IRISH CONTINENTAL GROUP

Preliminary Statement of Results for the year ended 31 December 2014

FINANCIAL HIGHLIGHTS	**2014**	**2013**	**Change %**
Revenue	€290.1m	€264.7m	+9.6%
EBITDA	€50.5m	€49.2m	+2.6%
Operating profit (before non-trading items)	€32.7m	€30.0m	+9.0%
Non-trading item: Curtailment gain less related costs	€28.7m	-	
Non-trading item: Gain on disposal of subsidiary	-	€3.5m	
EPS			
EPS Basic	30.4c	14.6c	+108.2%
EPS Adjusted	15.5c	13.8c	+12.3%
Final dividend	7.035c	6.7c	+5.0%
Net Debt	€61.3m	€93.4m	-34.4%

CARRYINGS	**2014**	**2013**	
	'000	**'000**	**Change %**
Passengers	1,643.3	1,568.3	+4.8%
Cars	381.8	350.9	+8.8%
RORO Freight	247.9	205.3	+20.8%
Container Freight (teu*)	277.2	279.2	-0.7%
Port Lifts	187.0	177.3	+5.5%

*teu = twenty foot equivalent units

Key financial and performance highlights:

- Revenue up 9.6%, adjusted EPS up 12.3%
- Dividend increased by 5%, Net Debt down 34.4%
- RORO freight volumes +20.8%, car carryings +8.8%

Commenting on the results Chairman John B McGuckian said,

"2014 was another successful year for the group with growth in revenue of almost 10% to €290.1 million and earnings before non-trading items, interest, tax, depreciation and amortisation (EBITDA) of €50.5 million, up 2.6%, having absorbed the costs of the newly introduced vessel, '*Epsilon*'. The strong momentum, evident in Q4 of 2014 has continued into early 2015 giving us confidence that we can look forward in 2015, in the absence of unforeseen developments and assuming continued lower oil prices, to strong growth in revenue and earnings."

5 March 2015

Irish Continental Group (ICG) is a leading Irish based maritime transport group. ICG carries passengers and cars, Roll on Roll off (RORO) freight and container Lift on Lift off (LOLO) freight, on routes between Ireland, the United Kingdom and Continental Europe.

2014 proved to be another successful year for the Group, with a positive financial and operational performance, and a strengthening of the Group's strategic positioning as the leading maritime transport provider in the Republic of Ireland.

Revenue for the year grew 9.6% to €290.1 million with growth of 14.0% in the Ferries Division and 2.6% in the Container & Terminal Division. Operating costs (excluding depreciation) were 11.2% higher at €239.6 million as we absorbed the full year incremental cost of the additional vessel, *'Epsilon'*, introduced in late 2013. EBITDA increased by 2.6%, to €50.5 million. Operating profit (before non-trading items) was up 9.0% at €32.7 million. The net finance charge was €4.7 million (2013: €6.3 million). The taxation charge was €0.7 million compared with €0.4 million in 2013. There was a non-trading item of €28.7 million resulting from the curtailment gain recognised as a result of the pension deficit funding agreement concluded during the year. Basic EPS (including non-trading items) was 30.4 cent (2013: 14.6 cent), while adjusted EPS (excluding non-trading items and the net interest cost on defined benefit pension schemes) was 12.3% higher at 15.5 cent.

BUSINESS REVIEWS

FERRIES DIVISION

The chartered Ropax vessel, *'Epsilon'*, introduced to the fleet in late 2013 and, which is an enhancement of Irish Ferries service offering, has provided 18 additional weekly sailings between Dublin and Holyhead as well as a weekly round trip between Dublin and France. As a result, Irish Ferries increased its sailings across its route network, from 4,381 in 2013 to 5,210 in 2014 (up 19%).

Revenue in the division was 14.0% higher than the previous year at €184.3 million while operating profit (before non-trading items) was €28.0 million compared with €24.9 million in 2013. The increase in profit was due primarily to increased freight and passenger revenue partially offset by additional operating costs of the newly introduced *'Epsilon'*. While underlying fuel prices were lower in the year compared with 2013, particularly in the last quarter, the operation of the *'Epsilon'* meant that the division's total fuel cost was 13.7% higher than the previous year at €40.7 million (2013: €35.8 million). Revenue in the first half of the year increased 12.0% to €77.7 million (2013: €69.4 million), while in the second half revenue increased 15.5%, to €106.6 million (2013: €92.3 million).

Car and Passenger markets

It is estimated that the overall car market, to and from the Republic of Ireland, grew by approximately 3.6% in 2014 to 780,000 cars, while the all-island market, i.e. including routes into Northern Ireland, is estimated to have grown by 2.4%. Irish Ferries' car carryings performed strongly during the year, at 381,800 cars, (2013: 350,900), up 8.8% on the previous year. In the first half Irish Ferries grew its car volumes by 5.9% while in the second half, which includes the busy summer holiday season, the increase was higher, at 10.8%. The strong market and Irish Ferries performances reflect the positive performance of the Irish tourist industry. Initiatives by the tourist industry such as the Wild Atlantic Way, have been instrumental in promoting 'own car' tourism around the west and southern Irish coasts, and have helped broaden the distribution of tourists around the island.

The total sea passenger market (i.e. comprising car, coach and foot passengers) to and from the Republic of Ireland also grew by 2.6% in 2014, to a total of 3.2 million passengers, while the all-Island market grew by 1.6%. Irish Ferries' passenger numbers carried were up 4.8% at 1.643 million (2013: 1.568 million). In the first half of the year, Irish Ferries passenger volumes were up by 0.8% and in the second half of the year, which is seasonally more significant, the growth in passenger numbers was 7.8%.

Freight
The RORO freight market between the Republic of Ireland, and the U.K. and France, which had resumed growth in 2013, continued to develop in 2014 with the total number of trucks and trailers up by around 6.7% to approximately 838,000 units. On an all-island basis, the market was up around 3.3% to approximately 1.6 million units.

Irish Ferries' carryings, at 247,900 freight units (2013: 205,300), were up 20.8% in the year reflecting a strong performance by Irish Ferries relative to the market (volumes were up 18.5% in the first half and 22.9% in the second half). The increased capacity provided by the *'Epsilon'* was a major contributor to the growth as was the increased frequency the vessel offers Irish Ferries' freight clients with a freight departure on the key Dublin-Holyhead route every six hours rather than the previous twelve hour frequency.

Chartering
The *'Kaitaki'* remained on its 4 year charter to KiwiRail during the year, operating in New Zealand.

In April 2014, the Group received €17.0 million in full settlement of all amounts then due under the terms of the Bareboat Hire Purchase Agreement relating to the sale of the vessel *'Bilbao'* concluded in 2010. Under this Agreement, the finance lease receivable was originally to have been received in instalments from the Russian charterer, St. Peter Line, over the period to September 2016. The funds were utilised towards the reduction of net debt.

CONTAINER AND TERMINAL DIVISION
Revenue in the division increased to €107.0 million (2013: €104.3 million). The revenue is derived from container handling and related ancillary revenues at our terminals and in Eucon from a mix of domestic door-to-door, quay-to-quay and feeder services. With a flexible chartered fleet and slot charter arrangements Eucon was able to adjust capacity and thereby continue to meet the requirements of customers in a cost effective and efficient manner. Operating profit in the division was down 7.8% at €4.7 million (2013: €5.1 million) due mainly to reduced feeder carryings. Fuel costs were down 5.4% to €12.3 million (2013: €13.0 million), offset by reduced freight surcharges to customers. Overall container volumes shipped were down 0.7% compared with the previous year at 277,200 teu (2013: 279,200 teu). Feeder volumes were down approximately 4% while domestic volumes were up approximately 2%.

We ceased calling to Le Havre (Radicatel) in January 2015 in order to concentrate our capacity on our Rotterdam and Antwerp services.

Containers handled at the Group's terminals in Dublin Ferryport Terminals (DFT) and Belfast Container Terminal (BCT) were up 5.5% at 187,000 lifts (2013: 177,300 lifts). DFT's volumes were up 6.1%, while BCT's lifts were up 2.4%.

On 1 January 2015, the EU Sulphur Directive came into force in many parts of Northern Europe, including the North Sea and the English Channel termed as Sulphur Emission Control Area's (SECA's). This reduced the permissible level of sulphur in bunker fuel from 1.0% to 0.1% for vessels in these SECA's requiring the vessels in the Eucon fleet to consume, higher cost, low sulphur fuel. The increased costs from consuming this low sulphur fuel are being passed onto the end user via increased surcharges in order to maintain a viable freight network for the benefit of Ireland's exporters and importers.

PENSIONS
During the year we completed negotiations on a recovery plan with the trustee of the Group's largest defined benefit pension scheme. Under the terms of the recovery plan, liabilities in the scheme have been reduced by the removal of guaranteed inflation-linked pension increases for some scheme members while the funding of the plan has been enhanced through a payment plan which will see the Group contribute annual payments of €1.5 million per annum (supplemented by €0.5 million per annum into an escrow account) until 2023 or until the deficit is eliminated, if earlier.

The changes agreed give rise to a net gain of €28.7 million which includes a curtailment gain of €31.0 million less directly related costs and has been accounted for as a non-trading credit.

FINANCE

EBITDA for the year was €50.5 million (2013: €49.2 million). There was a net outflow of working capital of €2.2 million, due to an increase in receivables of €4.8 million, due to higher freight revenue, partially offset by a decrease in inventories of €0.7 million and an increase in payables of €1.9 million. The Group made payments, in excess of service costs, to the Group's pension funds of €3.9 million. Cash generated from operations amounted to €44.4 million (2013: €40.3 million).

Net interest paid was €3.5 million (2013: €4.3 million) while taxation paid was €1.1 million (2013: €0.2 million).

Capital expenditure was €8.0 million (2013: €8.7 million) which primarily included the annual refits of the vessels and new containers to enhance the Eucon fleet of equipment.

Net debt at year end was €61.3 million (2013: €93.4 million) which represents 1.2 times EBITDA (2013: 1.9 times EBITDA).

DIVIDEND

During the year the Group paid the final dividend for 2013 of 6.7 cent per ICG Unit. The Group also paid an interim dividend for 2014 of 3.465 cent per ICG Unit, and the Board is proposing a final dividend of 7.035 cent per ICG Unit, payable in June 2015, making a total dividend for 2015 of 10.5 cent per ICG Unit, an increase of 5% on the prior year.

Subject to shareholder approval at the Annual General Meeting, the final dividend will be paid on 19 June 2015 to shareholders on the register at close of business on 5 June 2015. Irish dividend withholding tax will be deducted where appropriate.

SUB-DIVISION OF ICG UNITS

During the year the Board received shareholder approval to implement a 10-for-1 sub-division of its ordinary shares and to redeem all of the redeemable shares in issue. The purpose of these actions was to improve the marketability and liquidity of ICG's Units. As a result the comparative EPS, dividend per share and number of ordinary shares have been restated.

CURRENT TRADING & OUTLOOK

Since our last update to the market, in the Interim Management Statement of November 2014, trading conditions have continued to improve. Revenue for the year was up 9.6% for the full year, versus 9.0% for the 9 months to the end of September 2014 resulting in EBITDA for the final quarter of 2014 up €1.9 million at €8.4 million. The improved momentum has continued into the first two months of 2015. In the period to 28 February cars are up 16% on last year and passenger carryings are 3% ahead of 2014. RORO freight volumes are up 14% on the same period in 2014 as we continue to benefit from the additional capacity of the *'Epsilon'*. In the Container and Terminal Division containers carried are down 1% while port lifts are up 6% year to date.

Lower world fuel prices have softened the impact of the introduction of the low sulphur directive in the English Channel and are also providing a stimulus to the transportation sector generally. As a result of these factors, and bearing in mind the general improvement in the economic outlook in our sphere of operations, we look forward, in the absence of unforeseen circumstances and assuming continued low oil prices, to strong growth in revenue and earnings for the financial year 2015.

John B. McGuckian
Chairman

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Consolidated Income Statement for the year ended 31 December 2014

	Notes	2014	2013
		€m	€m
Revenue		290.1	264.7
Depreciation and amortisation		(17.8)	(19.2)
Employee benefits expense		(18.9)	(17.8)
Other operating expenses		(220.7)	(197.7)
		32.7	30.0
Non-trading items	4	28.7	-
Operating profit		**61.4**	**30.0**
Investment revenue		0.1	0.2
Finance costs		(4.8)	(6.5)
Profit before tax		**56.7**	**23.7**
Income tax expense	3	(0.7)	(0.4)
Profit from continuing operations		**56.0**	**23.3**
Discontinued operations			
Non-trading items	4	-	3.5
Total discontinued operations		-	3.5
Profit for the year: all attributable to equity holders of the parent		**56.0**	**26.8**
Earnings per share – expressed in € cent per share			
Basic	5	30.4c	14.6c
Diluted	5	30.1c	14.5c

Consolidated Statement of Comprehensive Income for the year ended 31 December 2014

	2014	**2013**
	€m	**€m**
Profit for the year	56.0	26.8
Items that may be reclassified subsequently to profit or loss:		
Cash flow hedges:		
- Fair value movements arising during the year	(1.0)	0.2
-Transfer to Consolidated Income Statement – net settlement		
of cash flow hedge	0.3	0.4
Exchange differences on translation of foreign operations	0.3	-
Exchange difference on defined benefit pension schemes	0.1	(0.2)
Items that will not be reclassified subsequently to profit or loss:		
Actuarial (loss) / gain on retirement benefit obligations	(21.2)	14.3
Deferred tax movements	-	(0.1)
Other comprehensive (expense) / income for the year	(21.5)	14.6
Total comprehensive income for the year:		
all attributable to equity holders of the parent	**34.5**	**41.4**

Consolidated Statement of Financial Position as at 31 December 2014

	Notes	2014	2013
		€m	€m
Assets			
Non-current assets			
Property, plant and equipment		154.0	163.5
Intangible assets		0.7	0.8
Finance lease receivable		-	14.7
Retirement benefit surplus	8	5.4	4.7
		160.1	**183.7**
Current assets			
Inventories		2.0	2.7
Trade and other receivables		34.7	33.0
Cash and bank balances	6	22.7	18.5
		59.4	**54.2**
Total assets		**219.5**	**237.9**
Equity and liabilities			
Equity			
Share capital		12.0	12.0
Share premium		9.7	8.5
Other reserves		(8.0)	(9.3)
Retained earnings		47.6	31.0
Equity attributable to equity			
holders of the parent		**61.3**	**42.2**
Non-current liabilities			
Borrowings	6	66.7	95.2
Trade and other payables		-	0.6
Deferred tax liabilities		3.8	3.9
Provisions		0.5	0.4
Deferred grant		0.5	0.6
Retirement benefit obligation	8	29.5	41.4
		101.0	**142.1**
Current liabilities			
Borrowings	6	17.3	16.7
Trade and other payables		38.4	35.9
Derivative financial instruments		0.7	-
Current income tax liabilities		0.2	0.5
Provisions		0.5	0.4
Deferred grant		0.1	0.1
		57.2	**53.6**
Total liabilities		**158.2**	**195.7**
Total equity and liabilities		**219.5**	**237.9**

Consolidated Statement of Changes in Equity for the year ended 31 December 2014

	Share Capital €m	Share Premium €m	Other Reserves €m	Retained Earnings €m	Total €m
Balance at 1 January 2014	**12.0**	**8.5**	**(9.3)**	**31.0**	**42.2**
Profit for the year	-	-	-	56.0	56.0
Other comprehensive expense	-	-	(0.4)	(21.1)	(21.5)
Total comprehensive (expense) / income for the year	**-**	**-**	**(0.4)**	**34.9**	**34.5**
Employee share-based payment expense	-	-	2.2	-	2.2
Share issue	-	1.2	-	-	1.2
Dividends	-	-	-	(18.8)	(18.8)
Transferred to retained earnings on exercise of share options	-	-	(0.5)	0.5	-
	-	**1.2**	**1.3**	**16.6**	**19.1**
Balance at 31 December 2014	**12.0**	**9.7**	**(8.0)**	**47.6**	**61.3**
Analysed as follows:					
Share capital					12.0
Share premium					9.7
Other reserves					(8.0)
Retained earnings					47.6
					61.3

Other Reserves comprise the following:

	Capital Reserve €m	Share Options Reserve €m	Hedging Reserve €m	Translation Reserve €m	Total €m
Balance at 1 January 2014	**7.3**	**3.1**	**-**	**(19.7)**	**(9.3)**
Total comprehensive (expense) / income	**-**	**-**	**(0.7)**	**0.3**	**(0.4)**
Employee share-based payment expense	-	2.2	-	-	2.2
Transferred to retained earnings on exercise of share options	-	(0.5)	-	-	(0.5)
	-	**1.7**	**(0.7)**	**0.3**	**1.3**
Balance at 31 December 2014	**7.3**	**4.8**	**(0.7)**	**(19.4)**	**(8.0)**

Consolidated Statement of Changes in Equity for the year ended 31 December 2013

	Share Capital €m	Share Premium €m	Other Reserves €m	Retained Earnings €m	Total €m
Balance at 1 January 2013	**11.9**	**7.5**	**(9.6)**	**8.2**	**18.0**
Profit for the year	-	-	-	26.8	26.8
Other comprehensive income	-	-	0.6	14.0	14.6
Total comprehensive income for the year	**-**	**-**	**0.6**	**40.8**	**41.4**
Employee share-based payment expense	-	-	0.1	-	0.1
Share issue	0.1	1.0	-	-	1.1
Dividends	-	-	-	(18.4)	(18.4)
Transferred to retained earnings on exercise of share options	-	-	(0.4)	0.4	-
	0.1	**1.0**	**0.3**	**22.8**	**24.2**
Balance at 31 December 2013	**12.0**	**8.5**	**(9.3)**	**31.0**	**42.2**
Analysed as follows:					
Share capital					12.0
Share premium					8.5
Other reserves					(9.3)
Retained earnings					31.0
					42.2

Other Reserves comprise the following:

	Capital Reserve €m	Share Options Reserve €m	Hedging Reserve €m	Translation Reserve €m	Total €m
Balance at 1 January 2013	**7.3**	**3.4**	**(0.6)**	**(19.7)**	**(9.6)**
Total comprehensive income	**-**	**-**	**0.6**	**-**	**0.6**
Employee share-based payment expense	-	0.1	-	-	0.1
Transferred to retained earnings on exercise of share options	-	(0.4)	-	-	(0.4)
	-	**(0.3)**	**0.6**	**-**	**0.3**
Balance at 31 December 2013	**7.3**	**3.1**	**-**	**(19.7)**	**(9.3)**

Consolidated Statement of Cash Flows for the year ended 31 December 2014

		2014	2013
	Notes	**€m**	**€m**
Net cash inflow from operating activities	7	**39.7**	**35.6**
Cash flow from investing activities			
Interest received		0.1	0.2
Proceeds on disposal of property, plant and equipment		0.1	0.4
Net proceeds received on disposal of subsidiary		-	9.4
Payment received on finance lease receivable		17.8	2.9
Purchases of property, plant and equipment		(7.7)	(8.4)
Purchases of intangible assets		(0.3)	(0.3)
Net cash inflow from investing activities		**10.0**	**4.2**
Cash flow from financing activities			
Dividends paid to equity holders of the Company		(18.8)	(18.4)
Repayments of borrowings		(39.6)	(31.9)
Repayments of obligations under finance leases		(0.8)	(0.7)
Proceeds on issue of ordinary share capital		1.2	1.1
New bank loans raised		7.5	5.0
Proceeds from sale and leaseback		1.6	1.2
Net cash used in financing activities		**(48.9)**	**(43.7)**
Net increase / (decrease) in cash and cash equivalents		**0.8**	**(3.9)**
Cash and cash equivalents at the beginning of the year		18.5	22.3
Effect of foreign exchange rate changes		0.1	0.1
Cash and cash equivalents at the end of the year	**6**	**19.4**	**18.5**

Notes to the Preliminary Statement for the year ended 31 December 2014

1. Accounting policies

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

Restatement of Earnings per share, dividend per share and number of ordinary shares

The comparative information for the earnings per share calculation has been restated to reflect the 10-for-1 sub-division of ICG Units which occurred on 9 June 2014. The comparative dividend per ICG Unit, numbers of ordinary shares information and all other share / Unit disclosures have also been restated.

2. Segmental information

The Board is deemed the chief operating decision maker within the Group. For management purposes, the Group is currently organised into two operating segments: Ferries and Container & Terminal.

	Revenue		**Profit Before Tax**		**Net Assets (equity attributable to equity holders)**	
Analysis of results	**2014**	**2013**	**2014**	**2013**	**2014**	**2013**
	€m	**€m**	**€m**	**€m**	**€m**	**€m**
Ferries	184.3	161.7	28.0	24.9	97.8	110.3
Container and Terminal	107.0	104.3	4.7	5.1	24.8	25.3
Intersegment Revenue	(1.2)	(1.3)	-	-	-	-
Total	290.1	264.7	32.7	30.0	122.6	135.6
Non-trading items	-	-	28.7	3.5	-	-
Net interest / debt	-	-	(4.7)	(6.3)	(61.3)	(93.4)
Other liabilities	-	-	-	-	-	-
	290.1	**264.7**	**56.7**	**27.2**	**61.3**	**42.2**
Analysis by origin of booking	**2014**	**2013**				
	€m	**€m**				
Ireland	147.5	131.0				
United Kingdom	52.8	46.1				
Netherlands	48.3	45.9				
Belgium	24.6	25.0				
France	7.1	7.4				
Other	9.8	9.3				
Total	**290.1**	**264.7**				

3. Income tax expense

	2014	2013
	€m	€m
Current tax	0.8	0.6
Deferred tax	(0.1)	(0.2)
Income tax expense for the year	**0.7**	**0.4**

The Company and its Irish tax resident subsidiaries have elected to be taxed under the Irish tonnage tax method. Under the tonnage tax method, taxable profit on eligible activities is calculated on a specified notional profit per day related to the tonnage of the ships utilised.

In accordance with the IFRIC guidance on *IAS 12 Income Taxes*, the tonnage tax charge is not considered an income tax expense and has been included in other operating expenses in the Consolidated Income Statement.

Domestic income tax is calculated at 12.5% of the estimated assessable profit for the year for all activities which do not fall to be taxed under the tonnage tax system. Taxation for other jurisdictions is calculated at the rates prevailing in the relevant jurisdictions and range between 21% and 23% (2013: 23% and 24%).

The total expense for the year is reconciled to the accounting profit as follows:

	2014	2013
	€m	€m
Profit before tax	56.7	23.7
Gain on disposal of discontinued operations	-	3.5
	56.7	27.2
Tax at the domestic income tax rate of 12.5% (2013: 12.5%)	7.1	3.4
Effect of tonnage relief	(1.9)	(1.8)
Non-taxable curtailment gain	(3.9)	-
Tax exempted earnings	-	(0.4)
Net utilisation of tax losses	(0.1)	(0.2)
Difference in effective tax rates	0.1	0.1
Other items	(0.6)	(0.7)
Income tax expense recognised in the		
Consolidated Income Statement	**0.7**	**0.4**

4. Non-trading items

	2014	2013
	€m	€m
Continuing operations		
Curtailment gain arising from pension deficit funding agreement		
less related costs	28.7	-
Discontinued operations		
Gain on the disposal of discontinued operations	-	3.5
Total non-trading items	28.7	3.5

During the year the Group concluded a deficit funding agreement with the trustee of the Group's main defined benefit pension scheme, the Irish Ferries Limited Pension Scheme. Under the terms of the agreement, liabilities of the scheme will be reduced by the replacement of guaranteed pension increases for some members of the scheme with discretionary pension increases linked to the funding of the scheme. The reduction in liability arising has been estimated at €31.0 million by the scheme actuary. This curtailment gain of €31.0 million less €2.0 million in directly related share options expenses and €0.3 million of directly related professional fees has been included as a non-trading item in the Consolidated Income Statement. The share-based payment expense directly attributable to the gain arises because the curtailment gain resulted in the EPS performance criteria for the vesting of the options being met.

In 2013, a gain of €3.5 million on disposal of a former subsidiary was recognised, following the receipt of all deferred contingent consideration due under the Sale Agreement, which had been dependent upon the achievement of certain conditions. In addition there was a settlement for working capital less costs of disposal incurred.

5. Earnings per share

Number of shares	2014 '000	2013* '000
Weighted average number of ordinary shares for the purposes of basic earnings per share	184,357	183,650
Effect of dilutive potential ordinary shares: Share options	1,438	970
Weighted average number of ordinary shares for the purposes of diluted adjusted earnings per share	185,795	184,620

The denominator for the purposes of calculating both basic and diluted earnings per share has been adjusted to reflect shares issued during the year and excludes treasury shares.

The earnings used in both the adjusted basic and diluted earnings per share have been adjusted to take into account the non-trading items together with the net interest on defined benefit pension schemes.

Profit attributable to ordinary shareholders

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

Earnings	2014 €m	2013 €m
Earnings for the purposes of basic earnings per share -		
Profit for the year attributable to equity holders of the parent	56.0	26.8
Earnings for the purposes of diluted earnings per share	56.0	26.8
Earnings for the purposes of basic earnings per share -		
Profit for the year attributable to equity holders of the parent	56.0	26.8
Effect of non-trading items	(28.7)	(3.5)
Net interest cost on defined benefit pension schemes	1.2	2.0
Earnings for the purposes of adjusted earnings per share	28.5	25.3

	2014 Cent	2013* Cent
Basic earnings per share	30.4	14.6
Diluted earnings per share	30.1	14.5
Adjusted basic earnings per share	15.5	13.8
Adjusted diluted earnings per share	15.3	13.7

* The comparative information has been adjusted for the 10-for-1 sub-division of ICG Units which became effective on 9 June 2014.

6. Net debt

	Cash	Bank Overdraft	Loans	Leases	Total
	€m	€m	€m	€m	€m
At 1 January 2014					
Current assets	18.5	-	-	-	18.5
Creditors due within one year	-	-	(16.0)	(0.7)	(16.7)
Creditors due after one year	-	-	(92.3)	(2.9)	(95.2)
	18.5	**-**	**(108.3)**	**(3.6)**	**(93.4)**
Cash flow	4.2	-	-	-	4.2
Drawdown	-	(3.3)	(7.5)	(1.6)	(12.4)
Repayment	-	-	39.6	0.8	40.4
Foreign exchange rate changes	-	-	-	(0.1)	(0.1)
	4.2	**(3.3)**	**32.1**	**(0.9)**	**32.1**
At 31 December 2014					
Current assets	22.7	-	-	-	22.7
Creditors due within one year	-	(3.3)	(13.0)	(1.0)	(17.3)
Creditors due after one year	-	-	(63.2)	(3.5)	(66.7)
	22.7	**(3.3)**	**(76.2)**	**(4.5)**	**(61.3)**

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

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

	2014	2013
	€m	€m
Cash and bank balances	22.7	18.5
Bank overdraft	(3.3)	-
Cash and cash equivalents	**19.4**	**18.5**

7. Net cash from operating activities

	2014	2013
	€m	€m
Operating activities		
Profit for the year	56.0	26.8
Adjustments for:		
Finance costs (net)	4.7	6.3
Income tax expense	0.7	0.4
Retirement benefit obligations – current service cost	1.9	1.9
Retirement benefit obligations – payments	(4.0)	(5.6)
Retirement benefit obligations – past service credit	(1.8)	(2.1)
Depreciation of property, plant and equipment	17.5	19.0
Amortisation of intangible assets	0.4	0.3
Amortisation of deferred income	(0.1)	(0.1)
Share-based payment expense	0.2	0.1
Non-trading item: Gain on disposal of subsidiary	-	(3.5)
Non-trading item: Net gain on pension deficit agreement	(28.7)	-
Non-trading item: Fees related to pension deficit agreement	(0.3)	-
Gain on disposal of property, plant and equipment	(0.1)	(0.4)
Increase in other provisions	0.2	-
Operating cash flows before movements in working capital	**46.6**	**43.1**
Decrease in inventories	0.7	-
Increase in receivables	(4.8)	(1.5)
Increase / (decrease) in payables	1.9	(1.3)
Cash generated from operations	**44.4**	**40.3**
Income taxes paid	(1.1)	(0.2)
Interest paid	(3.6)	(4.5)
Net cash generated from operating activities	**39.7**	**35.6**

8. Retirement benefit schemes

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

	STERLING LIABILITIES		EURO LIABILITIES	
	2014	**2013**	**2014**	**2013**
Discount rate	**3.65%**	4.35%	**2.00%**	3.60%
Inflation rate	**3.10%**	3.55%	**1.50%**	2.00%
Rate of increase of pensions in payment	**2.90%**	3.20%	**0.60% - 0.70%**	1.80% - 2.00%
Rate of general salary increases	**1.44%**	4.05%	**1.00%**	3.00%

The average life expectancy used in all schemes at age 60 is as follows:

	2014		2013	
	Male	**Female**	**Male**	**Female**
Current retirees	24.3 years	27.2 years	24.3 years	27.2 years
Future retirees	27.5 years	29.8 years	27.3 years	29.6 years

The amount recognised in the balance sheet in respect of the Group's defined benefit schemes, is as follows:

	SCHEMES WITH LIABILITIES IN STERLING		SCHEMES WITH LIABILITIES IN EURO	
	2014	**2013**	**2014**	**2013**
	€m	**€m**	**€m**	**€m**
Equities	8.9	8.4	131.9	121.6
Bonds	15.9	13.9	81.8	73.3
Property	0.3	0.3	14.2	11.4
Other	0.7	1.0	2.8	0.6
Market value of scheme assets	25.8	23.6	230.7	206.9
Present value of scheme liabilities	(22.6)	(22.0)	(258.0)	(245.2)
Surplus / (deficit) in schemes	3.2	1.6	(27.3)	(38.3)

8. Retirement benefit schemes – continued

The movement during the year is reconciled as follows:

	2014	2013
	€m	€m
Opening net deficit	(36.7)	(54.6)
Current service cost	(1.9)	(1.9)
Employer contributions paid	4.0	5.6
Past service credit	1.8	2.1
Curtailment gain (note 4)	31.0	-
Net interest cost	(1.2)	(2.0)
Actuarial (loss) / gain	(21.2)	14.3
Other	0.1	(0.2)
Closing net deficit	**(24.1)**	**(36.7)**
Schemes in surplus	5.4	4.7
Schemes in deficit	(29.5)	(41.4)
Net deficit	**(24.1)**	**(36.7)**

9. Related party transactions

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

During the year ended 31 December 2014 the material transactions between Irish Continental Group plc and its key management personnel, were; the remuneration of employees and Directors, the participation in Group dividends on the same terms available to shareholders generally, and the provision of professional services at arm's length basis.

10. General information

The financial information in this preliminary announcement does not constitute full statutory financial statements, a copy of which is required to be annexed to the annual return to the Companies Registration Office. A copy of the financial statements in respect of the financial year ended 31 December 2014 will be annexed to the annual return for 2015. The auditors have made a report, without any qualification on their audit, of the consolidated financial statements in respect of the financial year ended 31 December 2014 and the Directors approved the consolidated financial statements in respect of the financial year ended 31 December 2014 on 4 March 2015. A copy of the consolidated financial statements in respect of the year ended 31 December 2013 has been annexed to the annual return for 2014 filed at the Companies Registration Office.

The consolidated financial statements have been prepared in accordance with IFRS as adopted by the European Union and therefore the Group's financial statements comply with Article 4 of the IAS Regulations. The consolidated financial statements have also been prepared in accordance with the Companies Acts, 1963 to 2013, and the Listing Rules of the Irish Stock Exchange and the UK Listing Authority.

The consolidated financial statements have been prepared on the historical cost basis except for the revaluation of certain financial instruments.

11. Subsequent events

The Board is proposing a final dividend of 7.035 cent per ICG unit in respect of the results for the year ended 31 December 2014.

There have been no other significant events, outside the ordinary course of business, affecting the Group since 31 December 2014.

12. Board Approval

This preliminary announcement was approved by the Board of Directors of Irish Continental Group plc. on 4 March 2015.

13. Annual Report and Annual General Meeting

The Group's Annual Report and notice of Annual General Meeting, which will be held on Wednesday 20 May 2015, will be notified to shareholders in April 2015.