduce its carbon emissions at its two airports and to encourage other airport users to similarly reduce their greenhouse gas emissions.

Acknowledgements

Two directors, Mary McCabe and Conor Swords, retired from the Board just after the year end on the expiration of their terms of office. I would like sincerely to thank both Mary and Conor for their contributions to the Board and the valuable insights they brought.

Following elections that were held by DAA in accordance with the Worker Participation Acts, Des Mullaly, Eric Nolan, and Denis Smyth were appointed to the Board post year-end and Barry Nevin was reappointed.

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

I would like to express my appreciation of the staff at, and management of, DAA at Dublin and Cork airports and at our many overseas locations for their continued efforts and for their focus on the company's customers and its key goals during the year.

Finally, I would like to extend a sincere thank you to all of our customers in 2013. We appreciate your business and look forward to continuing to serve you even better in 2014 and beyond.

Pádraig Ó Ríordáin, *Chairman*
March 21, 2014


ALRIFAI


FIRE

Chief Executive's Review

Overview

DAA had a satisfactory performance in 2013, as passenger numbers increased and we made progress in some key areas.

Overall passenger numbers at our two Irish airports increased by 5% to 22.4 million, which was the highest rate of growth since 2007. Dublin Airport had a robust passenger performance in 2013, while passenger numbers at Cork, which is the second largest airport in the State, declined.

On a like-for-like basis – which excludes Shannon Airport's 2012 results for comparative purposes – the Group's financial performance was relatively flat during the year. Earnings before interest, taxes, depreciation and amortisation (EBITDA) increased by 1% to €161 million.

Group turnover declined by 6% to €501 million, due to the completion of ARI's planned withdrawal from certain markets in the Commonwealth of Independent States (CIS). Turnover in the Irish market increased during the year due to the additional passengers processed by our two airports and an increase in average retail and commercial spends.

Pre-exceptional profit after tax declined by 33% to €28 million, however this decline was solely attributable to a once-off benefit during 2012, when the disposal of the Group's share in a property joint venture boosted the bottom line. The Group's underlying profit after tax was relatively flat during the year.

Group operating costs were reduced by a further 2% to €250 million and remain lower than in 2008 when Dublin Airport was a single terminal facility. Group non-pay costs were reduced by 7% to €107 million while pay costs increased by 1% to €143 million, as the Group expanded employment in passenger areas to deal with extra traffic at Dublin Airport and to improve the overall passenger experience for our customers.

Cost control and improved efficiency continue to be key areas of focus for the Group. Our Irish airports are barely profitable and the return on equity from these two business units remains sub-optimal. In this context, a significant organisational restructure was undertaken at Cork Airport during the year aimed at reducing its cost base while enhancing operational efficiency. Agreement was concluded on the introduction of more flexible working arrangements and staff numbers were reduced through a voluntary severance scheme.

While the Group expects to continue to invest in some additional resources for key passenger-facing areas at Dublin Airport, we will also be making savings in other areas.

DAA funds its business through its own resources and borrowings, as although the Group is State-owned, it receives no funding from the Irish State and is a net contributor to the Exchequer.

The Group's net debt was reduced by a further €61 million during the year and stood at €614 million at year-end. During the past three years, we have reduced our net debt by €151 million in total. The continued reduction in net debt, coupled with a flat EBITDA and underlying profit performance resulted in a further improvement in the Group's key debt ratios.

Dublin Airport

Dublin Airport had a strong year of growth in 2013, with passenger numbers up by almost 6% to 20.2 million. Almost 1.1 million additional passengers used Dublin Airport last year, as all the major market segments recorded an increase in traffic.

It was Dublin Airport's third successive year of growth and the airport's busiest year since 2009. Traffic to continental Europe, which is Dublin Airport's biggest market sector, delivered the largest volume growth during the year, as it expanded by almost 500,000 additional passengers. The number of passengers travelling on continental European routes increased by 5% to 10.5 million during the year.

The fastest-growing element of Dublin Airport's business in 2013 was transatlantic traffic, which set a new record last year. Transatlantic passenger numbers increased by more than 13% to almost 1.9 million, boosted by a significant uplift in available seats due to capacity increases from most carriers operating routes between North America and Dublin.

The British market, which had declined modestly in 2012, saw a significant bounce back last year, as passenger numbers increased by 4% to 7.2 million.

Other international traffic, which includes flights to the Middle East and North Africa, continued to perform strongly. Passenger numbers travelling on these services increased by 13% to just over 540,000.

Dublin Airport's robust passenger performance is underlined by data from ACI Europe, the umbrella group for Europe's airports, which shows that overall passenger numbers within the European Union increased by 1% last year. Dublin Airport was the second fastest growing airport in the European Union among its peer group of airports with 10–25 million passengers per year, as only Berlin Tegel had a stronger performance last year.

Overall growth at all European airports, which also includes non-EU states such as Russia, Turkey and Iceland, was 3% in 2013.

The underlying market dynamics for Dublin Airport were very healthy in 2013. Our airline customers increased the number of available seats on scheduled Dublin services by 4% during the year. With 6% passenger growth, all of this additional capacity was sold and a greater number of existing seats to and from Dublin were also filled. It normally takes the market a period to adjust to additional capacity, so it was therefore pleasing to see such a strong passenger performance at Dublin in 2013.

One of the contributors to that growth was The Gathering, an Irish-government marketing initiative that was strongly supported by the Group, aimed at encouraging those with Irish heritage or an interest in Ireland to visit Ireland during 2013. The government estimates that 250,000–275,000 additional visitors came to Ireland as a result of The Gathering. Dublin Airport would have welcomed the majority of these additional visitors with the long-haul network to North America being a key beneficiary of this uplift in traffic.

Another key factor in last year's passenger growth at Dublin Airport was the significant expansion in transfer business. Transfer traffic increased by 36% last year, with almost 550,000 passengers transferring at the airport.

Dublin Airport's geographic position between Europe and North America, coupled with its strong route network and the ability to clear all US Customs and Immigration checks, prior to departure on US-bound flights, creates a unique selling point for Dublin as a transfer hub. Our transfer business is still modest by international standards, accounting for less than 3% of total traffic in 2013, and there is strong scope for growing this segment of the market.

Adding a regular flow of transfer passengers can significantly improve the financial viability of a route and expanding this business will help attract new routes and also underpin additional frequencies on existing services. We continue to work closely with our airline customers to promote the benefits of transferring at Dublin.

Dublin Airport continued to grow its business from Northern Ireland during the year through increased marketing to promote the route network, convenience and value of using the airport. The number of passengers from Northern Ireland, that used Dublin Airport, increased by 11% to 571,000 in 2013 and we see further potential to expand this market. Dublin's unrivalled long-haul and short-haul route network is a key selling point to customers in Northern Ireland, however ease of access and choice of carriers and frequencies also make Dublin Airport a very attractive option for many Northern Ireland residents.

Scheduled services continued to dominate the network at Dublin, accounting for 98% of all passengers in the year. A total of 57 airlines operated services to 175 destinations from Dublin last year, with 29 scheduled airlines flying to 152 scheduled destinations.

The airport welcomed 10 new routes and services last year. American Airlines launched a new year-round service to New York's JFK Airport, while there were new short-haul routes from airlines such as Aer Lingus, CityJet, Norwegian, Ryanair and Tarom. There were also significant increases in capacity on a large number of short-haul services to Britain and continental Europe, most notably from Aer Lingus and Ryanair.

During 2013, a total of 40 airlines – which is equivalent to 70% of Dublin Airport's airline customers – increased their traffic. This expansion resulted in the Group paying a €5.6 million rebate in airport charges to those 40 airlines under the Growth Incentive Scheme, which was designed to encourage new and existing customers to grow their overall business at Dublin. Airlines that increased passenger numbers at Dublin last year and were paid a rebate included Aer Arann, which operates Aer Lingus Regional, Aer Lingus, American Airlines, British Airways, Delta, Lufthansa, Norwegian, Turkish Airlines, Ryanair, SAS, Tarom and United. The level of payment was dependent on the level of growth delivered by each airline, coupled with overall passenger growth at Dublin Airport.

The Group has paid €8.6 million in airport charge rebates to airlines under the Growth scheme in the past three years. Post year-end, the scheme, which applies to Dublin and Cork airports, was renewed for a further three years until 2016 and will pay rebates to scheduled airlines that grow their business.

A number of announcements made during 2013 and post year-end bode well for continued passenger growth at Dublin in the short to medium term. In November, Ryanair announced that it will launch nine new routes from Dublin during 2014 and significantly increase capacity on eight existing services. The new routes include services to Bari, Basel, Bucharest, Lisbon, Marrakesh and Prague. Ryanair has indicated that it expects that this expansion will result in the airline adding an extra 700,000 passengers to its Dublin Airport traffic.

Aer Lingus announced new long-haul routes to San Francisco and Toronto as well as new short-haul services to Hanover and Pula. Air Canada rouge, a new Air Canada subsidiary focused on leisure passengers, announced Dublin as one of its first international routes and will operate Dublin-Toronto on a year-round basis from the 2014 summer season. There was further Canadian expansion from WestJet, which will operate a new summer service from St John's, Newfoundland to Dublin beginning later this year.

Cork Airport

Cork Airport, which is the main international gateway to the south of Ireland, welcomed 2.3 million passengers through the airport in 2013, a decline of 3.5% on the previous 12 months.

The decline in passenger numbers was due to some weakness in the local market, coupled with a consolidation in services from Cork to Central Europe, which had expanded significantly in 2012.

Sixteen airlines served 54 separate routes from Cork last year, helping the airport maintain its status as the Republic of Ireland's busiest airport after Dublin. Five scheduled airlines, Aer Lingus, Aer Lingus Regional, Ryanair, Jet2.com and Wizz Air offered a total of 44 scheduled destinations from Cork during the year.

Ryanair commenced a new service to East Midlands in the latter half of 2013, while Aer Lingus announced a new route to Newcastle and increased frequencies on services to Manchester, Bristol and Rennes in late December. Dutch airline, ArkeFly which is part of TUI Group, launched new sun charter services from Cork Airport to a number of Mediterranean destinations last summer, as well as operating an inbound tourist charter from the Netherlands.

A new Aer Lingus Regional service to Newcastle was announced prior to year-end and this will commence operations for the 2014 summer season. Aer Lingus has also announced its intention to implement a 25% increase in frequency on the Cork-Heathrow service, which is Cork Airport's busiest route, for the summer season.

We are working hard to return Cork Airport to passenger growth this year and are actively engaged with existing airline customers and potential new entrants to help expand traffic at the airport.

Fáilte Ireland's creation of The Wild Atlantic Way, which is Ireland's first formal long-distance tourist driving route, should help benefit inbound traffic to Cork Airport over the medium term. The new 2,500 kilometre route follows the coast from Kinsale in County Cork to the Inishowen Peninsula in County Donegal and will be heavily marketed to overseas visitors. Cork Airport is the natural gateway airport for The Wild Atlantic Way, as it is located just 20 kilometres from Kinsale and the airport will work to promote this new attraction in tandem with local tourism agencies and other key stakeholders.

Cork Airport was ranked as the world's best regional airport for customer service by both business and leisure travellers last year. Cork came first for overall customer satisfaction in the global Airport Service Quality (ASQ) Regional Survey of passengers, carried out on behalf of Airports Council International (ACI). The passenger study measured customer satisfaction across eight categories in 61 regional airports worldwide.

The ASQ Regional survey found that Cork Airport excelled with the highest levels of passenger satisfaction across all of its peer airports. Areas surveyed included courtesy and helpfulness of airport staff, cleanliness, availability of information, security and ease of access.

The Group will strive to maintain this excellent independent rating for Cork Airport and introduced a number of initiatives to further enhance the passenger experience during 2013. Customer feedback terminals were installed at various locations in Cork Airport and these provide valuable information on the customer experience. A new children's play area in departures and a major refurbishment of the airside bar and bistro catering service were completed, both of which contributed to the improved overall customer experience. The airport's baggage security system was also fully upgraded at a cost of €2.4 million in line with the latest European Union standards.

Cork Airport continued to work to reduce its cost base. A significant organisational restructure was undertaken during the year, which included a voluntary severance programme and more flexible working arrangements to further improve operating efficiencies.

Cork Airport was one of four companies shortlisted in the Public Sector category in the Sustainable Energy Awards 2013. The award nomination was in recognition of Cork Airport's achievements in energy management, as total energy consumption has been reduced by almost 30% since 2009.

Commercial

The Group's car parking business performed strongly in 2013, with total revenues increasing by 7% over the previous 12 months. The performance was achieved with proactive yield management in car park pricing supported by targeted marketing campaigns offering competitive prices and improved choice through a range of online car park products.

The Group sells car parking online through its own websites and also through separate commercial agreements with Aer Lingus and Ryanair, both of which sell parking at Dublin Airport via their own websites. The level of Dublin Airport car parking which is pre-sold online continued to increase during the year. Excluding revenue from customers who stay in a car park for less than eight hours, the percentage of parking sold online at Dublin increased from 64% to 73% in 2013.

The yield management process which is applied to the online car park product is well established and places the Group ahead of most of its international peers. During the course of last year, the Group identified a number of significant opportunities to leverage this experience and expertise with particular focus on the US market. The Group completed consultancy work for a number of international airports both in Europe and the US in 2013 and has plans to further develop and grow this business during 2014.

New commercial terms were agreed during the year with car rental concessionaire companies at Dublin and Cork airports for the next three years. The agreement brings certainty in terms of an important service offer for our customers and a significant revenue stream for the Group.

Ireland's largest fuel retailer Topaz opened its new €3 million state-of-the-art service station at Dublin Airport during the year. The new facility provides a significantly enhanced offer for customers featuring a café, hot food deli, free Wi-Fi internet access, EV charger, a car wash and a pay-at-pump facility.

Quick service restaurant operator McDonalds obtained planning permission for a new outlet on a site adjacent to the Topaz service station during the year, and construction on this facility began post year-end. These developments offer additional choice and convenience for Dublin Airport customers and will generate an increased revenue stream for the Group.

The Group recovered its interest in the Clarion Hotel site at Dublin Airport post year-end. Simultaneously, a 10-year concession licence agreement was concluded with Irish hotel Group Dalata, which will operate the premises under the Maldron brand.

The redevelopment of Shamrock House at Dublin Airport was completed during the year. The building was refurbished to a grade "A" office standard and Aer Lingus moved from its former Head Office Building into the refurbished property in late 2013. This project is an example of the type of regeneration that could be extended to other properties on the Dublin Airport campus. It not only offers a financial return in terms of the rental achieved, but also recycles a property asset that is past its useful life and makes a significant aesthetic improvement to the overall Dublin Airport campus.

Within the core Dublin Airport campus, the Group has a 70-acre site located adjacent to Terminal 2 and extending east to the long-term green car park, which has a High Technology zoning under the current Fingal County Development Plan. This zoning allows for a number of non-core aviation uses, including research and development (R&D) and innovation technology, high technology manufacturing employment and high-quality landscape environment. The Group intends to submit a master plan in 2014 for the regeneration and commercial development of the site over the next 25 years.


Shop & Collect

ARI

Aer Rianta International (ARI) is a wholly-owned subsidiary of DAA which owns or operates airport retail businesses in nine countries across North America, the Middle East and Asia. DAA's 20% shareholding in Düsseldorf Airport in Germany is also held within ARI.

ARI delivered a very solid trading performance from continued operations during 2013, despite the impact of political unrest in certain Middle Eastern markets.

The company's operations made profits of €29.4 million last year compared to €27.4 million in 2012.

Last year's profits were boosted by €11.3 million in exceptional items, principally arising from the disposal of ARI's remaining 33.3% shareholding in Aerofirst, a Moscow-based airport retail company. That transaction completed ARI's planned withdrawal from Russia and Ukraine to focus on higher growth operations and opportunities in core markets. In this context, ARI was pleased to increase its shareholding in its key Bahrain-headquartered subsidiary, ARI Middle East (ARIME), to 71% during the period.

ARI's sales at continuing locations increased by more than 1% during the year. ARI's joint venture operations across the Middle East performed strongly overall. Our partnerships in Beirut, and in Larnaca and Paphos airports in Cyprus, achieved very impressive performances, despite the impact of the civil war in neighbouring Syria on the former and continued national economic challenges on the latter.

Beirut Duty Free demonstrated its ongoing business confidence during the year by opening a new Arrivals Shop and by adding new Hermes and Dolce & Gabanna outlets for departing passengers. In Cyprus, ARIME in early 2014 was pleased to take the opportunity to double its shareholding in Cyprus Airports (F&B) Limited – the business that operates the food and beverage franchise at Larnaca and Paphos airports – to just over 50%.

Further strong sales growth was achieved at ARI's joint venture at Delhi International Airport in India during 2013, where turnover exceeded $120 million after just three full years' trading. A dynamic and innovative marketing strategy sustains Delhi Duty Free's sales performance, which was acknowledged when the business won the Digital Innovation of the Year Award at the Frontier Awards, which are hugely respected within the international travel retail sector.

India remains a key strategic growth market for ARI despite the withdrawal, after year-end, from the Mumbai Terminal 2 duty-free concession that ARI was awarded during 2013 by Mumbai International Airport Ltd (MIAL). This decision was taken in the wake of delays and difficulties experienced in securing certain required regulatory approvals and licences in sufficient time to meet the project's operational and financing deadlines. ARI is very disappointed with this outcome, given the innovative and exciting retail experience planned for the airport and its passengers, and given the management time and money invested by ARI's affiliates and partners in the concession bid and concession planning and design.

The past year represented the first full year of trading for ARI at Kunming Changshui International Airport in China, where the company has a concession for duty-paid shops. ARI continues to convert the insights it is gaining about the expectations and preferences of the travelling Chinese consumer into sales growth and continues to work with Kunming Airport and suppliers to optimise its opportunity there.

ARI's operations in Canada and Barbados had another solid year of sales growth, despite the impact of some inevitable disruption due to a significant construction and refurbishment programme at Montreal Duty Free. The first phase of Montreal's new €2.6 million International Store, comprising liquor, tobacco, confectionery and souvenirs opened in December. The project was fully completed post year-end.

At home, ARI manages the Group's Irish retail operations which had another very strong trading year in the context of continued challenging retail conditions in Ireland generally during the period. Sales at the Group's retail stores increased by an average of 5% at Dublin and Cork airports where average spend per passenger also rose by 1%. This positive performance was underpinned by strong passenger growth at Dublin Airport and by double-digit growth on transatlantic services and on flights servicing the Middle East.

Total sales at the two Irish airports, including retail, and food and beverage sales by concessionaires, amounted to €214 million in 2013, which was a 5% increase on a like-for-like basis.

The Group is pleased that its commitment to retail service quality and to new ways of marketing the airport shopping experience to passengers continue to be recognised by its peers in Ireland and overseas. Our branded airport retail concept, The Loop, was again the recipient of a major award by Retail Excellence Ireland last autumn, while internationally The Loop at Dublin and Cork airports, won the Frontier Best Marketing Campaign by a Retailer Award for its Joy of Giving Christmas campaign.

Last year's roll-out of the Joy of Giving Christmas to our outlets in Canada and Cyprus was not only successful in itself, but also signified how ARI is intensifying its focus, through a programme known as the ARI Way, on delivering a consistent standard of retail excellence across its entire estate, to the benefit of passengers, suppliers, airports and business partners.

The Group continues to develop and refine the full range of retail services it offers for passengers, including those which help enrich their shopping experience and enhance convenience. Shop & Collect, the service which enables passengers to purchase their goods on their outbound journey for collection on their return, saw sales rise by 16% during 2013.

The award-winning Irish Whiskey Collection at Dublin and Cork airports enjoyed a further 12% increase in Irish whiskey sales during the year and is increasingly recognised as a pre-eminent showcase for one of the world's fastest-growing spirits categories.

Great Irish and global whiskey brands will also feature prominently in the exciting redevelopment plans for The Loop at Dublin Airport's Terminal 1 (T1). This project, which commenced late last year, will transform the shopping experience at the airport's older passenger terminal by its completion in early 2015.

The €8 million investment programme in T1 will replace the current linear street-style layout with spacious, modern walk-through stores, including 900 square metres of fragrance and cosmetics brands in a single vibrant location. A similar-sized food and beverage hall, offering a wide selection of bespoke and family-focused catering options, will also form a key element of the new retail area in T1.

daa International

The Group made significant progress during the year with the development of its fledgling overseas arm daa International. The business will provide airport management services to financial investors in the international airport industry. It is also active in the areas of aviation training and car park management services.

daa International is currently exploring a number of opportunities for providing management services to airport investors in countries such as India, Brazil, the United States and Japan. It is also in discussions with a number of US-based airports in relation to potentially providing car park management consultancy services in that market.

Kevin Toland, *Chief Executive*
March 21, 2014




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MALT SCOTCH WHISK
Handcrafted a
BALVEN
Distillery, Ba




ΟΔΟΣ
ΑΓΙΟΥ ΞΕΝΟΦΩΝΤΟΣ
AGIOU XENOFONTOS
STREET


CYPRUS AIRPORTS
DUTY FREE



2013 Financial Review

Group Financial Highlights	2013	2012
Passengers[1]		
Total ('000)	22,425	21,440
Growth (%)	*5%*	*2%*
Profitability (€'m)[1]		
Turnover	501	535
Growth (%)	*-6%*	*4%*
Group EBITDA[2]	161	159
Growth (%)	*1%*	*4%*
Group profit excluding exceptionals	28	42
Group profit for the year	38	18
Cash Flow (€'m)		
Cash flow from operating activities	145	136
Cash flow before financing / liquid resources	61	59
Balance Sheet (€'m)		
Gross assets[3]	2,424	2,434
Shareholders' funds	989	952
Gross debt	1,152	1,174
Cash	538	499
Net debt	614	675
Capital Expenditure (€'m)[1]		
Capital expenditure additions	54	31
Key Ratios[1]		
Group EBITDA: Net interest charge[4]	3.2x	3.3x
Net debt: Group EBITDA	3.8x	4.2x
Group EBITDA: Turnover	32%	30%
Return on average equity[5]	3%	4%

1 2012 numbers exclude Shannon Airport, which comprised 1,395k pax, €40m Turnover, €8m EBITDA, profit for the year of €1m and €3m capital expenditure additions.
2 Group EBITDA comprises group earnings before interest, tax, depreciation, amortisation and exceptional items from group activities, excluding contributions from associated and joint venture undertakings.
3 Gross assets comprise fixed and current assets.
4 Net interest charge comprises Group net interest, excluding associated and joint venture undertakings.
5 Return on average equity is based on Group profit excluding exceptional items as a percentage of average shareholders' funds.

Profitability[1]

The Group recorded a profit for the financial year of €38 million (post-tax), compared with a profit of €18 million in 2012. When the exceptional profit (net of tax) of €10 million (2012: exceptional loss of €24 million) are excluded Group profit for the year was €28 million (2012: €42 million). Group EBITDA for the year increased by €2 million (1%) to €161 million. This reflected a decrease in gross profit contribution of €4 million associated with a decrease in non-aeronautical turnover offset by operating cost decreases (payroll and non-payroll) of €6 million.

1 All 2012 numbers exclude Shannon Airport.

Passenger volume and growth

Passenger numbers at the two airports were 22.4 million, an increase of 5%. Passenger numbers at Dublin Airport were 20.2 million, an increase of 6%. Passenger numbers at Cork Airport were 2.3 million, a decrease of 4%.

Turnover

Group turnover was €501 million, a decrease of €34 million (6%) on the previous year. Turnover from aeronautical activities increased by €7 million (3%) to €228 million. Some €273 million of turnover came from retail and other commercial activities both overseas and at the two airports, a decrease of €41 million (13%) on 2012.

Operating costs

Total Group operating costs (excluding cost of sales, depreciation, amortisation, impairment and exceptional items) decreased by €6 million (2%) to €250 million. Group payroll costs increased by €2 million (1%) and Group non-payroll costs decreased by €8 million (7%).

Exceptional items

Exceptional items are set out in Note 5 and include a profit of €11 million on the disposal of certain overseas retail interests, a provision of €4 million in respect of a cost recovery programme ("CRP") and a release of a provision for restructuring costs of €3 million. Total net exceptional profit after tax was €10 million in 2013 (2012: net exceptional loss of €24 million).

Depreciation, amortisation and impairment

Depreciation, amortisation and impairment costs decreased by €1 million to €99 million.

Associates and joint ventures

Group share of operating profits (before interest and taxation) from associates and joint ventures decreased by €15 million to €38 million. 2012 included €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 2013 was €50 million (2012: €48 million). Interest capitalised amounted to €0.2 million (2012: €0.4 million). The Group's share of net interest cost from associates was €8 million (2012: €8 million).

Taxation

The Group taxation charge increased by €4 million to €10 million. Excluding exceptional items, the effective tax rate was 24% (2012: 17%) 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 €145 million (2012: €136 million). At the end of 2013, the Group had net debt of €614 million compared to €675 million in 2012. Cash was €538 million at year-end (2012: €499 million).

Group interest cover was 3.2 times (2012: 3.3 times) based on Group EBITDA divided by the Group net interest charge.

Balance sheet

Shareholders' funds increased to €989 million (2012: €952 million).

Gross assets were €2.4 billion (2012: €2.4 billion). Fixed and financial assets were €1.8 billion (2012: €1.9 billion).

Company accumulated profit and loss account, the basis for determining Company distributable reserves, increased by €9 million to €519 million at 31 December 2013.

Treasury

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

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

Liquidity risk

The Group's policy is to ensure continuity of funding by (a) maintaining committed facilities covering the minimum of 12 months capital expenditure or 18 months net financing needs and (b) ensuring a substantial portion of borrowings mature in more than five years. At 31 December 2013, €747 million of borrowings were due to mature in less than five years with €593 million of that due to mature in 2018. The Group held cash of €538 million at the year-end. Including undrawn committed borrowing facilities of €150 million, liquidity at the same date was €688 million. At the year-end the Group had capital commitments (both contracted and uncontracted) of €36 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 2013, 77% 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 2013, the weighted average interest rate applicable to the Group's borrowings was 4.7% down from 4.8% in 2012. The Group's policy is to maintain a minimum fixed ratio of 70% on existing debt.

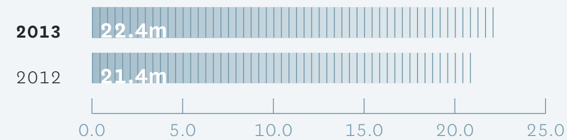
Foreign exchange risk management

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.

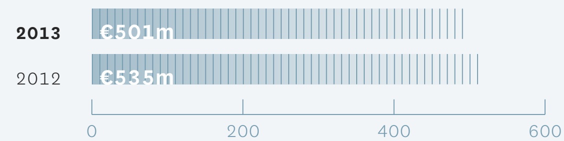
Credit risk

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.

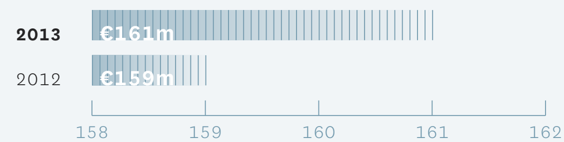
Total Passenger Numbers



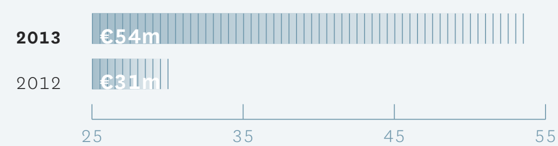
Group Turnover



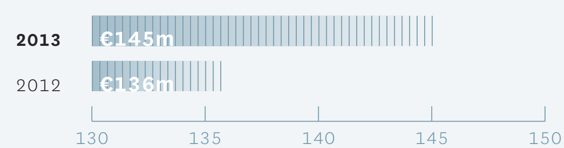
Group EBITDA



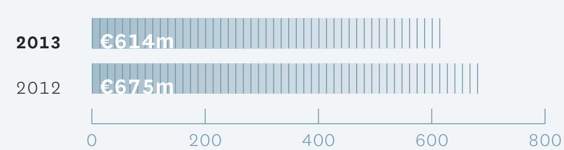
Fixed Asset Additions



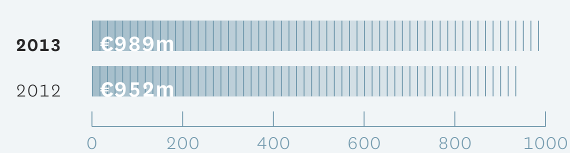
Cashflow from Operating Activities



Group Net Debt



Shareholders' Funds



Reports and Consolidated Financial Statements

2013


PLUS
PROPERTIES
NEW JOHNNIE WALKER THE SPICE ROAD

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 2013.

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 2013 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 Chief Executive's Review and the 2013 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 €38.2 million compared with a profit of €19.4 million for 2012, summarised as follows:

	2013	2012
	€ million	€ million
Group operating profit	**61.8**	59.7
Share of operating profit of associates and joint ventures	**38.2**	53.0
Exceptional items[1]	**9.9**	(27.1)
Group profit before interest and taxation	**109.9**	85.6
Interest (net)[2] – Group, associates and joint ventures	**(57.2)**	(55.5)
Group profit before taxation	**52.7**	30.1
Tax – Group, associates and joint ventures	**(10.4)**	(6.5)
Group profit after taxation	**42.3**	23.6
Minority interest	**(4.1)**	(4.2)
Group profit for the financial year	**38.2**	19.4
Group profit excluding exceptional items (after tax)	**28.1**	43.2

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.

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 State Airports Act 2004 (the "2004 Act"). In 2012, pursuant to the 2004 Act, the Government decided that Shannon Airport was to be separated from the Group. This was effected on 31 December 2012 when the Shannon Airport business was transferred to Shannon Airport Authority plc, a separate State-owned entity. Further details are set out in Note 1 "The Restructuring" to the financial statements.

Cork Airport will continue in the ownership of the Group and the Company will be renamed to reflect that there are now two airports and international businesses in the group structure. The renaming together with other organisational changes will be implemented in line with the State Airports (Shannon Group) Bill 2014 when this legislation is enacted.

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 (the "Code of Practice") which sets out the principles of corporate governance which the boards of State bodies are required to observe. In addition, in corporate governance matters, the Company has regard to recognised frameworks such as the UK Corporate Governance Code (the "UK Code") and the Irish Corporate Governance Annex.

The Role of the Board

The Board is responsible for the proper management and for the long-term success of the Group. It takes all significant strategic decisions and retains full and effective control while allowing management sufficient flexibility to run the business efficiently and effectively within appropriate delegated authority. The Board has reserved a formal schedule of matters for its decision. These matters include the adoption of strategic and business plans, the approval of the annual financial statements and annual operating and capital budget, acquisitions, disposals and investments in joint ventures, major capital expenditure, property transactions, treasury policy and material contracts. Other issues reserved for the Board include the oversight of the system of risk management and internal control and the appointment of the Chief Executive. 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 roles of the Chairman and Chief Executive are separate.

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

There were a number of changes to the Board since the last annual report. On 14 May 2013, Ann-Marie O'Sullivan was appointed to the Board. In December 2013, elections were held by DAA pursuant to the Worker Participation Acts following which the Shareholder appointed four directors to the Board effective from 9 January 2014. These were Barry Nevin (reappointed), Des Mullally, Eric Nolan and Denis Smyth and consequently the terms of office of Mary McCabe and Conor Swords expired. There are thirteen directors serving on the Board as of the date of approval of the financial statements. The Senior Independent Director is Gerry Walsh.

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, legal, business, public relations, retail and industrial relations. These skills bring the necessary competence to the Board to address the major challenges for the Group. Directors draw on their experience and knowledge in the development of strategy and use their diverse range of skills to constructively challenge matters of strategic importance to the Group.

The experience and knowledge of directors is also taken into consideration in determining the requirements and membership of the Board committees.

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

Independence of Directors

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

The Board considers that all directors are independent in character and judgement. Having regard to the independence 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 in the context 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 Pádraig 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 in 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.

Ms Ann-Marie O'Sullivan is a director of the company, Healy Design & Advertising Limited, which has in the past provided and may continue in the future to provide public relation services to Cork Airport. Consequent on her appointment as director of DAA, she is not directly involved in the provision of such services or the business transactions of the account and for this reason is considered to be independent.

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

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

Performance Evaluation

The Board completed a formal evaluation of its performance and that of the Audit Committee in respect of 2013. 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 high level of satisfaction with the operation of the Board and the Audit Committee. A report on the outcome is 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 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 2013 in the section headed "Meetings" below. Terms of reference for the committees are available from the Company Secretary on request.

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

The Audit Committee met five times in 2013.

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. The Head of Internal Audit's executive reporting line is to the 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, 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 received periodic presentations on the risk management framework applied, including management actions to address, mitigate and manage risks on a continuing basis. This complemented regular Board receipt of management reports on emerging risks, key risks and significant changes in the business and external environment which affect the existing risk 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 last tendered for external audit services in 2012, following which Deloitte & Touche were appointed.

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 comprises of Mr Pádraig Ó Ríordáin (chairman) and Mr Gerry Walsh. The committee met once during the year.

The committee's 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
The Health, Safety, Security & Environment Committee comprises of Mr Niall Greene as chairman of the committee and Mr Barry Nevin. During 2013 and up to the date of her retirement, Ms Mary McCabe also served on this committee.

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
The Pensions Committee comprises of Mr Pádraig Ó Ríordáin (chairman), Mr Niall Greene and Mr Gerry Walsh. 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. In 2013, given the extensive and ongoing consultation in relation to the Company's pension arrangements, pension matters were dealt with at Board level by non-conflicted Board members.

Meetings

Regular meetings of the Board are held throughout the year. The Board met formally twelve times during 2013. 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 the year ended 31 December 2013:

Director	Board	Audit	Health, Safety, Security & Environment	Nomination & Remuneration
Mr. Pádraig Ó Ríordáin	12/12	—	—	1/1
Mr. Niall Greene	10/12	—	5/5	—
Ms. Patricia King	09/12	—	—	—
Mr. John Lynch	09/12	—	—	—
Ms. Mary McCabe	12/12	—	5/5	—
Mr. Colm McCarthy	10/12	5/5	—	—
Mr. Barry Nevin	12/12	—	5/5	—
Ms. Ann-Marie O'Sullivan	6/8	—	—	—
Mr. Paul Schütz	7/12	5/5	—	—
Mr. Conor Swords	12/12	—	—	—
Mr. Kevin Toland	12/12	—	—	—
Mr. Gerry Walsh	12/12	5/5	—	1/1

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

The Senior Independent Director, Mr Gerry Walsh met directors without the Chairman present in 2013.

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. 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 2013, 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 are 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;
	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, Security, Safety, 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 and security and health, safety and environmental compliance, report to the Company Secretary while the internal audit function reports to the 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. A third party independent review of the Group's risk management system was undertaken and found the Group had reached a mature position with regards to Enterprise Risk Management, with the risk management framework and culture assessed to be at an optimised level. In keeping with a commitment for continuous improvement, the Group implemented 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. Certain members of DAA staff have mandated their union(s) to instigate industrial action in pursuit of a resolution to the "pension" issues more fully described below. A withdrawal of services by a large grouping of DAA staff would inevitably lead to significant disruption to services up to and including closure of Dublin and Cork airports.

Mitigation

The Group seeks to eliminate the risk of discontinuity of services by having well-developed continuity plans and resilience in its key systems. 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"). This pension scheme is unusual for a number of reasons. These include the fact that the scheme is multi-employer and not segregated, that both benefits and contributions are defined within the scheme rules and that 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 2013, current employees and former employees who are not yet in receipt of a pension (deferred members) would have received approximately 11% of their expected IASS pension benefits. The current funding position of the IAS Scheme is considered unsustainable such that the scheme trustee has prepared a draft funding proposal which includes, inter alia, a reduction of 20% in accrued benefits for active and deferred members in addition to the imposition of coordination, removal of statutory revaluation and a cessation of IAS Scheme benefit accrual and contributions, and a reduction in pensions in payment for current pensioners to the maximum permitted by recent legislative changes.

The 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. Pending a resolution of the future arrangements for the IAS Scheme, including a final proposal from the IAS Scheme Trustee, certain IAS Scheme members of staff, who are members of a trade union representing a majority of Irish-based staff, have mandated their union to instigate industrial action in pursuit of a resolution.

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 has engaged in extensive discussions with its staff, through their trade union representatives, 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 be reflective of its firm view that it has no legal obligation for the deficit in the IAS Scheme.

Pursuant to a recommendation from the Labour Court in May 2013, 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 airports staff pension arrangements.

Subsequently, in February 2014, the Trustee of the IAS Scheme set out its funding proposal (as described earlier). Following these events the Company is engaging with trade union representatives with a view to bringing this matter to a final resolution.

An Expert Panel was established on 3 March 2014 by the Department of Transport, Tourism and Sport, the Department of Jobs, Enterprise and Innovation, the Irish Business and Employers Confederation and Irish Congress of Trade Unions. The Expert Panel has been requested to carry out an urgent investigation of how a final resolution of the industrial relations issues relating to the IAS Scheme can be secured.

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

Suboptimal Regulatory Determination:

Airport charges at Dublin Airport are regulated by the Commission for Aviation Regulation ("CAR"). CAR sets a cap on the maximum level of airport charges, expressed as a maximum average amount per passenger, having regard to different factors. These factors include operating costs, non-aeronautical revenues, capital expenditure, passenger volumes and cost of capital. CAR has commenced a period of review which will lead to a price cap determination for the five year period 2015 – 2019. It is expected to publish a draft determination in May 2014 and a final determination in September 2014. A sub-optimal outcome to the regulatory determination could have a significant financial impact on the financial performance of the business over the determination period 2015 – 2019.

Mitigation

One of the three statutory objectives which CAR has, under the Aviation Regulation Act 2001, in making a regulatory determination is to enable DAA to operate and develop Dublin Airport in a sustainable and financially viable manner.

DAA undertakes a comprehensive consultative engagement process with its stakeholders including airline customers. The approach outlines the business needs of the airport and emphasises the importance of evidence-based decision making and the requirement that economic regulation allows the regulated utility a fair rate of return.

International Operations:

The Group undertakes international airport retailing and other activities, principally via a wholly-owned subsidiary of DAA, Aer Rianta International cpt ("ARI").

ARI has direct and indirect interests in airport retailing joint ventures and/or management contracts in various countries. It also has direct and indirect equity investments in a number of airports.

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

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

Mitigation

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

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

ARI maintains strong board representation in joint ventures and monitors the legal environment, and compliance with regulatory and governance requirements. It obtains professional advice where necessary.

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

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 2013 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 CAR in its periodic regulatory price cap determinations and actual financial performance against the regulatory assumptions.

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

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

Mitigation

Board approved policies are in place to address key treasury risks (see 2013 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 dependant 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.

Information Technology Systems:

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

Mitigation

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

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.

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, Shannon and Cork airports.

Health and Safety

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

Subsidiary, Associated and Joint Venture Undertakings

The information required by Section 158 of the Companies Act, 1963 in relation to subsidiary, associated and joint venture undertakings is set out in Note 13.

Prompt Payments Act

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

Electoral Act, 1997

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

Post Balance Sheet Events

There have been no significant post balance sheet events which require adjustment to the financial statements or the inclusion of a note thereto other than as disclosed in Note 35.

Auditors

Deloitte & Touche, Chartered Accountants and Statutory Audit Firm, will continue in office as external auditor in accordance with Section 160(2) of the Companies Act 1963.

On behalf of the Board
Pádraig Ó Ríordáin, Chairman
Gerry Walsh, Director
21 March 2014

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 the Institute of Chartered Accountants in Ireland and Irish statute comprising the Companies Acts, 1963 to 2013.

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 2013. 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 2013 and for compliance with the Code of Practice for the Governance of State Bodies.

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
21 March 2014

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

We have audited the financial statements of Dublin Airport Authority plc for the year ended 31 December 2013 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 36. The financial reporting framework that has been applied in their preparation is 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 Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the 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 2013 to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the 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 2013 and of the group's profit for the year then ended; and

— have been properly prepared in accordance with the Companies Acts, 1963 to 2013.

Matters on which we are required to report by the Companies Acts, 1963 to 2013

— 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 balance sheet is in agreement with the books of account.

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

— 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 2013 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 2013 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.

Kevin Sheehan *for and on behalf of*
Deloitte & Touche, Chartered Accountants and Statutory Audit Firm
Dublin
21 March 2014

Statement of accounting policies

for the year ended 31 December 2013

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 the Institute of Chartered Accountants in Ireland and Irish statute comprising the Companies Acts, 1963 to 2013.

Basis of Consolidation

The Group financial statements consolidate the financial statements of the Company and its subsidiary undertakings (subsidiaries) up to 31 December 2013.

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.

Subsidiaries and 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. Listed investments are carried at the lower of cost and net realisable value.

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 ("CAR") regulates the level of revenues that the Group may collect in airport charges levied on users of Dublin Airport. CAR achieves this by setting a maximum level of airport charges per passenger that can be collected at Dublin Airport.

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. Any negative goodwill in excess of the fair values of the non-monetary assets acquired is recognised in the profit and loss account in the periods expected to be benefited.

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.

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

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.

— Tax in relation to service costs, interest costs, expected return on plan assets, past service costs or gains and losses on curtailments and settlements is recorded in the profit and loss account. Tax on actuarial gains and losses is recorded 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 interest rate swaps and forward exchange contracts, 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 2013

	Note	2013 Pre-exceptional €000	2013 Exceptional €000	2013 Total €000	2012 Pre-exceptional €000	2012 Exceptional €000	2012 Total €000
Group turnover – continuing operations	2	**500,589**	**–**	**500,589**	574,611	–	574,611
Operating costs							
Cost of goods for resale		**(89,994)**	**–**	**(89,994)**	(124,361)	–	(124,361)
Payroll and related costs	3	**(142,514)**	**–**	**(142,514)**	(157,476)	–	(157,476)
Materials and services		**(107,109)**	**–**	**(107,109)**	(126,011)	–	(126,011)
Depreciation, amortisation and impairment		**(99,179)**	**–**	**(99,179)**	(107,011)	–	(107,011)
		(438,796)	**–**	**(438,796)**	(514,859)	–	(514,859)
Group operating profit – continuing operations		**61,793**	**–**	**61,793**	59,752	–	59,752
Share of operating profit							
Joint venture undertakings	13	**–**	**–**	**–**	13,725	–	13,725
Associated undertakings	4	**38,213**	**–**	**38,213**	39,327	–	39,327
Exceptional items							
Cost recovery programme							
– continuing operations	5	**–**	**(4,156)**	**(4,156)**	–	(22,000)	(22,000)
Restructuring income/(costs)	5	**–**	**2,764**	**2,764**	–	(5,139)	(5,139)
Profit on disposal of investments and assets	5	**–**	**11,257**	**11,257**	–	–	–
Group profit before interest and taxation		**100,006**	**9,865**	**109,871**	112,804	(27,139)	85,665
Income from other financial assets		**415**	**–**	**415**	395	–	395
Interest receivable and similar income							
Group	6	**8,576**	**–**	**8,576**	12,646	–	12,646
Interest payable and similar charges							
Group	7	**(58,389)**	**–**	**(58,389)**	(60,943)	–	(60,943)
Associated undertakings	7	**(7,764)**	**–**	**(7,764)**	(7,613)	–	(7,613)
Group profit on ordinary activities before taxation	8	**42,844**	**9,865**	**52,709**	57,289	(27,139)	30,150
Tax on profit on ordinary activities	9	**(10,559)**	**174**	**(10,385)**	(9,931)	3,392	(6,539)
Group profit on ordinary activities after taxation		**32,285**	**10,039**	**42,324**	47,358	(23,747)	23,611
Minority interest	32	**(4,166)**	**–**	**(4,166)**	(4,172)	–	(4,172)
Group profit for the financial year	24	**28,119**	**10,039**	**38,158**	43,186	(23,747)	19,439

On behalf of the Board

Pádraig Ó Ríordáin, Chairman

Gerry Walsh, Director

21 March 2014

Group statement of total recognised gains and losses

for the year ended 31 December 2013

	Note	2013 €000	2012 €000
Group profit for the financial year		**38,158**	19,439
Exchange differences on translation of overseas investments (arising on net assets)			
Subsidiary undertakings	24	**(2,232)**	(372)
Associated undertakings	24	**(993)**	(468)
Actuarial gain/(loss) recognised in pension schemes			
Group	23	**2,768**	(6,371)
Deferred tax (charge)/credit thereon			
Group	23	**(452)**	999
Total recognised gains and losses for the year		**37,249**	13,227

Reconciliation of movement in shareholders' funds

for the year ended 31 December 2013

	Note	2013 €000	2012 €000
At 1 January		**951,656**	1,043,974
Total recognised gains and losses for the year		**37,249**	13,227
Dividend in specie	1	**–**	(105,545)
At 31 December		**988,905**	951,656

Group balance sheet

at 31 December 2013

	Note	2013 €000	2012 €000
Fixed assets			
Tangible assets	11	**1,707,818**	1,753,962
Intangible assets	12	**14,105**	7,084
		1,721,923	1,761,046
Financial assets			
Investments in associated undertakings		**93,748**	90,192
Other financial assets		**10,635**	10,588
Total financial assets	13	**104,383**	100,780
Total fixed assets		**1,826,306**	1,861,826
Current assets			
Stocks	14	**14,459**	16,586
Debtors	15	**45,492**	56,094
Cash at bank and in hand	28	**537,727**	499,509
		597,678	572,189
Creditors: amounts falling due within one year	16	**(148,413)**	(149,610)
Net current assets		**449,265**	422,579
Total assets less current liabilities		**2,275,571**	2,284,405
Creditors: amounts falling due after more than one year	17	**(1,144,039)**	(1,176,408)
Capital grants	19	**(11,418)**	(12,227)
Provisions for liabilities	20	**(95,571)**	(102,362)
Net assets excluding net pension liability		**1,024,543**	993,408
Net pension liability	23	**(24,642)**	(25,670)
Net assets		**999,901**	967,738
Capital and reserves			
Called up share capital	22	**186,337**	186,337
Profit and loss account	24	**804,744**	764,270
Other reserves	24	**(2,176)**	1,049
Shareholders' funds		**988,905**	951,656
Minority interest	32	**10,996**	16,082
		999,901	967,738

On behalf of the Board

Pádraig Ó Ríordáin, Chairman

Gerry Walsh, Director

21 March 2014

Company balance sheet

at 31 December 2013

	Note	2013 €000	2012 €000
Fixed assets			
Tangible assets	11	**1,694,086**	1,741,472
Financial assets	13	**14,925**	15,431
		1,709,011	1,756,903
Current assets			
Stocks	14	**8,139**	9,593
Debtors	15	**50,816**	49,190
Cash at bank and in hand		**502,746**	470,570
		561,701	529,353
Creditors: amounts falling due within one year	16	**(288,445)**	(270,451)
Net current assets		**273,256**	258,902
Total assets less current liabilities		**1,982,267**	2,015,805
Creditors: amounts falling due after more than one year	17	**(1,148,794)**	(1,183,866)
Capital grants	19	**(11,418)**	(12,227)
Provisions for liabilities	20	**(92,815)**	(98,131)
Net assets excluding net pension liability		**729,240**	721,581
Net pension liability	23	**(24,386)**	(25,053)
Net assets		**704,854**	696,528
Capital and reserves			
Called up share capital	22	**186,337**	186,337
Profit and loss account	24	**518,517**	510,191
Shareholders' funds		**704,854**	696,528

On behalf of the Board

Pádraig Ó Ríordáin, Chairman

Gerry Walsh, Director

21 March 2014

Group cash flow statement

for the year ended 31 December 2013

	Note	2013 €000	2012 €000
Cash inflow from operating activities	25	**144,723**	136,463
Dividends received from associated undertakings	13	**23,361**	19,148
Returns on investments and servicing of finance	26	**(50,777)**	(49,765)
Taxation paid		**(640)**	(2,904)
		116,667	102,942
Capital expenditure	26	**(55,739)**	(44,067)
Acquisitions and disposals	26	**504**	(215)
Cash inflow before management of liquid resources and financing		**61,432**	58,660
Management of liquid resources			
Net cash transferred to liquid resources	28	**(26,327)**	(37,150)
Financing	26	**(23,041)**	(12,198)
Increase in cash in year	27	**12,064**	9,312

Notes on and forming part of the financial statements

for the year ended 31 December 2013

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 Group 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 Company 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 Company.

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	
	2013	2012
	€000	€000
Ireland		
Aeronautical revenue	**227,948**	234,237
Direct retailing and retail/catering concessions	**103,528**	102,845
Other commercial activities	**87,095**	100,918
Total Ireland	**418,571**	438,000
International retail and other activities	**82,018**	136,611
Total turnover	**500,589**	574,611

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	
	2013 **€000**	2012 €000
Wages and salaries	**125,324**	136,707
Social welfare costs	**11,889**	12,730
Pension costs (Note 23)	**5,162**	6,726
Other staff costs	**2,521**	3,247
	144,896	159,410
Staff costs capitalised into fixed assets (Note 11)	**(2,382)**	(1,934)
Payroll and related costs (pre-exceptional)	**142,514**	157,476
Exceptional cost recovery programme (Note 5)	**4,156**	22,000
Net staff costs charged to the profit and loss account	**146,670**	179,476

	2013	2012
Average employee numbers (full-time equivalents) were as follows:		
Airports	**2,246**	2,458
International activities	**342**	558
	2,588	3,016

4. Share of operating profits of associated undertakings

€38.2 million (2012: €39.3 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 in 2013 with €4.2 million charged to exceptional items (2012: €22.0 million). The impact on taxation was to reduce the tax charge by €0.5 million (2012: €2.8 million).

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

b. Restructuring costs

On 31 December 2012 Shannon Airport was separated from the Group. The Government also confirmed that the Group would be renamed to reflect the revised nature of the Group's business arising from the Restructuring (see Note 1). Costs associated with the separation and consequent renaming of the Group amounting to €5.1 million were charged to exceptional items in 2012. The impact on taxation was to reduce the tax charge by €0.6 million.

Due to the costs of the Restructuring being lower than estimated in 2012 the full exceptional provision recognised in the prior year was not required. This has resulted in a release of €2.8 million from the provision in the current year. The impact on taxation is to increase the tax charge by €0.3 million.

c. Profit on disposal of investment

During the year the Group made a net gain of €11.3 million on the disposal of its equity interests in Aerofirst CJSC and Kievrianta LLC (see Note 13).

6. Interest receivable and similar income

		Group
	2013	2012
	€000	€000
Bank and loan stock interest income	**8,007**	12,040
Other finance income (Note 23)	**569**	606
Total interest receivable – Group	**8,576**	12,646

7. Interest payable and similar charges

	Group 2013 €000	2012 €000
Interest payable on loans wholly repayable by instalments:		
— Within five years	**1,082**	1,158
— After five years	**18,050**	21,073
Interest on loan notes	**36,207**	36,207
Amortisation of issue costs/other funding costs	**711**	792
Other interest payable	**858**	376
Other finance costs (Note 23)	**1,673**	1,762
	58,581	61,368
Interest capitalised (Note 11)	**(192)**	(425)
Total interest payable – Group	**58,389**	60,943
Associated undertakings:		
Interest payable on loans repayable by instalments within five years	**4,123**	2,722
Interest payable on loans repayable by instalments after five years	**3,641**	4,891
Total share of interest payable – associated undertakings	**7,764**	7,613

8. Statutory and other information

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

	2013 €000	2012 €000
Auditors' remuneration:		
Auditor – Irish firm		
— audit of the Group accounts	**186**	186
— other assurance services	**19**	28
— tax advisory services	**27**	3
	232	217
Auditor – international firm		
— other assurance services	**89**	93
— tax advisory services	**24**	30
	113	123
	345	340

Included in the above are audit fees incurred of €30,000 for the statutory audit of the Company (2012: €30,000), €12,500 for other assurance services (2012: €6,000) and €14,652 for tax advisory services (2012: €1,000). No amounts were incurred by the Company or the Group for other non-audit services in 2013.

	2013 €000	2012 €000
Operating lease rentals:		
— Equipment	**757**	1,076
— Buildings	**1,049**	1,698
Depreciation (Note 11)	**98,697**	106,301
(Reversal)/charge of impairment of fixed assets (Note 11)	**(148)**	866
Loss/(profit) on retirements and disposals of tangible fixed assets	**698**	(115)
Amortisation of capital grants (Note 19)	**(863)**	(953)
Amortisation of intangible assets and goodwill:		
— Group (Note 12)	**1,122**	1,191

8. Statutory and other information (continued)

Directors' Remuneration

Remuneration of directors, including disclosures in accordance with the Code of Practice for the Governance of State Bodies (the "Code of Practice") and the Companies Acts, 1963 to 2013, is set out below.

	2013 €000	2012 €000
Directors' fees – for services as director	**167.5**	166.0
Other amounts – in connection with their employment	**553.7**	955.0
	721.2	1,121.0

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 approved voluntary severance schemes 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	**31,500**
— Niall Greene	**15,750**
— Patricia King	**–**
— John Lynch	**15,750**
— Mary McCabe	**15,750**
— Colm McCarthy	**15,750**
— Barry Nevin	**15,750**
— Ann-Marie O'Sullivan	**9,953**
— Paul Schütz	**15,750**
— Conor Swords	**15,750**
— Kevin Toland	**–**
— Gerry Walsh	**15,750**

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 €6,368 (2012: €8,593). These amounts primarily related to travel, subsistence and reimbursed expenses.

Kevin Toland was appointed to the office of Chief Executive on 1 January 2013. Pursuant to his contract, the salary of Mr Toland is €250,000. Total remuneration in respect of Mr Toland for the relevant period in 2013 amounted to €387,739 which included basic salary of €250,000 and pension contributions and other taxable benefits of €137,739. Mr Toland did not receive a director's fee.

9. Tax on profit on ordinary activities

	2013 €000	2012 €000
Current tax:		
Corporation tax – Ireland	**35**	92
Overseas corporation tax	**1,245**	2,655
Adjustment in respect of prior years	**–**	(429)
Tax attributable to Group	**1,280**	2,318
Share of overseas tax of associated undertakings	**6,901**	6,942
Current tax charge	**8,181**	9,260
Deferred tax:		
Origination/reversal of timing differences		
Attributable to Group (Note 21)	**2,096**	(2,068)
Adjustment in respect of prior years (Note 21)	**328**	(387)
Timing differences relating to FRS 17 pension liabilities (Note 23)	**(220)**	(266)
Deferred tax charge/(credit)	**2,204**	(2,721)
Tax on profit on ordinary activities	**10,385**	6,539

A further deferred tax charge of €0.5 million (2012: €1.0 million credit) 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 2013 and 2012, 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:

	2013 €000	2012 €000
Profit on ordinary activities before taxation	**52,709**	30,150
Profit on ordinary activities at standard corporation tax rate in Republic of Ireland of 12.5% (2012: 12.5%)	**6,589**	3,769
Effects of:		
Differences between capital allowances for period and depreciation	**(5,884)**	(5,781)
Expenses deductible for tax purposes (timing differences)	**(588)**	(784)
Expenses not deductible/(deductible) for tax purposes (permanent differences)	**643**	(76)
Profits of foreign undertakings taxable at higher rates	**4,579**	4,783
Irish income at higher rates	**48**	–
Adjustment in respect of prior periods	**–**	(429)
Unutilised losses carried forward	**3,961**	7,778
Non taxable profits on disposals	**(1,167)**	–
Current tax charge based on profit for the year	**8,181**	9,260

Corporation tax is provided on taxable profits at current rates.

10. Profit 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 profit for the financial year of €6.1 million (2012: loss of €13.8 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	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 2013	907,715	364,117	756,541	349,040	44,030	2,421,443
Additions	8,962	1,014	19,027	716	23,885	53,604
Transfer to completed assets	4,761	4,809	17,850	7,752	(35,172)	–
Disposals	(239)	–	(821)	(765)	–	(1,825)
Retirements	–	–	(6,631)	–	–	(6,631)
Translation reserves	–	–	(746)	–	–	(746)
At 31 December 2013	**921,199**	**369,940**	**785,220**	**356,743**	**32,743**	**2,465,845**
Depreciation						
At 1 January 2013	180,577	107,690	279,196	100,018	–	667,481
Charge for the year (Note 8)	24,285	11,497	51,913	11,002	–	98,697
Disposals	(172)	–	(716)	(166)	–	(1,054)
Retirements	–	–	(6,508)	–	–	(6,508)
Translation reserves	–	–	(441)	–	–	(441)
Reversal of impairment[a] (Note 8)	–	–	(148)	–	–	(148)
At 31 December 2013	**204,690**	**119,187**	**323,296**	**110,854**	**–**	**758,027**
Net book value						
At 31 December 2013	**716,509**	**250,753**	**461,924**	**245,889**	**32,743**	**1,707,818**
At 31 December 2012	727,138	256,427	477,345	249,022	44,030	1,753,962

a. The directors considered the carrying value of tangible fixed assets at 31 December 2013 and determined that a provision for impairment of €0.72 million (2012: €0.87 million) is required to reflect the net realisable value of such assets. As such a reversal of impairment of €0.15 million was required.

11. Tangible fixed assets (continued)

Company	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 2013	907,715	354,031	742,780	344,227	44,030	2,392,783
Additions	8,962	1,014	16,440	716	23,885	51,017
Transfer to completed assets	4,761	4,809	17,850	7,752	(35,172)	–
Disposals	(239)	–	(821)	(765)	–	(1,825)
At 31 December 2013	**921,199**	**359,854**	**776,249**	**351,930**	**32,743**	**2,441,975**
Depreciation						
At 1 January 2013	180,577	107,690	267,595	95,449	–	651,311
Charge for the year	24,285	11,497	50,848	11,002	–	97,632
Disposals	(172)	–	(716)	(166)	–	(1,054)
At 31 December 2013	**204,690**	**119,187**	**317,727**	**106,285**	**–**	**747,889**
Net book value						
At 31 December 2013	**716,509**	**240,667**	**458,522**	**245,645**	**32,743**	**1,694,086**
At 31 December 2012	727,138	246,341	475,185	248,778	44,030	1,741,472

The accounting policies used by the Company and the Group for tangible fixed assets, including depreciation, cost capitalisation and impairment reviews, are set out on pages 56 and 57.

Lands and airfields include airport land at a cost of €23.5 million (2012: €29.0 million). Fixed asset additions include internal architectural and engineering payroll costs of €2.4 million (2012: €1.9 million). Cost of fixed assets includes cumulative interest capitalised of €68.3 million (2012: €68.1 million). Interest of €0.2 million (2012: €0.4 million) was capitalised at an average rate of 5.8% (2012: 5.8%) per annum.

12. Intangible assets

Group	Goodwill	Concession rights	Total
	€000	€000	€000
Cost			
At 1 January 2013	10,373	17,993	28,366
Additions	8,290	–	8,290
Exchange movement	–	(1,827)	(1,827)
At 31 December 2013	**18,663**	**16,166**	**34,829**
Amortisation			
At 1 January 2013	4,875	16,407	21,282
Charge for the year	940	182	1,122
Exchange movement	–	(1,680)	(1,680)
At 31 December 2013	**5,815**	**14,909**	**20,724**
Net book value			
At 31 December 2013	**12,848**	**1,257**	**14,105**
At 31 December 2012	5,498	1,586	7,084

The opening balance of goodwill arose in 2008 on the acquisition of Aer Rianta International (Middle East) WLL ("ARIME"). The additional goodwill which arose during the year relates to the acquisition of an additional 10% share in ARIME. The total goodwill is being amortised from 2013 over ten years which is the average term of the concession agreements currently held by ARIME, the useful life of the goodwill which arose in 2008 having been revised in light of the additional acquisition this year.

13. Fixed assets – financial

Group	1 January 2013 €000	Additions / other increases during the year €000	Disposals / other movements during the year €000	31 December 2013 €000
Associated undertakings				
Equity interest at cost	69,568	–	–	**69,568**
Loan to associated undertaking	563	–	–	**563**
Share of post-acquisition profits	173,620	23,511	4,399	**201,530**
Dividends received	(157,911)	–	(23,361)	**(181,272)**
Translation reserve	4,352	–	(993)	**3,359**
	90,192	**23,511**	**(19,955)**	**93,748**
Other financial assets				
Listed investments	4,681	–	–	**4,681** [a]
Other unlisted investments	5,907	–	47	**5,954** [b]
	10,588	**–**	**47**	**10,635**
Total financial assets	**100,780**	**23,511**	**(19,908)**	**104,383**

Company				
Ordinary shares in subsidiary undertakings at cost	12,108	–	(6)	**12,102**
Capital contributions to subsidiary undertakings	2,760	–	(500)[c]	**2,260**
Loan to associated undertaking	563	–	–	**563**
	15,431	**–**	**(506)**	**14,925**

a. 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 2013 was €6.5 million (2012: €5.6 million).

b. 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.

c. This charge relates to the impairment of a subsidiary undertaking 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 and associated undertakings of the Group, all of which are included in the Group financial statements, together with the percentage beneficial holding of ordinary shares, are as set out below:

Undertaking	Registered office	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
Aer Rianta International (Middle East) WLL	Manama, Bahrain	Duty-free shopping and related activities	71.25
ARI Yunnan Trading Company Limited	China	Airport retailing and related activities	65
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[1]	Beirut, Lebanon	Duty-free shopping and related activities	9.92

1. In the opinion of the directors the investments should be treated as associated undertakings 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 Caribbean ARI Inc. and significant influence over Phoenicia Aer Rianta Co. SAL.
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 and associated undertakings are coterminous with the year-end of the Group other than in respect of Delhi Duty Free Services Private Limited whose financial statements are prepared to a 31 March year-end. Management accounts of this entity have been prepared to 31 December 2013 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.

An additional 10% shareholding in Aer Rianta International (Middle East) LLC was acquired on 2 July 2013 for a consideration of €13.4 million, bringing the total shareholding in that subsidiary company to 71.25%. The consideration consists of a payment of €11.1 million on completion of the purchase agreement and a deferred consideration of €2.3 million which is included within accruals and deferred income (see Note 17). The goodwill arising on this acquisition was €8.3 million, based on the fair value of the subsidiary’s net assets at the time of acquisition. The attributable transfer from the Minority Interests account was €5.1 million.

During 2013, the Group disposed of its 99% shareholding in a subsidiary undertaking, Kievrianta LLC, and an investment, Aerofirst CJSC which had a nil carrying value (see Note 5).

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

14. Stocks

	Group		Company	
	2013	2012	**2013**	2012
	€000	€000	**€000**	€000
Goods for resale	**11,676**	13,643	**5,356**	6,650
Maintenance	**2,783**	2,943	**2,783**	2,943
	14,459	16,586	**8,139**	9,593

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

15. Debtors

	Group		Company	
	2013	2012	**2013**	2012
	€000	€000	**€000**	€000
Trade debtors	**35,496**	37,004	**32,528**	28,073
Prepayments and accrued income	**1,589**	2,239	**788**	677
Due from subsidiary undertakings	**–**	–	**10,537**	10,381
Due from associated undertakings	**1,432**	6,331	**–**	–
Corporation tax	**–**	829	**–**	341
Other debtors	**6,975**	9,691	**6,963**	9,718
	45,492	56,094	**50,816**	49,190

Debtors of €5.8 million (2012: €6.3 million) in the Group and debtors of €10.9 million (2012: €11.3 million) in the Company, fall due after more than one year.

16. Creditors: amounts falling due within one year

	Group		Company	
	2013	2012	**2013**	2012
	€000	€000	**€000**	€000
Bank loans (Note 18)	**31,685**	23,041	**15,475**	14,904
Trade creditors	**14,317**	15,631	**6,941**	6,540
Due to subsidiary undertakings	**–**	–	**179,847**	160,989
Other creditors	**9,644**	10,077	**9,869**	10,114
Accruals and deferred income	**60,432**	66,198	**43,978**	43,241
Capital accruals	**32,335**	34,663	**32,335**	34,663
	148,413	149,610	**288,445**	270,451

Tax included in other creditors:				
PAYE	**2,314**	2,693	**2,239**	2,633
PRSI	**1,366**	1,866	**1,338**	1,839
VAT	**1,755**	1,474	**2,136**	1,642
Other taxes	**628**	888	**598**	866

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

	Group		Company	
	2013	2012	**2013**	2012
	€000	€000	**€000**	€000
Bank loans (Note 18)	**572,637**	604,341	**258,179**	273,654
Loan notes (Note 18)	**547,375**	546,954	**–**	–
Accruals and deferred income	**24,027**	25,113	**21,725**	25,112
Due to subsidiary undertakings	**–**	–	**868,890**	885,100
	1,144,039	1,176,408	**1,148,794**	1,183,866

Deferred income of €9.4 million (2012: €12.0 million), Group and Company, falls due after more than five years.

18. Financial liabilities

	Group		Company	
	2013	2012	**2013**	2012
	€000	€000	**€000**	€000
Repayable by instalments:				
Repayable within one year	**31,685**	23,041	**15,475**	14,904
Repayable within one to two years	**40,379**	31,685	**16,073**	15,475
Repayable within two to five years	**127,868**	124,450	**52,074**	50,117
Repayable after more than five years	**404,390**	448,206	**190,032**	208,062
	604,322	627,382	**273,654**	288,558
Repayable other than by instalments:				
Repayable within two to five years	**547,375**	546,954	**–**	–
	1,151,697	1,174,336	**273,654**	288,558
Split as follows:				
Bank loans	**604,322**	627,382	**273,654**	288,558
Loan notes	**547,375**	546,954	**–**	–
	1,151,697	1,174,336	**273,654**	288,558
Included in creditors falling due within one year (Note 16)	**31,685**	23,041	**15,475**	14,904
Included in creditors falling due after more than one year (Note 17)	**1,120,012**	1,151,295	**258,179**	273,654

The loan notes comprise €549.65 million (2012: €549.65 million) of loan notes repayable in 2018 (less unamortised amounts). These are held through the Company's subsidiary, DAA Finance plc. These loan notes are listed on the Official List of the Irish Stock Exchange. The loan notes are guaranteed by the Company.

DAA Finance plc also has bank loans of €330.1 million (2012: €338.2 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 2013 of €273.7 million (2012: €288.6 million) are unsecured and are repayable by instalments.

Borrowing facilities

The Group has a €150 million undrawn committed borrowing facility as at 31 December 2013 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	
	2013	2012	**2013**	2012
	€000	€000	**€000**	€000
At 1 January	**12,227**	13,853	**12,227**	13,853
Amortised to profit and loss account (Note 8)	**(863)**	(953)	**(863)**	(953)
Grants received	**54**	22	**54**	22
Dividend in specie (Note 1)	**–**	(695)	**–**	(695)
At 31 December	**11,418**	12,227	**11,418**	12,227

The above grants will be fully amortised to the profit and loss account between 2014 and 2048.

20. Provisions for liabilities

	Pension costs (Note 23)	Deferred tax (Note 21)	Cost recovery programme (Note 5)	Restructuring costs (Note 5)	Insurance and other [a]	Total
	€000	€000	€000	€000	€000	€000
Group						
At 1 January 2013	35,143	10,193	35,036	4,464	17,526	102,362
Charge/(credit) for the year	–	2,096	4,156	(2,764)	1,124	4,612
Adjustment in respect of prior years	–	328	–	–	–	328
Utilised during the year	(384)	–	(10,466)	(1,561)	(1,496)	(13,907)
Transfer from accruals	–	–	–	–	2,251	2,251
Revaluation gain	–	(75)	–	–	–	(75)
At 31 December 2013	**34,759**	**12,542**	**28,726**	**139**	**19,405**	**95,571**
Company						
At 1 January 2013	35,143	9,007	31,991	4,464	17,526	98,131
Charge/(credit)for the year	–	2,275	4,156	(2,764)	1,124	4,791
Adjustment in respect of prior years	–	328	–	–	–	328
Utilised during the year	(384)	–	(9,245)	(1,561)	(1,496)	(12,686)
Transfer from accruals	–	–	–	–	2,251	2,251
At 31 December 2013	**34,759**	**11,610**	**26,902**	**139**	**19,405**	**92,815**

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, including legal claims, where there is uncertainty of timing or amount, where there is a present obligation as a result of past events, it is probable that a transfer of economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. It is expected that such liabilities would be settled within one to ten years.

21. Deferred tax liability

	Group		Company	
	2013	2012	**2013**	2012
	€000	€000	**€000**	€000
Liability at 1 January	**10,193**	14,731	**9,007**	13,089
Charge/(credit)for the year (Note 9)	**2,096**	(2,068)	**2,275**	(1,999)
Adjustment in respect of prior years (Note 9)	**328**	(387)	**328**	–
Dividend in specie (Note 1)	**–**	(2,083)	**–**	(2,083)
Revaluation gain	**(75)**	–	**–**	–
Liability at 31 December	**12,542**	**10,193**	**11,610**	**9,007**
Deferred tax				
Comprising:				
Timing differences on capital allowances	**15,018**	12,931	**14,086**	11,745
Amounts temporarily not deductible for corporation tax	**(2,476)**	(2,738)	**(2,476)**	(2,738)
Deferred tax liability	**12,542**	10,193	**11,610**	9,007

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	
	2013	2012
	€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 comprised less than 30% of the membership of the IAS Scheme as at 31 December 2013. 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.

As the IAS Scheme has had a material deficiency, as measured under the statutory minimum funding standard, the IAS Trustee is required, pursuant to the Pensions Act 1990, to submit an agreed funding proposal ("Funding Proposal") to the Pensions Board outlining how the deficiency is to be eliminated.

The Company and Aer Lingus, together with their respective unions, previously participated in an industrial relations process under the auspices of the Labour Relations Commission and, subsequently, the Labour Court regarding the complex pension issues arising under the IAS and the manner in which future pension benefits for Irish based employees are to be provided. While the Labour Court issued a non-binding recommendation in May 2013 to the parties, pending receipt of the IAS Trustee's Funding Proposal, no resolution on this matter has been agreed with trade unions representing staff. The IAS Trustee is in the course of preparing this Funding Proposal.

This process is ongoing and it may also result in alternative independent single employer pension arrangements being established 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 proposed, 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 was to seek to provide to eligible members, insofar as available funds permitted and subject to the trustees' discretion, additional pensions to those paid by the IAS Scheme. The Company proposed to make a once-off contribution to these arrangements in respect of past service conditional, inter alia, upon employee election to join and contribute to the arrangements, the associated cost of which is included in a provision of €34.8 million at 31 December 2013 (2012: €35.1 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. It is possible that the ongoing discussions referred to above may ultimately result in changes to these proposed arrangements.

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 2013 of €22.7 million (2012: €23.0 million), of which €2.1 million (2012: €1.9 million) was included in the profit and loss account, representing current service costs and net finance costs. A credit of €1.8 million (2012: €2.5 million charge) 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 €5.2 million (2012: €6.7 million) (see Note 3).

	2013	2012
	€000	€000
Defined benefit arrangements – service cost	**1,961**	1,567
Defined contribution schemes	**3,201**	5,159
	5,162	6,726

There were contributions of €0.5 million outstanding at 31 December 2013 (2012: €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
	2013	**2013**	2012	2012
	€000	**€000**	€000	€000
Net pensions liability	**24,642**	**24,386**	25,670	25,053

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 2013, the net pensions liability in the Group was €24.642 million (2012: €25.670 million) being assets of €14.311 million (2012: €13.001 million) and present value of accrued scheme liabilities of €42.530 million (2012: €42.480 million) net of a related deferred tax asset of €3.577 million (2012: €3.809 million).

At 31 December 2013, the net pensions liability in the Company was €24.386 million (2012: €25.053 million) being assets of €11.244 million (2012: €10.219 million) and present value of accrued scheme liabilities of €39.112 million (2012: €38.852 million) net of a related deferred tax asset of €3.482 million (2012: €3.580 million).

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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 31/12/2013	As at 31/12/2012
Valuation method	**Projected Unit**	Projected Unit
Rate of increase in salaries	**2.50% – 3.09%**	2.25% – 3.25%
Rate of increase in pension payment	**0.00% – 2.00%**	0.00%– 3.25%
Discount rate	**3.75% – 4.75%**	3.75% – 4.00%
Inflation assumption	**2.00% – 2.50%**	2.00% – 2.25%
Life expectancy		
Male member age 61 – 65 (current life expectancy)	**23.5 – 24.9**	22.7 – 23.3
Male member age 40 (life expectancy at age 61 – 65)	**26.5 – 26.6**	22.7 – 26.4
Female member age 59 – 65 (current life expectancy)	**24.9 – 29.1**	24.7 – 27.0
Female member age 40 (life expectancy at age 59 – 65)	**27.5 – 30.1**	27.0 – 27.4

The discount rates of 3.75% (Ireland) and 4.75% (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 2013		**Company 2013**		Group 2012		Company 2012	
	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	**42.6%**	**6.1%**	**37.9%**	**6.5%**	40.7%	6.6%	35.4%	7.0%
Bonds	**52.2%**	**2.7%**	**56.9%**	**2.9%**	54.1%	2.7%	59.3%	3.0%
Property	**1.3%**	**6.5%**	**1.6%**	**6.5%**	1.1%	6.0%	1.4%	6.0%
Cash	**3.9%**	**1.6%**	**3.6%**	**2.0%**	4.1%	1.2%	3.9%	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 4.19% (2012: 4.25%). The actual return on assets for 2013 was €0.8 million (2012: €1.3 million).

	Group 2013 €000	**Company 2013 €000**	Group 2012 €000	Company 2012 €000
Amounts recognised in the balance sheet				
Present value of funded obligations	**(19,807)**	**(16,389)**	(19,494)	(15,866)
Fair value of plan assets	**14,311**	**11,244**	13,001	10,219
Deficit for funded plans	**(5,496)**	**(5,145)**	(6,493)	(5,647)
Present value of unfunded obligations	**(22,723)**	**(22,723)**	(22,986)	(22,986)
Gross liability	**(28,219)**	**(27,868)**	(29,479)	(28,633)
Related deferred tax asset	**3,577**	**3,482**	3,809	3,580
Net liability	**(24,642)**	**(24,386)**	(25,670)	(25,053)
Change in benefit obligation				
Benefit obligation at beginning of year	**(42,480)**	**(38,852)**	(33,686)	(30,570)
Current service cost	**(2,058)**	**(1,864)**	(1,663)	(1,470)
Past service cost	**97**	**97**	96	96
Interest cost	**(1,673)**	**(1,536)**	(1,762)	(1,616)
Plan members' contributions	**(361)**	**(310)**	(416)	(360)
Actuarial gain/(loss)	**2,322**	**2,197**	(7,107)	(6,901)
Benefits paid	**227**	**129**	205	115
Translation gain/(loss)	**369**	**–**	(1)	–
Dividend in specie (Note 1)	**–**	**–**	1,854	1,854
Plan settlements	**1,027**	**1,027**	–	–
Benefit obligation (funded and unfunded) at end of year	**(42,530)**	**(39,112)**	(42,480)	(38,852)

23. Pensions (continued)

	Group 2013 €000	Company 2013 €000	Group 2012 €000	Company 2012 €000
Change in plan assets				
Fair value of plan assets at beginning of year	**13,001**	**10,219**	12,338	9,989
Expected return on plan assets	**569**	**410**	606	456
Actuarial gain	**446**	**344**	736	744
Employer contributions	**1,412**	**1,060**	734	410
Member contributions	**361**	**310**	416	360
Benefits paid from plan	**(227)**	**(129)**	(205)	(115)
Translation (loss)/gain	**(281)**	**–**	1	–
Dividend in specie (Note 1)	**–**	**–**	(1,625)	(1,625)
Plan settlements	**(970)**	**(970)**	–	–
Fair value of plan assets at end of year	**14,311**	**11,244**	13,001	10,219
Components of pension expense				
Amounts recorded in profit and loss				
Current service cost	**2,058**	**1,864**	1,663	1,470
Past service cost	**(97)**	**(97)**	(96)	(96)
Interest cost (Note 7)	**1,673**	**1,536**	1,762	1,616
Expected return on plan assets (Note 6)	**(569)**	**(410)**	(606)	(456)
Settlement gain	**(57)**	**(57)**	–	–
Total defined benefit pension expenses	**3,008**	**2,836**	2,723	2,534
Actuarial (gain)/loss immediately recognised	**(2,768)**	**(2,541)**	6,371	6,157
Total pension (gain)/loss recognised in the statement of total recognised gains and losses (“STRGL”)	**(2,768)**	**(2,541)**	6,371	6,157
Cumulative amount of actuarial loss immediately recognised	**18,791**	**17,365**	21,559	19,906

Contributions of €0.7 million are expected to be paid by the Group in the forthcoming accounting period for defined benefit arrangements.

								Year ended 31 December	
	Group 2013 €000	**Company 2013 €000**	Group 2012 €000	Company 2012 €000	Group 2011 €000	Company 2011 €000	Group 2010 €000	Company 2010 €000	Group and Company 2009 €000
History of experience adjustments									
Difference between expected and actual return on assets	**446**	**344**	736	744	(883)	(706)	1,576	321	833
Expressed as a percentage of scheme assets	**3.1%**	**3.1%**	5.7%	7.3%	7.2%	7.1%	16.6%	4.3%	13.8%
Experience gains and (losses) on scheme liabilities	**2,322**	**2,197**	(1,644)	(1,438)	(2,560)	(2,275)	1,380	1,807	(770)
Expressed as a percentage of scheme liabilities	**5.5%**	**5.6%**	3.9%	3.7%	7.6%	7.4%	4.3%	6.1%	2.7%
Total actuarial gains and (losses)	**2,768**	**2,541**	(6,371)	(6,157)	1,217	1,601	(738)	317	1,524
Expressed as a percentage of scheme liabilities	**6.5%**	**6.5%**	15.0%	15.8%	3.6%	5.2%	2.3%	1.1%	5.3%
History of scheme deficits									
Fair value of scheme assets	**14,311**	**11,244**	13,001	10,219	12,337	9,989	9,469	7,419	6,038
Present value of scheme liabilities	**(42,530)**	**(39,112)**	(42,480)	(38,852)	(33,686)	(30,570)	(32,020)	(29,450)	(28,692)
Deficit in schemes	**(28,219)**	**(27,868)**	(29,479)	(28,633)	(21,349)	(20,581)	(22,551)	(22,031)	(22,654)

23. Pensions (continued)

	Group 2013 €000	Company 2013 €000	Group 2012 €000	Company 2012 €000
Deferred tax asset – pension related				
At beginning of year	**3,809**	**3,580**	2,576	2,576
Credit to profit (Note 9)	**220**	**220**	266	266
(Charge)/credit to STRGL	**(452)**	**(318)**	999	770
Dividend in specie (Note 1)	**–**	**–**	(32)	(32)
At end of year	**3,577**	**3,482**	3,809	3,580

24. Reserves

	2013				2012
	Profit and loss account €000	Translation reserve €000	Other reserves €000	Total reserves €000	Total reserves €000
Group					
At 1 January	**764,270**	**803**	**246**	**765,319**	857,637
Profit for the financial year	**38,158**	**–**	**–**	**38,158**	19,439
Currency translation adjustments on subsidiary/associated undertakings	**–**	**(3,225)**	**–**	**(3,225)**	(840)
Actuarial gain/(loss) in pension schemes	**2,768**	**–**	**–**	**2,768**	(6,371)
Deferred tax (charge)/credit thereon	**(452)**	**–**	**–**	**(452)**	999
Dividend in specie (Note 1)	**–**	**–**	**–**	**–**	(105,545)
At 31 December	**804,744**	**(2,422)**	**246**	**802,568**	765,319
Group reserves are comprised as follows:					
Dublin Airport Authority plc	**518,517**	**–**	**–**	**518,517**	510,191
Subsidiary undertakings	**221,189**	**(2,564)**	**–**	**218,625**	214,028
Associated undertakings	**65,038**	**142**	**246**	**65,426**	41,100
	804,744	**(2,422)**	**246**	**802,568**	765,319

	2013 €000	2012 €000
Company		
Profit and loss account		
At 1 January	**510,191**	634,882
Profit/(loss) for the financial year	**6,103**	(13,759)
Actuarial gain/(loss) in pension schemes	**2,541**	(6,157)
Deferred tax (charge)/credit thereon	**(318)**	770
Dividend in specie (Note 1)	**–**	(105,545)
At 31 December	**518,517**	510,191

During 2012, a dividend in specie totalling €105.5 million was made by the Group. 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	
	2013	2012
	€000	€000
Operating profit	**61,793**	59,752
Depreciation charge	**98,697**	106,301
Amortisation of intangible assets	**182**	192
Amortisation of goodwill	**940**	999
Loss on retirements of tangible fixed assets	**24**	866
Increase in insurance liability	**1,124**	–
Amortisation of capital grants	**(863)**	(953)
Loss/(profit) on disposal of tangible fixed assets	**698**	(115)
Payments in respect of cost recovery programme	**(10,466)**	(8,805)
Payments in respect of other provisions	**(3,441)**	(768)
Decrease in stocks	**2,022**	1,469
Decrease/(increase) in debtors	**6,334**	(805)
Decrease in creditors	**(12,761)**	(22,557)
Increase in pension liability	**440**	887
Net cash inflow from operating activities	**144,723**	136,463

26. Analysis of headings grouped in cash flow statement

	Group	
	2013	2012
	€000	€000
Returns on investments and servicing of finance		
Interest and similar income received	**10,112**	10,193
Interest and similar charges paid	**(56,994)**	(60,299)
Income from other financial assets	**415**	395
Dividends paid to minority interests	**(4,310)**	(54)
	(50,777)	(49,765)
Capital expenditure		
Purchase of tangible fixed assets	**(55,866)**	(44,228)
Sale of tangible fixed assets	**73**	139
Grants received towards purchase of tangible fixed assets	**54**	22
	(55,739)	(44,067)
Acquisitions and disposals		
Disposal of associate undertakings	**11,900**	–
Acquisition of subsidiary undertakings	**(11,121)**	–
Cash transferred on disposal of subsidiary undertakings	**(275)**	–
Disposal of joint venture	**–**	(215)
	504	(215)
Financing		
Repayments of bank loans	**(23,041)**	(14,487)
Repayment of loan from associate undertaking	**–**	1,703
Loan from minority interests	**–**	586
	(23,041)	(12,198)

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

	Group 2013 €000	Group 2012 €000
Increase in cash in the year	**12,064**	9,312
Increase in liquid resources	**26,327**	37,150
Decrease in debt	**23,041**	13,901
Change in net debt resulting from cash flows	**61,432**	60,363
Amortisation of issue costs	**(421)**	(394)
Foreign exchange movement	**(154)**	90
Dividend in specie (Note 1)	**–**	(83)
Movement in net debt in the year	**60,857**	59,976
Net debt at 1 January	**(674,827)**	(734,803)
Net debt at 31 December	**(613,970)**	(674,827)

28. Analysis of net debt

	At 1 January 2013 €000	Cash flow €000	Non-cash movements €000	Foreign exchange movement €000	At 31 December 2013 €000
Cash	31,986	12,064	–	(173)	43,877
Liquid resources	467,523	26,327	–	–	493,850
	499,509	**38,391**	**–**	**(173)**	**537,727**
Debt due within one year	(23,041)	23,041	(31,685)	–	(31,685)
Debt due after one year	(1,151,295)	–	31,264	19	(1,120,012)
	(1,174,336)	23,041	(421)	19	(1,151,697)
Total	**(674,827)**	**61,432**	**(421)**	**(154)**	**(613,970)**

29. Financial Instruments

Narrative disclosures concerning the Group's treasury policy and management are set out in the 2013 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 and associated undertakings.

i. Interest rate risk profile of financial liabilities and assets

The interest rate profile of the Group's relevant financial liabilities and interest bearing relevant financial assets at 31 December 2013 was:

			2013			2012
	Total	**Floating rate**	**Fixed rate**	Total	Floating rate	Fixed rate
	€000	**€000**	**€000**	€000	€000	€000
Financial liabilities						
Euro	**1,151,129**	**260,000**	**891,129**	1,173,750	260,000	913,750
Hong Kong dollar	**568**	**–**	**568**	586	–	586
	1,151,697	**260,000**	**891,697**	1,174,336	260,000	914,336
Financial assets						
Euro	**512,347**	**452,184**	**60,163**	482,007	482,007	–
Sterling	**259**	**259**	**–**	262	262	–
US dollar	**22,353**	**22,353**	**–**	14,764	14,764	–
Canadian dollar	**1,899**	**1,899**	**–**	1,399	1,399	–
Ukraine hryvnia	**–**	**–**	**–**	496	496	–
Russian rouble	**34**	**34**	**–**	195	195	–
Hong Kong dollar	**171**	**171**	**–**	22	22	–
Swiss franc	**–**	**–**	**–**	46	46	–
Renminbi	**19**	**19**	**–**	318	318	–
Other currencies	**645**	**645**	**–**	–	–	–
	537,727	**477,564**	**60,163**	499,509	499,509	–

The weighted average interest rate for fixed rate Euro currency financial liabilities was 5.8% (2012: 5.8%) and the weighted average period for which the rate was fixed was 7.6 years (2012: 8.6 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 (2012: €0.6 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 2013									
Functional currency of Group operations									
Euro	–	142	12,438	383	–	34	–	–	–
Canadian dollar	–	–	376	–	–	–	–	–	–
Hong Kong dollar	4,307	120	–	–	–	–	171	–	–
US dollar	52	–	5	–	–	–	–	–	797
Renminbi	900	–	–	–	–	–	–	–	–
	5,259	**262**	**12,819**	**383**	**–**	**34**	**171**	**–**	**797**
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**

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 2013.

		2013		2012
	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)	**31,685**	**42,070**	23,041	27,591
Long-term borrowings (Note 18)	**1,120,012**	**1,232,318**	1,151,295	1,251,546
	1,151,697	**1,274,388**	1,174,336	1,279,137

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 2013 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 to manage its interest rate profile. There were no such contracts at 31 December 2013. 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. There were no unrecognised gains or losses at 31 December 2013.

30. Commitments and related matters

	Group		Company	
	2013	2012	**2013**	2012
	€000	€000	**€000**	€000
i. Capital commitments				
Contracted	**20,060**	13,195	**20,060**	13,195
Authorised by the directors but not contracted for	**15,797**	22,110	**13,981**	18,864
	35,857	35,305	**34,041**	32,059

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	
	2013	2012	**2013**	2012
	€000	€000	**€000**	€000
Payable on concession agreements which expire within:				
Two to five years	**1,031**	4,200	**–**	–
Greater than five years	**6,042**	6,717	**–**	–
	7,073	10,917	**–**	–

At 31 December 2013, €1.7 million (2012: €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.

A Group subsidiary has provided certain guarantees in relation to the retail concession obligations of associated undertakings. As at 31 December 2013 and 31 December 2012, no obligations had arisen pursuant to these guarantees.

30. Commitments and related matters (continued)

iii. Operating leases

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

	Group		Company	
	2013	2012	**2013**	2012
	€000	€000	**€000**	€000
Buildings				
Payable on leases which expire within:				
Two to five years	**262**	201	**–**	–
Greater than five years	**261**	489	**–**	–
	523	690	**–**	–
Plant and equipment				
Payable on leases which expire within:				
One year	**484**	70	**484**	70
Two to five years	**–**	990	**–**	990
	484	1,060	**484**	1,060

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 2013, the purchase commitments amounted to €2.8 million (2012: €8.9 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.

	2013	2012
	€000	€000
Associated and joint venture undertakings		
Management charges to associated undertakings	**11,025**	10,335
Dividends received from associated undertakings	**23,361**	19,148
Loan to associated undertaking	**563**	563
Due from associated undertakings at year-end	**1,432**	6,330
Entities under control of the Irish Government		
Revenues in the ordinary course of business	**7,048**	5,587
Operating expenses in the ordinary course of business	**29,541**	24,925
Interest receivable and similar income	**6,781**	8,847
Amounts owing to the Group from operating activities at year-end	**4,362**	5,666
Amounts owed by the Group from operating activities at year-end	**280**	335
Cash or cash equivalents placed on deposit at year-end	**357,721**	294,081
Entities under significant influence of the Irish Government		
Revenues in the ordinary course of business	**102,844**	108,560
Operating expenses in the ordinary course of business	**1,234**	1,046
Amounts owing to the Group from operating activities at year-end	**7,806**	7,265
Amounts owed by the Group from operating activities at year-end	**14,235**	17,057

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

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.

31. Related party disclosures (continued)

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 2013 were €1.2 million (2012: €1.4 million). The amount unbilled or billed and not yet paid by the Group at year-end was €0.6 million (2012: €0.7 million).

Ms Ann-Marie O'Sullivan was appointed as a director of the Company in May 2013. She is also a director of Healy Design & Advertising Limited, a marketing firm which provides marketing and promotional services to the Group. Fees in respect of professional services provided to the Group in the normal course of business by Healy Design & Advertising Limited during the period since the appointment of Ann-Marie O'Sullivan to year-end 31 December 2013 were €38,812. The amount unbilled or billed and not yet paid by the Group at year-end was €10,531.

Pursuant to the State Airports Act 2004, 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).

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

	2013 €000	2012 €000
At beginning of year	**16,082**	11,964
Share of profit for the year	**4,166**	4,172
Exchange differences	**190**	–
Dividend to minority shareholders[1]	**(4,310)**	(54)
Purchase of minority shareholding[2]	**(5,132)**	–
At end of year	**10,996**	16,082

1. Amounts above represents dividend payments by Aer Rianta International (Middle East) WLL to its minority shareholders.
2. Purchase of additional 10% shareholding in Aer Rianta International (Middle East) WLL from minority shareholders.

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:

	2013 €000	2012 €000
Turnover	**179,764**	209,760
Fixed assets	**228,793**	233,048
Current assets	**50,345**	66,233
Liabilities due within one year	**(57,761)**	(56,069)
Liabilities due after one year or more	**(142,862)**	(153,896)

The Group's share of capital commitments of all associated undertakings amounted to €72.7 million (2012: €63.0 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:

	2013 €000	2012 €000
Turnover	**89,868**	88,931
Profit before tax	**11,337**	14,458
Taxation	**(3,796)**	(4,398)
Profit after tax	**7,541**	10,060
Fixed assets	**221,488**	214,506
Current assets	**16,659**	18,102
Liabilities due within one year	**(31,192)**	(19,615)
Liabilities due after one year or more	**(129,572)**	(133,513)

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. Post balance sheet events

On 10 January 2014, Aer Rianta International (Middle East) WLL ("ARIME"), a subsidiary of the Group, conditionally agreed to purchase an additional 25.01% shareholding in Cyprus Airports (F&B) Limited, a business that operates the food and beverage concession at Paphos and Larnaka airports in Cyprus. The transaction, involving a consideration of €3.125 million, will increase ARIME's shareholding in Cyprus Airports (F&B) Limited to 50.02%.

36. Approval of financial statements

The financial statements were approved by the Board on 21 March 2014.

Five-year summary of financial results

	2013 €000	2012 €000	2011 €000	2010 €000	2009 €000
Operating results [a]					
Turnover	**500,589**	574,611	557,492	558,153	546,716
Group EBITDA	**160,972**	166,763	160,273	146,756	125,512
Depreciation, amortisation and impairment	**(99,179)**	(107,011)	(102,569)	(74,262)	(62,820)
Group operating profit (pre-exceptional)	**61,793**	59,752	57,704	72,494	62,692
Share of profits of associates and joint ventures	**38,213**	53,052	36,045	18,907	14,007
Net interest payable – Group, joint ventures and associates	**(57,162)**	(55,515)	(56,250)	(39,803)	(20,118)
Group exceptional items	**9,865**	(27,139)	3,538	435	(56,916)
Profit/(loss) before taxation	**52,709**	30,150	41,037	52,033	(335)
Taxation	**(10,385)**	(6,539)	(6,837)	(15,108)	(9,459)
Minority interest	**(4,166)**	(4,172)	(4,007)	(3,815)	(3,473)
Profit/(loss) for the financial year	**38,158**	19,439	30,193	33,110	(13,267)
Profit excluding exceptional items (after tax)	**28,119**	43,186	25,987	32,771	37,947
Capital employed					
Tangible fixed assets	**1,707,818**	1,753,962	1,943,541	1,960,017	1,791,497
Intangible fixed assets	**14,105**	7,084	8,272	9,471	10,527
Financial fixed assets	**104,383**	100,780	82,478	79,010	83,578
Net current assets	**449,265**	422,579	311,382	70,162	483,292
Total assets less current liabilities	**2,275,571**	2,284,405	2,345,673	2,118,660	2,368,894
Creditors due after more than one year	**(1,144,039)**	(1,176,408)	(1,185,301)	(990,412)	(1,260,698)
Capital grants	**(11,418)**	(12,227)	(13,853)	(14,844)	(15,863)
Provisions for liabilities	**(95,571)**	(102,362)	(71,808)	(69,247)	(85,952)
Net pension liability	**(24,642)**	(25,670)	(18,773)	(19,794)	(19,820)
Net assets	**999,901**	967,738	1,055,938	1,024,363	986,561
Summary Cash Flow					
Cash flow from operating activities	**158,630**	146,036	164,898	147,284	131,368
Payments in respect of exceptional restructuring and other provisions	**(13,907)**	(9,573)	(11,783)	(30,379)	(1,918)
Dividends from associated undertakings (net)	**23,361**	19,148	22,892	17,097	19,025
	168,084	155,611	176,007	134,002	148,475
Net interest paid	**(46,467)**	(49,711)	(62,884)	(48,090)	(27,238)
Taxation (paid)/refund	**(640)**	(2,904)	(3,021)	2,056	(2,986)
	120,977	102,996	110,102	87,968	118,251
Investment in tangible fixed assets	**(55,866)**	(44,228)	(90,028)	(227,898)	(522,810)
Investment in/loans to associated and joint venture undertakings and financial assets	**–**	–	–	(11)	–
Other investments	**–**	–	–	(6,602)	–
Acquisition of subsidiary undertakings	**(11,121)**	–	(3,200)	–	–
Net proceeds/(outflow) from disposal of subsidiary/associated undertakings/joint ventures	**11,625**	(215)	12,500	–	(562)
Sale of tangible and financial assets	**73**	139	98	28	39
Grants received	**54**	22	–	–	–
	(55,235)	(44,282)	(80,630)	(234,483)	(523,333)
	65,742	58,714	29,472	(146,515)	(405,082)
Dividends paid					
to Shareholder	**–**	–	–	–	(19,400)
to minority undertakings of subsidiaries	**(4,310)**	(54)	(4,282)	(1,631)	(4,710)
Cash inflow/(outflow) before management of liquid resources and financing	**61,432**	58,660	25,190	(148,146)	(429,192)
Net debt					
Group net debt at year end	**613,970**	674,827	734,803	764,537	615,986

a. 2009 to 2012 amounts include Shannon Airport results. Refer to the 2013 Financial Review for a comparison of operating results between 2013 and 2012 on a like for like basis excluding Shannon Airport results.

Five-year summary of passenger statistics

Passengers	**2013**	2012	2011	2010	2009
Overall					
Transatlantic	**1,863,381**	1,932,077	1,886,898	1,838,703	2,056,649
Britain	**8,287,527**	8,774,890	8,903,819	8,703,096	9,954,850
Continental Europe	**11,652,325**	11,439,525	11,220,625	10,922,184	12,409,145
Other International	**540,265**	478,471	261,645	272,534	248,992
Domestic	**70,561**	66,744	163,336	565,142	1,024,814
Transit	**10,729**	142,838	291,670	310,421	372,838
	22,424,788	22,834,545	22,727,993	22,612,080	26,067,288
Percentage change year-on-year	**-1.8%**	+0.5%	+0.5%	-13.3%	-12.8%
Dublin					
Transatlantic	**1,863,134**	1,643,885	1,566,787	1,489,081	1,614,375
Britain	**7,179,756**	6,894,019	6,970,219	6,726,793	7,575,288
Continental Europe	**10,510,488**	10,015,982	9,815,198	9,570,020	10,416,954
Other International	**540,257**	477,890	259,800	266,418	242,670
Domestic	**65,392**	60,572	120,428	369,010	634,973
Transit	**7,756**	7,301	8,161	9,742	19,417
	20,166,783	19,099,649	18,740,593	18,431,064	20,503,677
Percentage change year-on-year	**+5.6%**	+1.9%	+1.7%	-10.1%	-12.6%
Cork					
Transatlantic	**247**	269	255	241	127
Britain	**1,107,771**	1,144,904	1,180,697	1,214,514	1,316,647
Continental Europe	**1,141,837**	1,187,425	1,135,709	1,028,806	1,104,245
Other International	**8**	–	1,100	5,053	5,453
Domestic	**5,169**	4,779	41,259	171,068	336,393
Transit	**2,973**	2,738	2,927	5,449	6,183
	2,258,005	2,340,115	2,361,947	2,425,131	2,769,048
Percentage change year-on-year	**-3.5%**	-0.9%	-2.6%	-12.4%	-15.0%
Shannon					
Transatlantic	**N/A**	287,923	319,856	349,381	442,147
Britain	**N/A**	735,967	752,903	761,789	1,062,915
Continental Europe	**N/A**	236,118	269,718	323,358	888,946
Other International	**N/A**	581	745	1,063	869
Domestic	**N/A**	1,393	1,649	25,064	52,448
Transit	**N/A**	132,799	280,582	295,230	347,238
	N/A	1,394,781	1,625,453	1,755,885	2,794,563
Percentage change year-on-year	**N/A**	-14.2%	-7.4%	-37.2%	-11.8%

Five-year summary of aircraft movements

	2013	2012	2011	2010	2009
Overall					
Commercial					
Scheduled	**173,139**	177,595	175,300	175,334	197,797
Non Scheduled	**6,417**	13,269	16,184	17,124	19,859
Cargo	**4,636**	6,224	6,323	5,983	6,719
Commercial Air Transport Movements	**184,192**	197,088	197,807	198,441	224,375
Percentage change year-on-year	**-6.5%**	-0.4%	-0.3%	-11.6%	-16.1%
Others	**29,955**	39,984	40,116	37,627	40,120
Total Aircraft Movements	**214,147**	237,072	237,923	236,068	264,495
Dublin					
Commercial					
Scheduled	**154,377**	147,380	144,188	143,282	156,290
Non Scheduled	**5,445**	5,288	6,268	6,150	8,656
Cargo	**3,878**	3,918	3,995	3,670	4,132
Commercial Air Transport Movements	**163,700**	156,586	154,451	153,102	169,078
Percentage change year-on-year	**+4.5%**	+1.4%	+0.9%	-9.4%	-15.5%
Others	**6,657**	7,084	7,565	7,218	7,733
Total Aircraft Movements	**170,357**	163,670	162,016	160,320	176,811
Cork					
Commercial					
Scheduled	**18,762**	19,944	20,058	21,350	23,150
Non Scheduled	**972**	963	1,330	1,470	1,948
Cargo	**758**	789	785	806	876
Commercial Air Transport Movements	**20,492**	21,696	22,173	23,626	25,974
Percentage change year-on-year	**-5.5%**	-2.2%	-6.2%	-9.0%	-24.8%
Others	**23,298**	27,442	25,888	24,740	26,744
Total Aircraft Movements	**43,790**	49,138	48,061	48,366	52,718
Shannon					
Commercial					
Scheduled	**N/A**	10,271	11,054	10,702	18,357
Non Scheduled	**N/A**	7,018	8,586	9,504	9,255
Cargo	**N/A**	1,517	1,543	1,507	1,711
Commercial Air Transport Movements	**N/A**	18,806	21,183	21,713	29,323
Percentage change year-on-year	**N/A**	-11.2%	-2.4%	-26.0%	-10.2%
Others	**N/A**	5,458	6,663	5,669	5,643
Total Aircraft Movements	**N/A**	24,264	27,846	27,382	34,966


Deasca Cláraithe
Check-in Desks 1-28
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Tickets

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

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

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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.

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Page 11: Conor O'Driscoll, IT Business Relationship Manager, Cork Airport.

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Page 18: Loizos Charalambous, Liquor Promoter, Larnaca Airport, CTC-ARI, Cyprus Airports Duty Free.

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Page 32/33: Dublin Airport Firemen Paul Warren and Brendan Roche.

Page 34 (clockwise from top): Kevin Cullinane, Head of Communications, Cork Airport in Kinsale, County Cork. Cork Airport is the gateway airport for the start of the 'Wild Atlantic Way'; John Coscoran, Airfield Operative, Dublin Airport Airfield Asset Care; The Balvenie Single Malt is just one of the premium single malt whiskies on offer in Beirut, Cyprus and Delhi airports as part of ARI's extensive selection of Scotch and Irish whiskies.

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Page 37 (clockwise from top left): Niki Koum, Sales Assistant Watches and Jewellery, Larnaca Airport, CTC-ARI, Cyprus Airports Duty Free, photographed in Lefkara, Cyprus; the Al-Rifai Roastery and Delicatessen at Beirut Rafic Hariri International Airport; Lilibeth Horne, Head of Retail, Cork Airport photographed at Carrigaline Farmhouse Cheese, Carrigaline, County Cork. The Loop retail offer at Cork Airport carries a range of artisanal food products from Cork including Carrigaline Farmhouse Cheese.

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Page 39 (clockwise from top left): Robyn Chadwick, ARI Ireland Sales Assistant, Cork Airport; Andreas Nicolaou, Retail Projects Manager, Larnaca Airport, CTC-ARI, Cyprus Airports Duty Free; Yara Nassar, Sales Assistant, Douaihy Sweets at Beirut Rafic Hariri International Airport.

Colophon

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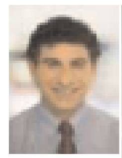

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