DUBLIN PORT COMPANY ANNUAL REPORT 2012

COMHLACHT CHALAFORT ÁTHA CLIATH
DUBLIN PORT COMPANY

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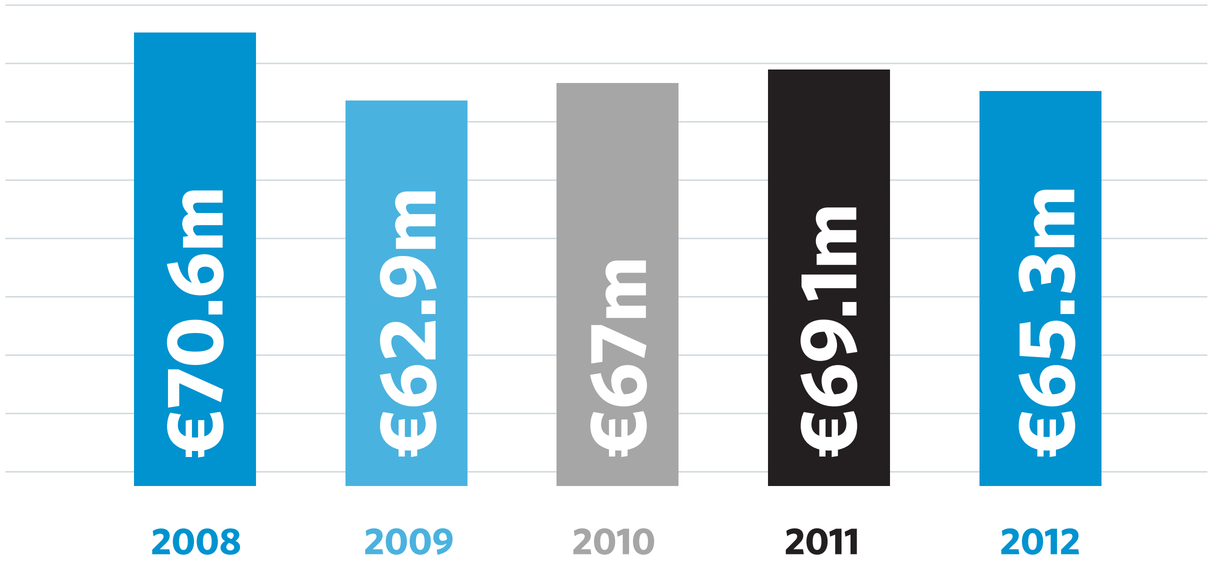

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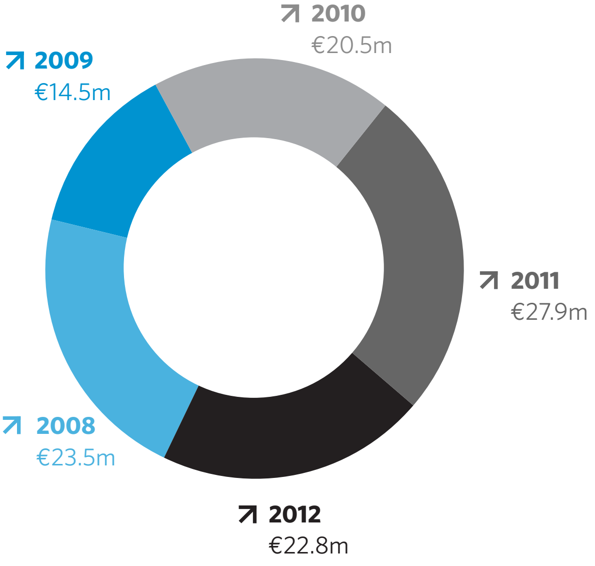

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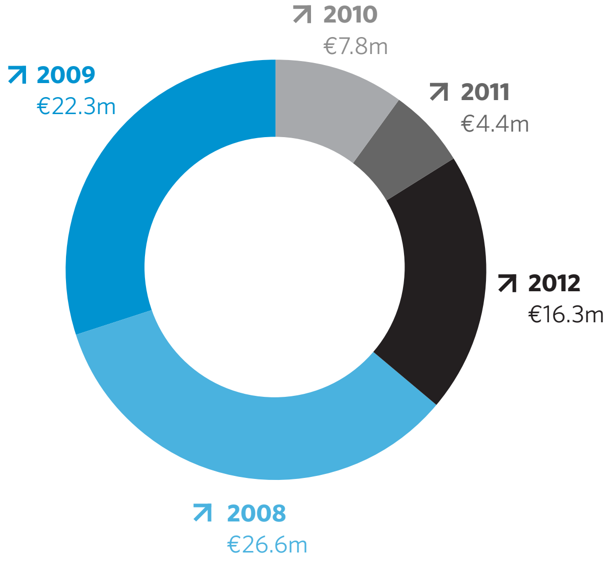

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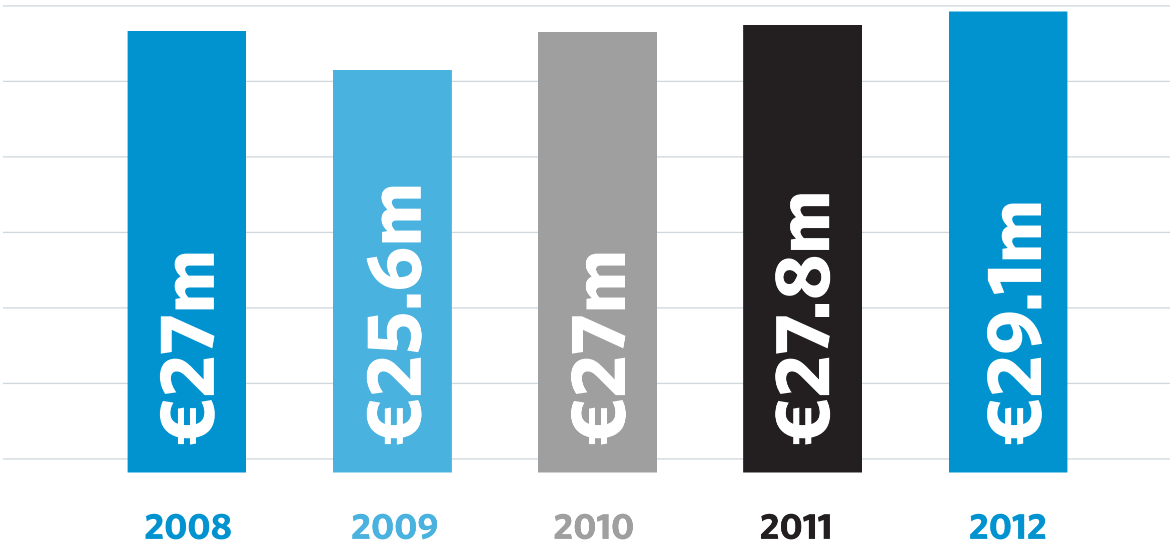

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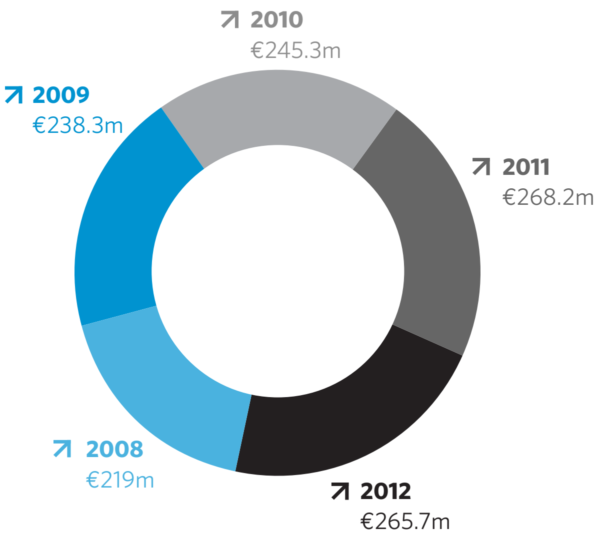

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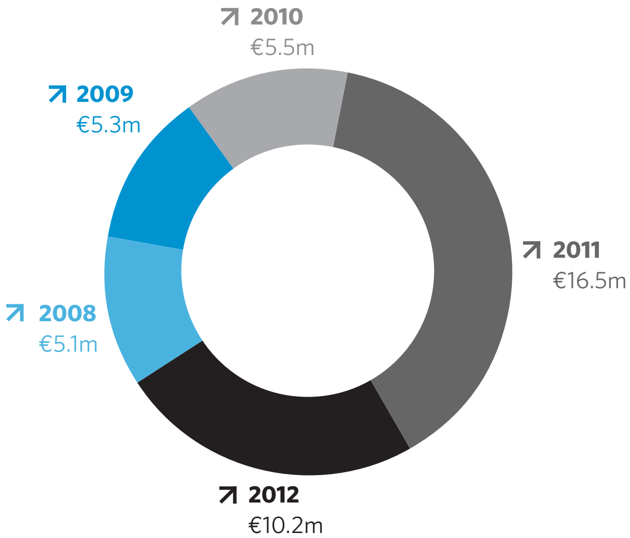


KEY FINANCIAL PERFORMANCE INDICATORS

	2012	2011
	€'000	€'000
Revenue	65,318	69,111
Operating Profit	29,107	27,830
Operating Margin (%)	44.6%	40.3%
EBITDA	39,618	40,688
EBIT	29,201	36,706
Net Interest Charges	146	938
Interest cover		
- EBITDA basis (times)	271.4	43.4
- EBIT basis (times)	200.0	39.1
Net Debt	4,351	10,801
Net Debt as a percentage of total equity (%)	1.6%	4.0%
Net Debt as a percentage of fixed assets (%)	1.6%	3.9%
Return on Capital Employed (ROCE) (%)	10.1%	9.6%
EBIT - earnings before finance costs and tax		
EBITDA - earnings before finance costs, tax, depreciation, amortisation, impairment of JV investment and exceptional items		
Interest cover - the ratio of EBITDA or EBIT to net interest charges		
ROCE - the ratio of operating profit to average capital employed		

	2012	2011
	€'000	€'000
EBIT	**29,201**	**36,706**
Depreciation	8,557	8,876
Amortisation	-501	-568
JV impairment	-	4,550
Exceptional Items	2,361	-8,876
EBITDA	**39,618**	**40,688**

DIRECTORS & OTHER INFORMATION

BOARD OF DIRECTORS

LUCY McCAFFREY
CHAIRPERSON

EAMONN O'REILLY
CHIEF EXECUTIVE

HELEN COLLINS

EMER FINNAN

JAMIE FRATER

JOHN MOORE

PAT MAGNER

OTHER INFORMATION

Secretary & Registered Office
Michael Sheary
Port Centre, Alexandra Road
Dublin 1
Registered Number 262367

Auditors
PricewaterhouseCoopers
Chartered Accountants & Registered Auditors
One Spencer Dock
North Wall Quay, Dublin 1

Principal Bankers
Bank of Ireland
2 Burlington Plaza
Burlington Rd, Dublin 4

Solicitors
Arthur Cox
Earlsfort Centre
Earlsfort Terrace
Dublin 2

Actuaries
Mercer
Charlotte House
Charlemont Street
Dublin 2

DIRECTORS & OTHER INFORMATION CONTD

LUCY McCAFFREY / CHAIRPERSON

In a career spanning thirty years, Lucy McCaffrey has worked with public and private sector organisations in Ireland and leading multinationals in Europe, the United States and Africa as a business consultant in the financial services, manufacturing and service sectors. She founded Latitude, a consultancy specialising in supporting strategic organisational change in 1992 following a number of years with Boston-based innovation consultancy Synectics Inc. She is currently the company's principal.

Lucy was appointed Chairperson of Dublin Port Company by the Minister for Transport in December 2009. She is the Chairperson of the Grow Dublin Taskforce, a Director of The Dublin Docklands Development Authority, The National College of Art and Design, Eastlink Limited and Renore Limited. She was a Director of Dublin Port Company between 1997 and 2002 and served on the board of the Project Arts Centre for a five year term (1988-1993).

Lucy is a graduate of University College Dublin and a fellow of the Institute of Management Consultants and Advisors.

EAMONN O'REILLY / CHIEF EXECUTIVE

Eamonn O'Reilly was appointed Chief Executive of Dublin Port Company in August 2010 having previously held the position of Chief Executive at Portroe Stevedores, the Dublin Port based cargo handling business, since 2005. Eamonn also held the role of group development manager of Portroe's parent company, Doyle Shipping Group, during that time.

Prior to joining the Doyle Shipping Group, Eamonn was Project Manager for Securicor Ireland and has also worked as a management consultant with KPMG. He served as Chief Executive of Marine Terminals Limited between 1992 and 1996.

Eamonn is a chartered engineer having graduated from University College Dublin and holds an MBA from Trinity College Dublin. Eamonn is a member of Engineers Ireland.

Eamonn is also a Director of the Joint Venture Company, Renore Limited, which owns the Greenore Port group of Companies.

HELEN COLLINS / DIRECTOR

Helen joined the Board in August 2012, on appointment by the Minister for Transport, Tourism and Sport. Helen is a solicitor by profession and until 2010 was a commercial litigation partner in McCann FitzGerald. Her experience in commercial litigation included 10 years as Head of Department and involved significant high profile and complex cases with a particular focus on handling disputes and trials in company, banking, insurance, regulatory, EU, Constitutional and administrative law. Helen's career in McCann FitzGerald also involved extensive management and mentoring experience.

In November 2010, Helen was appointed by the Minister for Children and Youth Affairs as Deputy Chair of the Adoption Authority of Ireland. The Authority is the statutory body charged with responsibility for all aspects of domestic and inter-country adoption along with the accreditation, regulation and supervision of all agencies dealing with adoption in the country.

Since May 2010 Helen has also been the Chair of the Women's Fund for Ireland, which is a body aimed at encouraging women's philanthropy in aid of women's issues.

Helen is an accredited CEDR mediator and a member of the Council of the Irish Commercial Mediators Association.

EMER FINNAN / DIRECTOR

Emer Finnan was appointed to the Board of Dublin Port Company in February 2011 by the Minister for Transport. Emer is a finance professional with over 20 year's experience and is a Director of NCB Corporate Finance Limited, with responsibility for financial institutions, since September 2012. From January to September 2012 Emer worked as an independent consultant. Emer held the role of Finance Director with EBS Building Society from February 2010 to December 2011 and held strategic roles in EBS between 2005 and 2010, in addition to fulfilling the role of Company Secretary during much of that period. Prior to joining EBS, Emer worked as a Director with NCB Corporate Finance Limited and advised on a large number of transactions in the Irish market. Before that Emer worked with ABN AMRO Bank N.V. and Citibank in corporate finance in London. Emer trained as a Chartered Accountant with KPMG.

Emer is a graduate of University College Dublin and a Fellow of the Institute of Chartered Accountants in Ireland. Emer served on the Board of the RTÉ Authority from 2005 to 2010 and is a Director of Children's Fund for Health Limited, the charity associated with the Temple St. Children's Hospital.

DIRECTORS & OTHER INFORMATION CONTD

JAMIE FRATER / DIRECTOR

Jamie has almost 40 years' experience in the terminal ports sector. He was formerly Chief Executive Officer of Alexandria International Container Terminals in Eqypt. He has also held senior positions at ports in Southampton, Hong Kong and Oman. Jamie is currently Chief Executive Officer of Eastport UK in Great Yarmouth and was appointed to the Board of Dublin Port Company in July 2012 by the Minister for Transport, Tourism and Sport, Leo Varadker.

JOHN MOORE / DIRECTOR

John Moore joined the Dublin Port and Docks Board in 1977 and has served in a number of senior roles in the organisation including Head of Procurement and Head of Internal Audit. His current role in the organisation is in the Maintenance and Services Department. He joined the Board in 2007 and was re-appointed in 2012.

He is the focal point for ports in Ireland involved in the United Nations Port Training Programme which is aimed at strengthening training capacities and developing human resources of port communities in developing countries.

John completed the Chartered Director programme of the Institute of Chartered Directors. He holds a B.A. in Management and a Masters in Economic Policy Studies from Trinity College Dublin. He is a Graduate Member of the Marketing Institute of Ireland and a member of the Chartered Institute of Internal Auditors.

John is a member of SIPTU and currently serves on the executive committee of the National Worker Directors Group in Ireland.

PAT MAGNER / DIRECTOR

Pat Magner joined the Board of Dublin Port Company in July 2007 following his appointment by the Minister for Transport, Noel Dempsey TD. Pat is a former Senator having been nominated by An Taoiseach Garrett FitzGerald TD to the 15th and 17th sessions of Seanad Eireann. He was also the nominee of Taoiseach Albert Reynolds TD to the 20th session of the Senate between 1993 and 1997. A former member of the National Executive Committee of the Labour Party, Pat has worked as the party's National Organiser for a number of years and is currently a Public Affairs Consultant.

He has also served as a Council Member of the Dublin Docklands Development Authority.

MICHAEL SHEARY / COMPANY SECRETARY & CHIEF FINANCIAL OFFICER

Michael Sheary joined the Company in 1982 and served in a number of senior roles including Assistant Financial Controller until his appointment as Company Secretary and Chief Financial Officer in 2001. Since then Michael has overseen the financial, legal and administrative functions of the Company and also has responsibility for the Estate and Facilities Management operations.

Michael qualified as a Chartered Certified Accountant in 1988 and was admitted as a Fellow of the Association of Chartered Certified Accountants in 1996. Michael is a Director of East Link Limited, Company Secretary for Renore Limited and acts as a Trustee of Dublin Port Company's Defined Benefit pension scheme.

01

AS THE PRINCIPAL GATEWAY FOR IMPORTS AND EXPORTS INTO AND OUT OF IRELAND, IT IS ESSENTIAL THAT DUBLIN PORT OPERATES IN AN EFFECTIVE AND EFFICIENT MANNER. THIS HAS NEVER BEEN MORE RELEVANT THAN IT IS TODAY AS WE ALL STRIVE TO PLAY OUR PARTS IN ENSURING IRELAND'S ECONOMIC RECOVERY.

01 / CHAIRPERSON'S STATEMENT

INTRODUCTION

The Harbours Act 1996 requires Dublin Port Company to:

- Take all proper measures for the management, control, operation and development of its harbour and the approach channels thereto; and
- Provide such facilities, services, accommodation and lands in its harbour for ships, goods and passengers as it considers necessary.

As the principal gateway for imports and exports into and out of Ireland, it is essential that Dublin Port operates in an effective and efficient manner. This has never been more relevant than it is today as we all strive to play our parts in ensuring Ireland's economic recovery.

Port assets are long lived and major projects can take a long time to implement. As a result, and in order to ensure that Dublin Port continues to respond to the needs of all our stakeholders, we need to plan for the future. I am pleased, therefore, to be able to report that in 2012 we continued to maintain a robust planning hierarchy which I believe will ensure that Dublin Port Company will be well positioned to meet our customers' needs and deliver continued value for our shareholder and all our stakeholders.

MASTERPLAN 2012-2040

Following a year of extensive consultation with many stakeholders, our Masterplan 2012-2040 was launched on 29 February 2012 by the Minister for Transport, Tourism and Sport.

The Masterplan was prepared in order to:

- Plan for future sustainable growth;
- Provide an overall context for future investment decisions;
- Reflect and provide for current national and regional policies, local guidelines and initiatives;

- Ensure there is harmony and synergy between the plans for the Port and those for the Dublin Docklands Area, Dublin City and neighbouring counties within the Dublin Region; and
- Give some certainty to customers about how the Port will develop in the future to meet their requirements.

The Masterplan presents a vision for future operations at the Port and critically examines how the existing land use at Dublin Port can be optimised. In this regard, the Masterplan contains an over-riding commitment that Dublin Port Company will develop the Port within its current footprint to the greatest extent possible before any significant reclamation works might be considered.

In addition to infrastructure, the Masterplan also recognises the strong historical links between the Port and the City and seeks to ensure that whatever we do by way of developing port infrastructure contributes to the reintegration of the Port with the City in ways which produce real community gain.

STRATEGIC PLAN 2012-2016

The Masterplan is underpinned by the Company's Strategic Plan 2012-2016. The Strategic Plan sits logically between the long term vision of the Masterplan and our annual Budget.

The Strategic Plan includes a five year Capital Expenditure Programme totalling €110m focussed on implementing projects which will deliver the first stages of the vision set out in the Masterplan. These projects will be brought forward in a manner which ensures that the Company maintains an appropriate capital structure keeping the level of financial risk exposure at acceptable levels consistent with continuing necessary investment in infrastructure.

CRUISE TOURISM

The Masterplan 2012-2040 identifies the cruise business at Dublin Port as an area which has grown significantly in recent years and recognises that new cruise facilities will be required for the future.

The Board has agreed a major infrastructural investment to re-engineer Alexandra Basin West to provide facilities and capacity necessary to meet the port's long term objectives as identified in the Masterplan. The project will deliver new cruise facilities at North Quay Extension together with improved cargo handling capacity in the greater Alexandra Basin area.

With this in mind, we intend to begin the process of planning the marine infrastructure works and obtaining the requisite planning and foreshore consents during 2013. We will also investigate opportunities for long term project finance, including EU funding and European Investment Bank support with a view to commencing infrastructure works in late 2014. Given that the major benefits from cruise tourism accrue to the local economy, we will also seek external finance which reflects this reality.

As a key part of the Company's vision of reintegrating the Port with the City, the relocation of cruise ships closer to the City centre provides a real opportunity to create a strong visible link.

CONCLUSION

In conclusion, I would like to thank my colleagues on the Board for their work over the past year during which we have seen a number of changes.

Both Jerry Kiersey and Brian Kerr completed their terms of office in June 2012, while Charlie Rochfort completed his term of office in September. I would like to thank all three for their dedicated and active work over the course of their time on the Board.

I am sure that Jerry and Charlie will not mind if I select Brian for special mention.

Brian served as a Director of Dublin Port Company for 15 years from its formation in March 1997. Indeed, Brian was the outgoing Chairman of Dublin Port and Docks Board on which he had been a member for many years prior to corporatisation. In particular, Brian brought a depth of experience and understanding of the shipping and port sector to the Board table and I would like to thank him for his immense contribution over that time.

I congratulate both Pat Magner and John Moore on their reappointment to the Board and welcome our two new Board members, Helen Collins and Jamie Frater. Helen brings formidable legal expertise to the Board table while Jamie has almost 40 years of experience of working in the port sector internationally. I am pleased that the Board of Dublin Port Company possesses a broad range of skill sets which will be of great benefit as we seek to implement the challenging vision set out in the Masterplan.

I would like to thank the Chief Executive Eamonn O'Reilly, the management team and all the staff of Dublin Port Company for the great work undertaken over the last year and for their continued dedication and support.

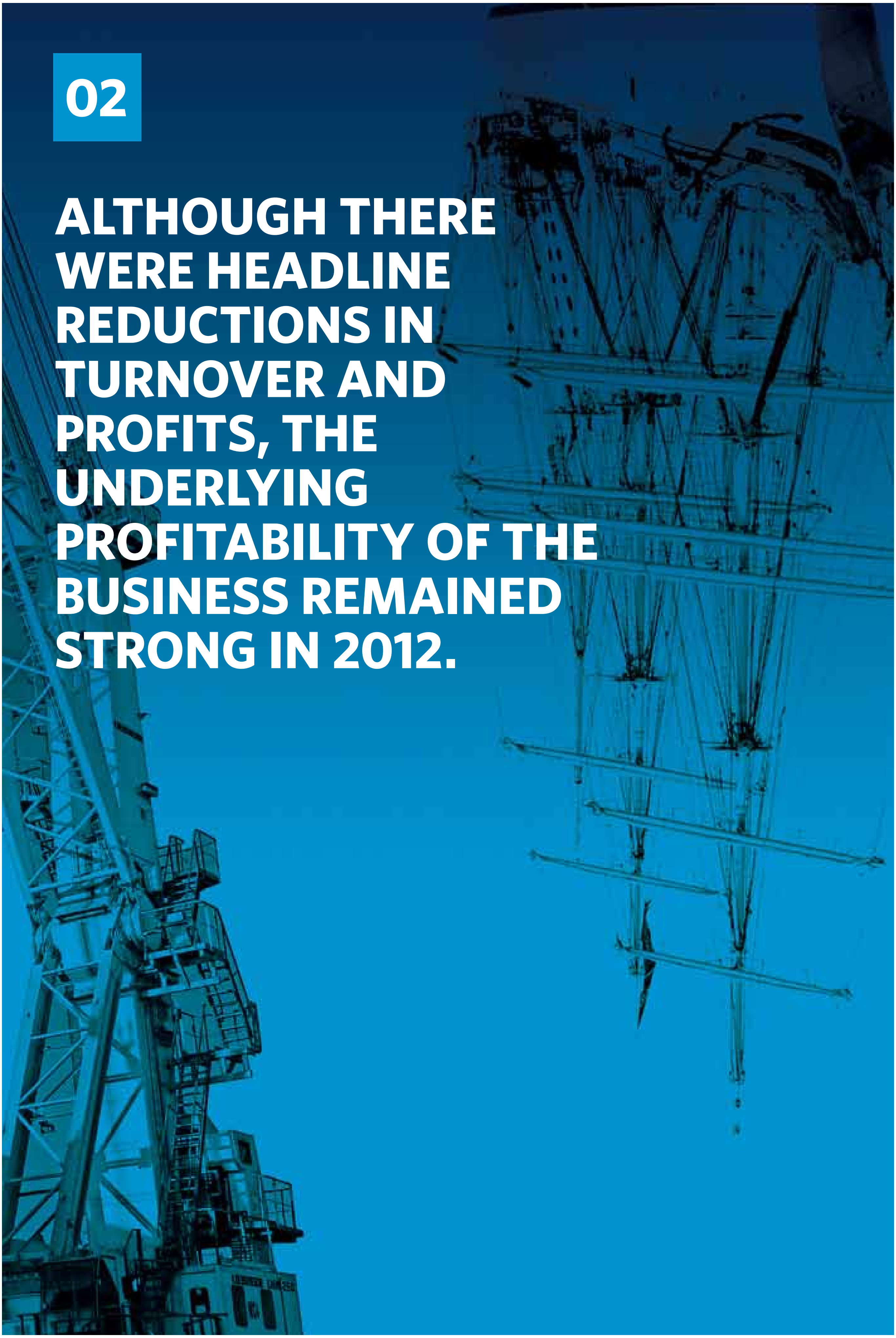
Finally, my particular thanks to our customers, not only for their business, but also for their collaboration with us in planning the future of Dublin Port.

LUCY MCCAFFREY

Chairperson

Lucy McCaffrey

26 March 2013



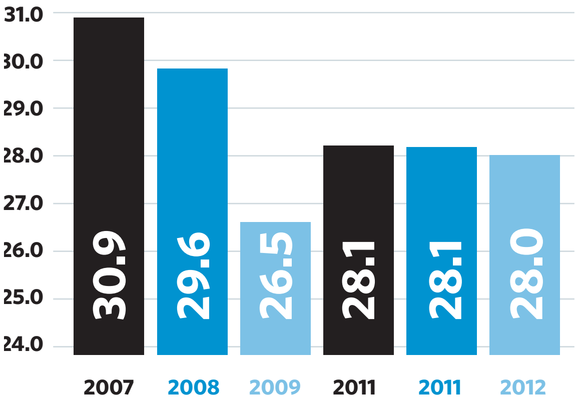
02

ALTHOUGH THERE WERE HEADLINE REDUCTIONS IN TURNOVER AND PROFITS, THE UNDERLYING PROFITABILITY OF THE BUSINESS REMAINED STRONG IN 2012.

DUBLIN PORT TRADE REVIEW

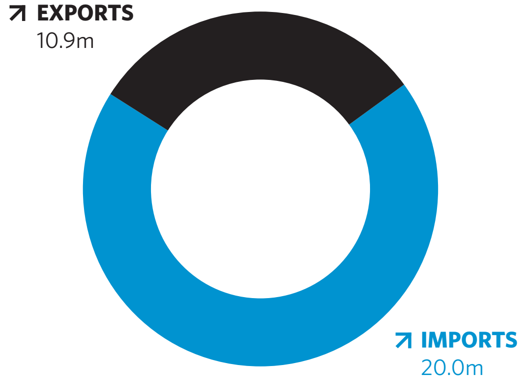
Dublin Port's business directly reflects economic activity and 2007 remains the benchmark year against which we judge our performance. Against this yardstick, volumes through Dublin Port in 2012 were flat at 28.0m gross tonnes for the third year in succession.

'000 TONNES

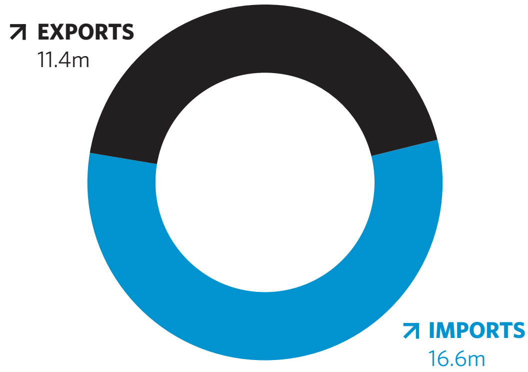


The decline is entirely due to a fall-off in imports which, at 16.6m gross tonnes in 2012, were 17.0% lower than they were five years previously. Exports, on the other hand, have increased by a modest 3.6% since 2007.

2007 - 30.9 TONNES



2012 - 28.0 TONNES



Volume declines have been seen where we would expect them with a huge (25.2%) decline in our Lo-Lo container volumes due to greatly reduced consumer expenditure, a 15.5% decline in Bulk Liquid primarily down to reduced transport activity, and a 27.5% decline in Bulk Solid volumes related mainly to commodities for the construction sector.

'000 TONNES	2007	2012	CHANGE	% CHANGE
Ro-Ro	17,137	17,322	185	1.1%
Lo-Lo	7,151	5,348	-1,803	-25.2%
Bulk Liquid	4,075	3,444	-631	-15.5%
Bulk Solid	2,503	1,814	-689	-27.5%
Break Bulk	70	59	-11	-15.7%
Totals	**30,936**	**27,987**	**-2,949**	**-9.5%**

Focussing on the shorter term performance from 2011 to 2012, our volumes have largely stabilised.

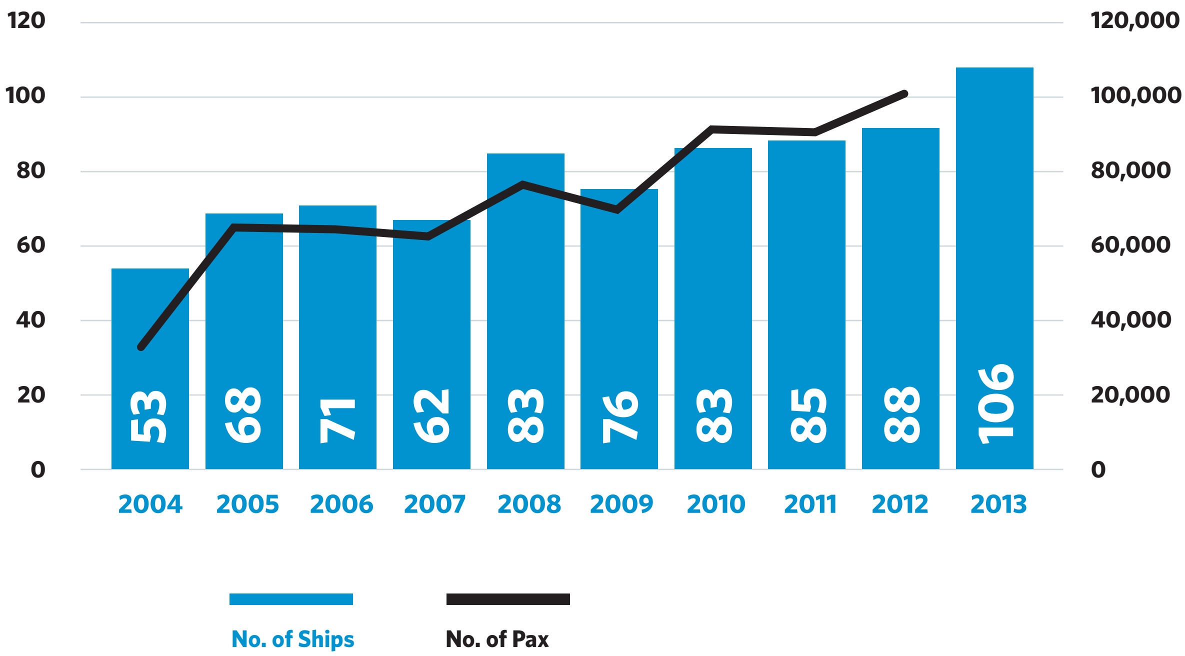
'000 TONNES	2012	2011	%
Ro-Ro	17,322	17,325	0.0%
Lo-Lo	5,348	5,431	-1.5%
Bulk Liquid	3,444	3,620	-4.9%
Bulk Solid	1,814	1,635	10.9%
Break Bulk	59	85	-30.6%
Totals	**27,987**	**28,096**	**-0.4%**

Trends in our unit volumes show unitised traffic flat, trade cars up by a healthy 8.1% (albeit from a much reduced base by comparison with the period to 2007) and passenger volumes of our ferry customers significantly down.

'000 TONNES	2012	2011	%
Ro-Ro units	718,525	724,693	-0.9%
Lo-Lo TEU	527,984	525,741	0.4%
Trade Cars	52,779	48,813	8.1%
Passengers	1,603,432	1,667,455	-3.8%
Tourist Cars	344,446	361,029	-4.6%

On a brighter note, our cruise business showed healthy growth and we had 88 cruise calls in 2012 continuing the upward trend of this sector in recent years. For 2013, we have 106 cruise ships scheduled to call in Dublin.

'000 TONNES



FINANCIAL PERFORMANCE IN 2012

Our Turnover decreased by 5.5% in 2012 due primarily to a one-off gain from a payment for early termination of a major customer contract in 2011. Our Operating Profit, however, increased by 4.6% due mainly to a major investment impairment in 2011.

Profit before tax declined by more than one-fifth, largely explained, by a major one off exceptional gain in 2011.

The net result for the year was a profit after tax of €22.8m as against €27.9m in 2011.

€'000	2012	2011	CHANGE
Turnover	65,318	69,111	-5.5%
Operating profit	29,107	27,830	4.6%
PBT	26,385	33,929	-22.2%
PAT	22,823	27,911	-18.3%

Although there were headline reductions in turnover and profits, the underlying profitability of the business remained strong in 2012. There was a large number of one-off gains and losses in both 2011 and 2012 which included;

- Termination payment in 2011;
- Sale of assets in 2012;
- Credit in respect of past service cost in relation to the pension levy in 2012;
- Redundancy programme in both 2011 and 2012;
- Impairment of Renore JV investment in 2011;
- Profit from CPO of Port lands in 2011;
- Diminution in value of property investment in both 2011 and 2012.

Stripping out the effect of these items, the reduction in underlying PBT is 2.7%.

€'000	2012	2011	CHANGE	% CHANGE
PBT	€26,385	€33,929	€7,544	-22.2%
Underlying PBT	€27,077	€27,836	€759	-2.7%

Dublin Port is primarily an infrastructure provider and what is most important is that we operate from an efficient cost base, we invest in infrastructure for the use of our customers and wider port users and we make an adequate and appropriate return on our capital employed.

Against this background, I am pleased to report that we generated an EBITDA of €39.6m in 2012 in a year when we incurred redundancy costs of €2.5m. EBITDA is stated before deduction of exceptional operating items and is calculated as follows;

€'000	2012	2011
Operating profit	€29,107	€27,830
Depreciation	€8,557	€8,876
Amortisation	-€501	-€568
Exceptional operating items	€2,455	€4,550
EBITDA	**€39,618**	**€40,688**

This continued strong cash performance brought our net debt position to €4.4m and we generated an ROCE of 10.1% in 2012 compared to 9.6% in the previous year.

	2012	2011
Borrowings	€35.0m	€40.0m
Cash	€0.6m	€9.2m
Net Debt	**€4.4m**	**€10.8m**

It is encouraging to have achieved such a strong Balance Sheet position notwithstanding having paid a substantial (€10.2m) dividend to our shareholder during the year.

DUNDALK AND GREENORE

In addition to Dublin Port, Dublin Port Company also owns Dundalk Port and has a 50% stake in Greenore Port.

By comparison with the strong performance in Dublin, the performances in both Dundalk and Greenore were modest in 2012.

Dundalk had 31 ship arrivals, a throughput of 67,000 tonnes and generated an operating surplus of €88,000. Although it made a contribution, the level is nowhere near sufficient to offset the major one-off costs we have and will incur. These include a pension liability of €1.6m and potential environmental remediation costs estimated to be in the region of €0.5m.

Greenore Port is owned by Renore Limited in which Dublin Port has a 50% stake. In 2012, Greenore had 106 ship arrivals and a throughput of 370,000 tonnes. We have severely impaired our investment in Renore in 2010 and 2011 to the point where its carrying value on our Balance Sheet is not considered to be material. Renore has faced considerable challenges on its Balance Sheet in recent years and we hope during 2013 to see these resolved and to have a clearer view on the future prospects of our investment.

EVENTS DURING THE YEAR

Our annual capital expenditure has been low in recent years.

2012	€16.3m
2011	€4.4m
2010	€7.8m
2009	€22.3m
2008	€26.6m

During 2012, our capital investment was €16.3m, accounted for by expenditure to regain control over three sites in the Port with an aggregate area of 5.5 hectares, installation of a new Ro-Ro ramp to accommodate a customer's new and larger Ro-Ro ferries and commencement of a project to build a new firewater main in the Port.

In addition to these, we also committed during 2012 to capital projects which will commence during 2013 including the third and final phase of the Alexandra Quay East redevelopment project and a major investment in a new oil storage and distribution facility for a major customer which will free up lands for the transit storage of unitised freight.

Beyond these, we also commenced work on major project to redevelop Alexandra Basin West and to build a new river berth for multipurpose Ro-Ro ships. This will be a Strategic Infrastructure Development and we will seek planning permission directly from An Bord Pleanála during 2013.

During 2012, the Competition Authority commenced a review of the port sector in Ireland which we anticipate will be completed during 2013. We had ourselves commenced a Franchise Review including public consultation and we will await the publication by the Competition Authority of its review report before ourselves concluding our Franchise Review.

As part of our commitment to manage operating costs downwards, we launched a Staff Choices programme during 2012 aimed at reducing the numbers employed in the Company and bringing earnings into line with market norms. The first manifestation of this programme has been the creation of a new flatter management structure more appropriate to the scale of our business and the declining size of the organisation.

In addition, we implemented a programme to reduce our controllable non-payroll costs particularly in the area of professional fees where a combination of re-tendering, re-negotiation and increased self-reliance should see a significant reduction in such costs during 2013 and beyond.

Finally, we prepared a Soft Values Strategic Framework to guide a series of small investments in projects that serve to reintegrate the Port with the City and give us our "licence to operate and grow" in future years. Public acceptance of ports is an essential prerequisite for port companies worldwide and I am delighted to be able to report that our work during 2012 (which was shaped by the Masterplan 2012 to 2040) has begun to yield positive results in this respect.

OUTLOOK FOR 2013

We have no reason to believe that there will be a significant increase in Port volumes during 2013. However, there are signs that the Bulk Solid mode will continue to improve and based on this and a hoped for stabilisation in our Bulk Liquid volumes, we hope to see a small increase in volumes during 2013.

The Strategic Plan 2012 to 2016 has set the direction of our efforts for this five year period. The work on cost reduction and infrastructure investment planning that commenced during 2012 will continue during 2013. In particular, our main priority will be to bring the Alexandra Basin Redevelopment project to the planning stage during the year. I am pleased to report that we have already received positive feedback from key stakeholders as part of our pre-planning consultation programme.

Since year end, we have entered a partnership agreement with BirdWatch Ireland to fund a multiannual programme of research and monitoring of water birds in Dublin Bay. We set high standards for ourselves in our Masterplan and I see this co-operation as the first of a number of initiatives that will deliver on the commitments we have made.

EAMONN O'REILLY
Chief Executive

26 March 2013


2011
FRYDERYK CHOPIN

03

WE RECOGNISE OUR ROLE IN THE LOCAL COMMUNITIES WITH WHICH WE HAVE STRONG CONNECTIONS OVER PAST GENERATIONS AND OUR CSR PROGRAMME COMPRISES THREE ELEMENTS OF SUPPORT FOR THESE LOCAL COMMUNITIES: EDUCATION, COMMUNITY EVENTS AND SPORTS

CSR has a central and important place at the heart of our Strategic Plan where we define CSR as **the commitment of the Port to contribute to sustainable economic development – working with employees, the local community and society at large to improve the quality of life, in ways that are both good for the business of the Port and good for Dublin City, its citizens and visitors.**

In particular, we recognise our role in the local communities with which we have strong connections over past generations and our CSR programme comprises three elements of support for these local communities:

- Education as a means to improve the economic wellbeing of local people through to the generation of employment opportunities in the local economy;
- Community events;
- Sports in local communities and in Dublin Bay.

2012 was an important year for CSR as we established our Advisory Group (with membership from both the Board and the Executive) and the Board approved terms of reference for the group. As part of this approval, we also set a target for our cash contribution to CSR activities of 1.0% of pre-tax profits.

Below is an illustrative range of some of our CSR activities during 2012 across the three strands of our activities.

NCI EARLY LEARNING INITIATIVE

We commenced a multi-annual programme to support National College of Ireland's (NCI) activities including its Early Learning Initiative (ELI).

ELI is an educational support programme that operates in four parishes in the port area. It commenced programme implementation in 2006 after a period of research and development. The ELI supports schools, families and Early Childhood Care and Education Centres (ECCE) in the community to participate in a range of educational activities that are aimed at addressing educational disadvantage. It does this through the provision of a programme of activities, professional development training and resources for children, parents, families, schools and ECCE practitioners that span the early years through to third level.

RINGSEND AND DISTRICT RESPONSE TO DRUGS (RDRD)

We have supported Ringsend & District Response to Drugs (RDRD) for many years.

RDRD works with young people and their families in their struggle to become free of drugs. To date RDRD has worked with 178 families in the local community. Many of the families are living in very tragic and traumatic circumstances. Some experience serious illnesses, suicide, poverty, loss and the dreadful feeling of hopelessness. In our experience, we have found that providing knowledge and support through rehabilitation and education can make a very positive impact on the family lifestyle and their environment. Each year, the Ringsend & District Response to Drugs, in partnership with Dublin Port Company, host a graduation ceremony to celebrate a number of participants that achieve a drug free status. We do this to send a strong message that, there is hope and you can make a difference. To date 78 people have successfully maintained their drug free status with the project.

In addition, RDRD runs an awareness festival each year including a wide range of creative programmes through art, drama, workshops, information evenings and competitions in schools.

In 2012, over 500 families from areas such as Pearse St, Ringsend and East Wall participated in the festival.

SCHOLARSHIPS PROGRAMME 2012

We began our scholarship programme in 2001 and last year we had 150 applications for support, more than we have ever had.

All of the students who applied sat an interview and were objectively assessed by an independent panel.

Of the 150 applicants, 51 were awarded scholarships bringing the total number receiving support to 101 for the academic year 2012/13.

Since the start of the programme, 550 successful applicants have been awarded scholarships

Applications will open again in August 2013.

SPORT

Dublin Port is a vibrant area for water sports activity and we recognise the value of these activities to the local community, whether it be rowing, sailing or swimming.

Dublin Port Company is actively involved in promoting the use of the river as a safe leisure area. This was done by sponsoring the two local rowing clubs' (St. Patricks and Stella Maris) annual regattas on the river. We also supported Poolbeg Yacht and Boat Club's sailing Regatta.

We additionally sponsored the traditional Liffey Swim from East Link Bridge into the heart of the Port.

RDRD RUNS AN AWARENESS FESTIVAL EACH YEAR INCLUDING A WIDE RANGE OF CREATIVE PROGRAMMES THROUGH ART, DRAMA, WORKSHOPS, INFORMATION EVENINGS AND COMPETITIONS IN SCHOOLS


HUMBOLDT II
BREMERHAVEN

04

DUBLIN PORT COMPANY IS COMMITTED TO OPERATING TO THE HIGHEST FEASIBLE ENVIRONMENTAL STANDARDS. THIS COMMITMENT REQUIRES US TO CONTINUALLY STRIVE TO MAKE PORT OPERATIONS AS SUSTAINABLE AS POSSIBLE.

ENVIRONMENTAL MATTERS

Dublin Port Company is committed to operating to the highest feasible environmental standards. This commitment requires us to continually strive to make port operations as sustainable as possible. We take our lead in this regard from best practice in European ports and most particularly from our active involvement in the European Sea Ports Organisation (ESPO) which launched its Green Guide "Towards excellence in port environmental management and sustainability" in October 2012.

The proactive approach of the European port industry to the environment was recognised by Siim Kallas, Vice-President of the European Commission in charge of Transport when he stated that "The Commission welcomes the positive attitude shown by the port sector towards further enhancing the environmental performance of the European ports. This is an important signal that demonstrates its active and continuous commitment to sustainable operations. It is very good to see ESPO setting this example, thereby encouraging Europe's port authorities to integrate the environmental objectives and challenges into their daily operations and management practices."

Within Dublin Port we operate to the ISO environmental standard (ISO14001) and we underwent two surveillance audits by the independent awarding body Bureau Veritas during 2012.

Moreover, we implement the Port Environmental and Review System (PERS). This is the only port- sector specific environmental management standard and is independently verified by Lloyd's Register.

We have a long-standing commitment to water conservation in the port estate and during 2012 we achieved a 25% decrease in water consumption. In addition, we worked with a number of our customers to pass on the benefits of the experience of our water control team and of our investment in water leakage equipment and new technologies.

Energy conservation is also of central importance to us and during 2012 we upgraded heating and air conditioning systems installed in Port Centre in 1981 by installing a modern combined heat and power unit (CHP) with assistance from the Sustainable Energy Authority of Ireland (SEAI). This new system will reduce the building carbon footprint as well as emissions of nitrogen oxides (NOx), sulphur oxides (SOx) and particulate matter (PM 10 and PM2.5).

During the year, we also concluded an agreement to source all of our electricity from renewable sources. This will reduce our annual carbon footprint by over 3,000 tonnes of CO_2.

In addition to this, we commissioned a small wind turbine (11kW) in the Port. This turbine is expected to produce in excess of 20,000 kWh annually, which will generate a further reduction in CO_2 emissions of 10 tonnes.

Waste management remains a priority and, during 2012, we achieved a recycling rate of 61%. We also reduced the amount of waste generated by 17% compared to 2011.

We worked with the EPA during 2012 to create a programme to identify, remove and dispose of polychlorinated biphenyls (PCB's).

As well as monitoring and managing our own activities, we also work with our customers on the port estate to help them to improve their environmental standards and performances. Our approach is based on the 5 E's approach in ESPO's Green Guide:

- Exemplifying; Setting the good example when managing own operations
- Enabling; Providing conditions that facilitate users and enable improved performance
- Encouraging; Providing incentives to greener port users
- Engaging with users and/or authorities in sharing knowledge and skills in joint projects
- Enforcing; Setting rules and ensuring compliance

Our commitment to the environment includes dealing with problems from the past and we have begun the planning of a major project to redevelop Alexandra Basin West as part of which we will remediate contamination of the basin from a variety of historical sources including ship building and repair.

Our concern for the environment extends into the natural environment where we are supporting a major initiative by BirdWatch Ireland to carry out a multi-annual water bird research and monitoring programme.

Finally, in recognition of the growing and central position of environmental concerns within our business strategy, we have created the position of Environmental Health & Safety Specialist.

We are pleased to have continued to make improvements in our management of environmental matters during 2012 and we are committed to work assiduously to make further improvements in the years ahead.

AS WELL AS MONITORING AND MANAGING OUR OWN ACTIVITIES, WE ALSO WORK WITH OUR CUSTOMERS ON THE PORT ESTATE TO HELP THEM TO IMPROVE THEIR ENVIRONMENTAL STANDARDS AND PERFORMANCES.


NORA
KAPITAN BORCHARDT
O'BRIEN'S

05

DUBLIN PORT COMPANY PROVIDES THE INFRASTRUCTURE, FACILITIES, SERVICES AND HARD STANDING TO MEET THE NEEDS OF CUSTOMERS FOR THE EFFICIENT TRANSFER OF GOODS AND PASSENGERS BETWEEN LAND AND SEA TRANSPORT MODES.

The Directors submit their Annual Report together with the audited financial statements of the Company for the year ended 31 December 2012.

DIRECTORS' RESPONSIBILITY FOR FINANCIAL STATEMENTS

The Directors are responsible for preparing the Annual Report and the financial statements in accordance with Irish law.

Irish law requires the Directors to prepare financial statements for each financial year giving a true and fair view of the state of the Companys' affairs at the end of the financial year and of its profit or loss for the financial year. Under that law the Directors have elected to prepare the financial statements in accordance with Generally Accepted Accounting Practice in Ireland (accounting standards issued by the Financial Reporting Council and promulgated by the Institute of Chartered Accountants in Ireland).

In preparing these 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;
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The Directors confirm that they have complied with the above requirements in preparing the financial statements.

The Directors are responsible for keeping proper books of account, which disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements are prepared in accordance with the requirements of the Harbours Act, 1996 and the Companies Acts, 1963 to 2012. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Directors are also required to include in the Annual Report a statement on the system of internal financial control in accordance with the requirements of 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.

LEGAL STATUS

Dublin Port Company is a limited liability Company established pursuant to the Harbours Act, 1996. On 3 March 1997 the Company became the successor entity to Dublin Port & Docks Board, the former statutory entity with responsibility for the Port of Dublin. On that date Dublin Port Company took over the functions and acquired the assets and liabilities of the predecessor organisation at valuations agreed with the then Minister for Communications, Marine and Natural Resources. In consideration for the assets and liabilities, the Company issued share capital in the amount of €7.648m to the then Minister for Communications, Marine and Natural Resources.

With effect from 26 July 1997 the Company became the pilotage authority for Dublin Bay.

Responsibility for the Commercial Port Sector was transferred from the Minister for Communications, Marine and Natural Resources to the Minister for Transport with effect from 1 January 2006.

On 12 July 2011 the Minister for Transport transferred the assets and liabilities of Dundalk Port Company to Dublin Port Company under SI No. 361 of 2011.

PRINCIPAL ACTIVITIES

The business purpose of Dublin Port Company is to facilitate the movement of goods and passengers, and attendant information flows through the Port.

The Company provides the infrastructure, facilities, services and hard standing to meet the needs of customers for the efficient transfer of goods and passengers between land and sea transport modes.

Revenue in connection with the provision of these facilities is generated from vessel dues, goods dues, rent and key services provided, such as towage and pilotage.

GOING CONCERN

The Directors are satisfied that the Company has adequate resources to continue in business for the foreseeable future. For this reason, the financial statements are prepared on the going concern basis.

BOOKS OF ACCOUNT

The Directors have taken measures to ensure compliance with the Company's obligations under S.202 of the Companies Act 1990 with regard to keeping proper books of account. The measures taken are the use of appropriate systems and procedures and the employment of competent accounting personnel. The books of account are kept at the Company's registered office, Port Centre, Alexandra Road, Dublin 1.

BUSINESS REVIEW

Details of the profit for the year, together with comparative figures for 2011, are set out in the Profit and Loss Account and the related notes. The Key Financial Performance Indicators of the business are set out below and in the Chief Executive's Review.

Throughput was marginally down on 2011 at 28.0 million tonnes. Exports fell by 1.0% in the year to 11.4 million tonnes while imports were stable at 16.6 million tonnes.

Turnover for the year amounted to €65.3m, a decrease of 5.5% on the previous year (2011: €69.1m).

Total Operating Costs, before Exceptional Operating Items, decreased to €33.8m in 2012 from €36.7m in 2011. This mainly arises from a negative Past Service cost of €1.7m arising from a permanent reduction in pensioner members' benefits due to the pensions levy for the years 2011 and 2012. In addition 2012 benefited from lower maintenance costs of €0.6m. During 2011 €0.7m of redundancy costs were classified as non-Exceptional Operating Items by virtue of size.

Operating Profit increased to €29.1m in 2012 from €27.8m in 2011 resulting in an Operating Margin of 44.6% (2011: 40.3%). The underlying Operating Profit Margin, before Exceptional Operating Items, for 2012 was 48.3% (2011: 46.8%).

Exceptional Operating Items reflect a charge of €2.5m in respect of a Company-wide restructuring programme and redundancy payments. In 2011 Exceptional Operating Items reflected a charge of €4.6m in respect of the impairment of the Company's Joint Venture investment in Renore.

A charge of €0.5m is reflected in Exceptional Items relating to a further permanent diminution in value of an Investment Property held by the Company. This follows a charge of €0.6m in 2011. In 2012 the Company also benefitted from profits on the sale of assets amounting to €0.6m while in 2011 an Exceptional Gain of €9.4m arose from the disposal of lands to Dublin City Council under CPO.

Net financing costs were €2.8m (2011: €2.8m). Financing costs on the pension fund deficit increased from €1.8m to €2.7m arising from a lower expected return on pension scheme assets. Net Interest charges were €0.1m (2011: €0.9m) and the Company's interest cover is 200 times (2011: 39.1 times) based on Profit before Interest and Taxation over net interest charges. Net Debt decreased to €4.4m from €10.8m in 2011 and the Company is fully compliant with all covenants in respect of its borrowing facilities.

Profit for the financial year was €22.8m (2011: €27.9m).

The Profit and Loss Reserve decreased from €254.2m at 31 December 2011 to €251.7m and Shareholders' Funds decreased from €268.2m to €265.7m during the same period driven primarily by the impact of the actuarial loss on the Company's Defined Benefit pension arrangements.

The Company has a target throughput of 28.3 million tonnes for 2013. Throughput of 28.0 million tonnes was achieved in 2012, which was 1.8% below its target of 28.5 million tonnes.

ENVIRONMENTAL MATTERS

Dublin Port Company is committed to the highest standards in environmental performance and is accredited under ISO 14001 and to EcoPorts through PERS certification. Environmental Matters are reported under separate disclosure within the Annual Report.

EMPLOYEE MATTERS

A series of 'Staff Roadshows' took place in the first quarter of the year, where staff were provided with a detailed insight into The Strategic Plan 2012 to 2016 and were afforded the opportunity for interaction on same.

The Strategic Plan focuses specifically on a myriad of planning actions over the course of the next five years which amongst others focuses on Staff and Pensions.

The overriding objective in relation to staffing is that 'Dublin Port Company should aim to employ the correct number of staff, with the required skills and paid at market rates.'

In undertaking this task a 'Day 1' analysis was carried out in all areas of work identifying what was essentially core and non-core activity. This gave rise to a companywide restructuring which was launched in the latter quarter of the year and includes a reduction in overall headcount by 10% from across various grades of employment. Our staff reorganising plan is on-going.

Our Employee Relations and Human Resources Department has established a centralised training register which includes a comprehensive training and development plan for 2013 and beyond.

Over 50% of our employees participated in a companywide survey which was conducted on a one to one basis with an external researcher in the strictest of confidence. This initiative presented an in-depth insight in to various areas of what we do and how we do it. In addition to reaffirming the loyalty and commitment of our staff to Dublin Port as an entity it also presented a number of challenges which we have set about discussing with staff as to how best to proceed.

PENSIONS

Those employed prior to 2005 in the main are members of the Company's Defined Benefit schemes. These schemes also pay pensions to 430 former employees. Those employees post 2005 are members of the Company's Defined Contribution scheme. This scheme has seen a steady increase in membership over the preceding years with 17% of current employees active members.

The Strategic Plan identifies the following objective in relation to the Company's Defined Benefit Scheme, 'Review pension increases on an annual basis, taking account of all relevant factors including cost of living inflation and the impact of any increases on the level of the deficit and to review the level of funding to the scheme in light of the alternative calls on the Ports cash.'

No increases have been applied to the Defined Benefit Scheme during 2012 and none are budgeted for 2013 or 2014. The schemes continue to meet Minimum Funding Standard requirements specified in the Pensions Acts.

With regard to the Company's Defined Contribution Scheme the Strategic Plan sets out the following objective, 'Establish an independent specialist Trustee, educate all DC scheme members on how the scheme works, and provide regular briefing sessions and information / advice to members and ensuring that they understand fees and transaction costs on their investments.'

Irish Pensions Trust has been appointed as Trustee and a working group of staff and management has been established to progress the aforementioned objectives. Also a comprehensive review of the scheme has recently been undertaken.

We continue to have a number of staff members from across all sections within the Company actively engaged in the Health & Safety Committee.

During the course of the year we launched our apprenticeship programme and discovered that a number of young people from the local community who were serving apprenticeships unfortunately became redundant due to wider economic circumstances. Taking into consideration our Corporate Social Responsibility (CSR) objectives, Dublin Port Company established a programme to assist and afford these and other redundant apprentices the opportunity to complete their training and qualify in their craft of choice.

PRINCIPAL RISKS AND UNCERTAINTIES

One of the principal uncertainties identified in previous reports related to the Company's ability to deliver capacity to the market. Following the refusal by an Bord Pleanála to grant planning permission for a proposed expansion of the Port (the Dublin Gateway Project) the Company undertook an extensive Master Planning process over the course of 2011. This process incorporated formal consultation with all stakeholders culminating in the launch of the Masterplan 2012 to 2040 in February 2012. The Masterplan sets out a roadmap for future development which will ensure that the Port continues to fulfil its primary role of facilitating trade while addressing environmental matters and setting out how the Port will integrate with the City and its neighbours in the years ahead. During 2013 the Company will bring forward its application for implementation of the first element of the Masterplan which will involve a significant redevelopment of the Alexandra Basin area. This will involve the provision of new berthing facilities for the cruise trade and the enhancement of existing berthage to provide additional handling capacity for both bulks and unitised trades.

As evidenced by the fall in trade in the latter half of 2008 and continuing into 2009 the Company is exposed, through the normal course of its operations, to the impact of an economic slowdown on Port activities. In 2010 the Company experienced a return to growth to the extent that throughput levels in the year were in excess of 90% of the record levels achieved in 2007. Trade in 2011 and 2012 showed reductions of 0.1% and 0.4% respectively. It is clear that the prospects for the Irish economy in general will continue to impact on the Company's growth prospects into the future.

The Company is also exposed to the impact of an economic slowdown on its non-core port activities. This has been evidenced by the diminution in value of the Company's investment property located in the Eastpoint Business Park. In 2012 a further diminution in value amounting to €0.5m has been charged as an Exceptional Item to the Profit and Loss Account reflecting the continuing downturn in the property market, particularly in Dublin. The cumulative diminution in value over the last four years amounts to €6.75m, reducing the carrying value of the property on the Company's Balance Sheet to €4.2m.

Similarly, the Company has reviewed the carrying value of its investment in Renore, a Joint Venture Company which owns and operates the Greenore port group of companies. The trading conditions experienced by

Renore reflect the difficult and challenging economic environment in Ireland. In reviewing the carrying value of the investment the Directors were particularly cognisant of the further decline in throughput volumes and the lack of any significant growth potential over the coming years. The carrying value of the investment was reduced to €0.75m in 2011 and we are satisfied there has been no material change in valuation in 2012.

The Company is committed to successfully managing its exposure to risk and to minimising its impact on the achievement of business objectives. During 2012 the Audit Committee was reconstituted as the Audit and Risk Committee. The Committee's terms of reference were amended by the Board to reflect the Committees role in supporting the Board in managing the Company's exposure to risk. The Risk Register will be updated in 2013 and a Risk Management Policy will be redesigned to reflect the updated Register.

The Company has put in place a Risk Management Framework comprising of the following components;

- Processes for identifying, prioritising and categorising risks,
- On-going assessment and measurement of risks,
- Monitoring and reporting of risks to the Audit and Risk Committee as a sub-committee of the Board.

In addition overall business performance risk is managed through the following measures:

- The preparation of an Annual Budget and Five Year Financial Plans;
- Monthly Reporting and Variance Analysis;
- Financial Controls;
- Key Performance Indicators; and
- Detailed Policies, Standards and Guidelines to support the control and mitigation of risks.

FINANCIAL RISK MANAGEMENT

The Company's operations expose it to a variety of financial risks that include foreign exchange risk, interest rate risk, credit risk and liquidity and cash flow risk. Policies to protect the Company from financial risks are kept under regular review. The Directors have not delegated the responsibility of monitoring financial risk management to a sub-committee of the Board. The Policies are set out by the Board of Directors and are implemented by the Company's Finance Department.

Foreign Exchange Risk:

The Company transacts the majority of its business in Euro and therefore has limited exposure to foreign currency movement. The Company also borrows directly in Euro.

Interest Rate Risk:

In order to manage the Company's exposure to significant adverse interest rate movements, the Company has a policy of maintaining a minimum of 60 per cent (2011: 60 per cent) of its debt at fixed interest rates. In order to achieve this objective, the Company has put in place interest rate swap agreements.

Credit Risk:

The Company is exposed to credit risk in the course of trading and to manage this risk it carries out appropriate credit checks on potential customers and trades only with recognised creditworthy third parties.

Liquidity and Cash Flow Risk:

The Company maintains a mix of short and medium term debt finance to ensure sufficient funds are available for planned capital investment. At the end of 2012 the Company had in place un-drawn committed facilities of €15 million. The Company put in place a borrowing facility during 2012 to replace and extend the Company's debt. This facility is due for repayment in April 2017.

The Company's policy is to maximise investment return by placing surplus cash balances on low risk cash deposit on a short term basis. The Company has treasury mandates in place with a number of financial institutions for this purpose.

POST BALANCE SHEET EVENTS

There have been no events between the Balance Sheet date and the date on which the financial statements were approved by the Board.

FUTURE DEVELOPMENTS

The Company has a budgeted Capital Investment Programme of €26m for 2013. The planned Capital Investment Programme includes:

- Alex Quay East Redevelopment;
- Firewater main;
- Trade Car Facility; and
- Alex Basin West Redevelopment.

RESULTS AND DIVIDENDS

The Company's profit for the financial year amounted to €22.8m. The Directors' allocations and recommendations in respect of this amount were as follows:

	2011 €'000	2012 €'000
Interim Dividend of €0.88 (2011: €1.43) per share paid	10,200	16,500
Increase in Profit Retained	12,623	11,411
Profit for the Financial Year	**22,823**	**27,911**

The Directors do not propose to declare a final dividend.

DIRECTORS' AND SECRETARY'S INTERESTS

The Directors and Secretary and their families had no beneficial interest in the share capital of the Company at 31 December 2012 and 2011.

There were no contracts or arrangements of any significance in relation to the Company's business or that of its related Company in which the Directors and Secretary of the Company or their families had any interest, as defined in the Companies Act, 1990.

JOINT VENTURE

Details of our interest in a Joint Venture are set out in note 11 to the financial statements.

PROMPT PAYMENTS ACT

It is Company policy to pay suppliers in accordance with the terms of the European Communities (Late Payments in Commercial Transactions) Regulations, 2002 and the Prompt Payments of Accounts Act, 1997.

To this end, the Company's payment routines are designed to provide reasonable assurance against material non-compliance with the terms of the Regulations.

The standard credit period is 30 days unless otherwise specified in contractual arrangements. Substantially all payments by number and value were made within the appropriate credit period as required. Consequently, the Directors are satisfied that the Company has complied with the requirements of the Act.

DIRECTORS

The names of the persons who were Directors at any time during the year ended 31 December 2012 are set out below. Unless otherwise indicated they served as Directors for the entire year.

L. McCaffrey

E. O'Reilly

H. Collins (appointed 27 July 2012)

E. Finnan

J. Frater (appointed 27 July 2012)

B. W. Kerr (term of office expired 12 June 2012)

J. Kiersey (term of office expired 12 June 2012)

P. Magner (reappointed 6 September 2012)

J. Moore (reappointed 13 September 2012)

C. Rochfort (term of office expired 18 September 2012)

RELATIONS WITH SHAREHOLDERS

The Chairperson, Chief Executive and management maintain an on-going dialogue with the Company's shareholders on trading performance, future plans and strategic issues. Certain specified matters require the approval of the Minister for Transport and/or the Minister for Finance and on-going communication with the relevant Minister is maintained through their respective departments. The Chairperson reports to the Minister for Transport as required under Section 28 of the Harbours Act, 1996 and as required under the Code of Practice for the Governance of State Bodies.

CORPORATE GOVERNANCE

Dublin Port Company is committed to maintaining the highest standards of corporate governance and has adopted the principles of corporate governance and the Code of Practice for the Governance of State Bodies issued by the Department of Finance in May 2009. The Company also complies with its obligations under the Ethics in Public Office Act, 1995 and the Standards in Public Office Act, 2001.

The majority of Directors are non-executive and are appointed by the Minister. The Board meets formally on a monthly basis and has a formal schedule of matters specifically reserved to it for decision. The Board is responsible for exercising all the powers of the Company, other than those reserved to Shareholders, and has collective responsibility for all the operations of the Company. The Board may delegate such of its powers as it sees fit, to either a Board Committee or the Chief Executive, subject to whatever restrictions or regulation it imposes with such delegation. Subject to ministerial consent in certain cases, the Board has formally approved the reservation of decisions in relation to certain functions in the areas of Governance, Finance, Procurement, Operations, and Appointments in Human Resources. The Board has access to the advice and services of the Company Secretary and can take independent professional advice as and when deemed necessary.

The Board established an Audit Committee in 1997 under formal terms of reference. The terms of reference set out the purpose, authority and membership of the Committee and its responsibilities in the areas of external financial reporting, external audit, corporate governance and internal audit. The members of the Committee during the year were Mr B. W. Kerr (Chairman), Ms Emer Finnan and Mr P. Magner. Mr. Kerr's term of office expired on 12 June 2012. On 24 September 2012 the Board agreed that the Audit Committee would be reconstituted as the Audit and Risk Committee. The following persons were appointed; Ms. Emer Finnan (Chairperson), Ms. Helen Collins and Mr. P Magner. The Audit and Risk Committee met four times during the year.

The Board also established a Remuneration Committee in 1999. The Committee operates under formal terms of reference and met twice during the year.

ATTENDANCE AT MEETINGS

There were 10 General Board Meetings during the year ended 31 December 2012.

The attendance of Directors at meetings of the Board was as follows:

	ATTENDED	ELIGIBLE TO ATTEND
L. McCaffrey	10	10
E. O'Reilly	10	10
H. Collins	3	3
E. Finnan	9	10
J. Frater	3	3
B.W. Kerr	4	5
J. Kiersey	5	5
P. Magner	9	9
J. Moore	10	10
C. Rochfort	7	7

AUDIT & RISK COMMITTEE		
E. Finnan	4	4
H. Collins	2	2
B.W. Kerr	2	2
P. Magner	3	4

REMUNERATION COMMITTEE		
L. McCaffrey	2	2
J. Frater	1	1
B.W. Kerr	1	1
J. Kiersey	1	1
P. Magner	1	1

DIRECTORS' EXPENSES

Expenses in the amount of €171 have been paid to the Board during the year in respect of car mileage expenses and €74 in respect of other expenses.

INTERNAL CONTROLS

The Board has overall responsibility for the Company's systems of internal control. These systems which are maintained by the Company can only provide reasonable but not absolute assurance that transactions are executed in accordance with management's authorisation that assets are safeguarded, that fraud is prevented and that proper financial records are maintained. The Board confirms that it has reviewed the effectiveness of the system of internal control.

To ensure the effective application of the Company's internal controls, the services of qualified personnel have been secured and duties properly allocated among them.

The systems of internal control include the following:

- The process of identifying business risks and the evaluation of their financial implications is carried out through regular reviews of the Company's Strategic Plan. The Company's Risk Management Framework process has been outlined above under the heading of "Principal Risks and Uncertainties". The latest Strategic Plan for the period 2012 to 2016 was formally adopted by the Board in January 2012;
- An annual budget approved by the Board and monthly consideration of actual results compared with budget forecasts;
- An Audit and Risk Committee which has been established to review and discuss, with the internal and external auditors, the Company's internal accounting controls, Internal Audit function, choice of accounting policies, internal and external audit plans, statutory auditors' report, financial reporting and other related matters;
- An Internal Audit function which reviews key business processes and controls;
- Formal codes of conduct for Directors and employees;
- Procurement policies and procedures. These ensure, firstly, that procurement activities are carried out so as to provide value for money in terms of overall lifecycle costs and, secondly, that all relevant State Guidelines and EU Directives applicable to Public Utilities are complied with.

The Board, through the Audit and Risk Committee, has reviewed the effectiveness of the system of internal control up to the date of approval of the financial statements.

A review of the effectiveness of the system of internal financial control was undertaken by the Internal Auditor, Deloitte, and no significant control weaknesses which pose a significant risk of financial loss or operational disruption, that requires immediate attention at Board level, were revealed.

POLITICAL DONATIONS

The Board made no political donations during the year.

AUDITORS

The auditors, PricewaterhouseCoopers, will be re-appointed in accordance with section 160(2) of the Companies Act, 1963.

On Behalf of the Board

Lucy McCaffrey
Eamonn O'Reilly

26 March 2013

06 / INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF DUBLIN PORT COMPANY

We have audited the financial statements of Dublin Port Company for the year ended 31 December 2012 which comprise the Profit and Loss Account, the Balance Sheet, the Cash Flow Statement, the Statement of Total Recognised Gains and Losses, the Accounting Policies and the related notes. 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).

RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITORS

As explained more fully in the Directors' Responsibilities Statement, the directors are responsible for the preparation of the financial statements 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.

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Section 193 of the Companies Act, 1990 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

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 to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

OPINION 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 company's affairs as at 31 December 2012 and of its profit and cash flows for the year then ended; and
- Have been properly prepared in accordance with the requirements of the Companies Acts 1963 to 2012.

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY THE COMPANIES ACTS 1963 TO 2012

- We have obtained all the information and explanations which we consider necessary for the purposes of our audit;
- In our opinion proper books of account have been kept by the company;
- The financial statements are 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 company, as stated in the Balance Sheet, are more than half of the amount of its called-up share capital and, in our opinion, on that basis there did not exist at 31 December 2012 a financial situation which under Section 40 (1) of the Companies (Amendment) Act, 1983 would require the convening of an extraordinary general meeting of the company.

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

We have nothing to report in respect of the following:

Under the Companies Acts 1963 to 2012 we are required to report to you if, in our opinion, the disclosures of directors' remuneration and transactions specified by law are not made.

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

Enda McDonagh
For and on behalf of PricewaterhouseCoopers
Chartered Accountants and Statutory Audit Firm
Dublin

26 March 2013

The significant accounting policies adopted by the Company are as follows:

BASIS OF PREPARATION

The financial statements have been prepared in accordance with accounting standards generally accepted in Ireland and Irish statute comprising the Companies Acts, 1963 to 2012. Accounting standards generally accepted in Ireland in preparing financial statements giving a true and fair view are those issued by the Accounting Standards Board and published by the Institute of Chartered Accountants in Ireland.

The Directors have concluded having made due enquiries that it is appropriate to prepare the financial statements on a going concern basis.

Preparation of the financial statements requires the Directors to make certain estimates and assumptions that affect the reported amounts of assets and liabilities. These include but are not limited to revenue recognition, impairment of assets, depreciation and retirement benefits. Actual results could differ from those estimates.

HISTORICAL COST CONVENTION

The financial statements are prepared under the historical cost convention, modified by the valuation of an Investment Property.

TURNOVER

Turnover comprises the value of all services provided to third parties exclusive of value added tax and is expressed by class of business in note 2 to the Financial Statements.

Port Dues:

Port Dues revenue arises from charges to port users and comprises of goods dues, vessel dues and other key services provided such as towage and pilotage. Goods Dues are charged by reference to a schedule of charges based on Standard International Trade Classifications.

Vessel Dues are charged in respect of the arrival of a vessel and rates are based and chargeable on the greater of the net tonnage or half the gross tonnage of a vessel. Towage and Pilotage Services are charged based on usage.

Port Dues Revenue is recognised by reference to the date of arrival of the vessel in the Port.

Rents:

Rental income arises mainly from port related rental properties and is recognised by reference to the period to which the rent relates. Rent is charged in accordance with the terms of the rental agreement.

Other:

Other income included in Turnover comprises East Link income, Licence Fees and income from the Company's integrated Service Station and Truck Park. Revenue is recognised by reference to the period to which the income relates.

TANGIBLE FIXED ASSETS

Tangible fixed assets are stated at cost less accumulated depreciation, except for the Company's Investment Property which is stated at open market value. Freehold land is not depreciated.

Depreciation is calculated in order to write off the cost of tangible fixed assets, other than freehold land, the Investment Property and infrastructure assets, over their estimated useful lives by equal annual instalments.

Infrastructure assets are those assets characterised by having virtually infinite useful lives and which, in general, were constructed many years ago but are unlikely to be constructed in their existing format today. They include assets such as the North Bull Wall and Great South Wall. Infrastructure assets are carried at a nil valuation and the cost of their upkeep is charged to the Profit and Loss Account.

The estimated useful lives of tangible fixed assets by reference to which depreciation has been calculated are as follows:

Buildings, quays, roads and terminals	50 years
Dock structures, dry docks and quays	30 - 50 years
Capital dredging	30 years
Floating craft	up to 30 years
Cranes	up to 30 years
Plant and machinery	2 - 30 years
Routine dredging	2 years

The Company does not adopt a policy of revaluing tangible fixed assets other than its Investment Property, which is stated at Open Market Value.

IMPAIRMENT OF ASSETS

Assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying value may not be recoverable. The recoverable amount of an asset is determined by either its net realisable value or its value-in-use, whichever amount is higher. An impairment loss is recognised for the amount by which an asset's carrying amount exceeds its recoverable amount and the asset is written down to this amount. The recoverable amount is based on value-in-use calculations.

In assessing value-in-use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

INVESTMENT PROPERTIES

The Company's investment property is re-valued annually in accordance with SSAP 19 and the surplus or deficit on revaluation is transferred to the Investment Property Revaluation Reserve, unless a deficit below original cost, or its reversal, is expected to be permanent, in which case it is recognised in the Profit and Loss Account for the year.

Although the Companies Acts would normally require the systematic annual depreciation of fixed assets, the Directors believe that the policy of not providing depreciation is necessary in order for the financial statements to give a true and fair view, since the current value of the investment property, and changes to its value, are of prime importance rather than a calculation of systematic annual depreciation. Depreciation is only one of the many factors reflected in the annual valuation, and the amount, which might otherwise have been included, cannot be separately identified or quantified.

CAPITAL GRANTS AND CONTRIBUTIONS TO FIXED ASSETS' COST

Capital grants and contributions to fixed assets' costs are treated as deferred credits, which are amortised to the Profit and Loss Account on the same basis as the related tangible fixed assets are depreciated.

Grants are recognised, by inclusion in the financial statements, when their ultimate cash realisation can be established with reasonable certainty.

DEVELOPMENT LAND

Development land comprises land which is not held for long-term business usage, but which is held for development or re-sale purposes and is carried at the lower of cost or market value.

07 / ACCOUNTING POLICIES CONTD

CASH AND CURRENT ASSET INVESTMENTS

Cash at bank and in hand includes all cash balances and deposits which are repayable on demand. Term deposits with maturity dates of up to six months are classified as current asset investments.

STOCKS

Stocks are stated at the lower of cost and net realisable value.

Cost includes cost of purchase, and where appropriate, import duties and transportation costs.

Net realisable value is determined as cost less provision for damaged, deteriorated, obsolete and unusable items.

FOREIGN CURRENCIES

Monetary assets and liabilities denominated in foreign currencies are translated at the exchange rate ruling at the Balance Sheet date and revenues, costs and non-monetary assets at the exchange rate ruling at the date of the transaction.

Profits and losses arising from foreign currency translation and on settlement of amounts receivable and payable in foreign currency are dealt with in the Profit and Loss Account.

Monetary assets are money held, and amounts to be received in money, all other assets are non-monetary assets.

RETIREMENT BENEFITS

The Company has both defined benefit and defined contribution arrangements. Defined benefit pension scheme assets are measured at fair value. Defined benefit pension scheme liabilities are measured on an actuarial basis using the projected unit actuarial cost method. The excess of pension scheme liabilities over pension scheme assets is presented on the Balance Sheet as a liability net of related deferred tax. The defined benefit pension charge to Operating Profit comprises the current service cost and past service costs. The excess of the interest cost on the scheme liabilities over the expected return on scheme assets is presented in the Profit and Loss Account under "Other finance cost".

Actuarial gains and losses arising from changes in actuarial assumptions and from experience surpluses and deficits are recognised in the Statement of Total Recognised Gains and Losses for the year in which they occur.

The contributions payable by the Company under the defined contribution schemes are charged to the Profit and Loss Account in the period in which they become payable.

DREDGING

Capital dredging, which enhances Port access or infrastructure, is capitalised as part of the related fixed asset and depreciated over its estimated useful life.

TAXATION

Corporation tax is provided, where applicable, at current rates.

Deferred tax is provided on all timing differences that have originated but not reversed at the Balance Sheet date where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the Balance Sheet date. Timing differences are temporary differences between profits as computed for tax purposes and profits as stated in the financial statements, which arise because certain items of income and expenditure in the financial statements are dealt with in different years for taxation purposes.

Deferred tax is measured at the tax rates that are expected to apply in the years in which the timing differences are expected to reverse based on tax rates and laws that have been enacted or substantively enacted by the Balance Sheet date. Deferred tax is not discounted.

INTEREST-BEARING LOANS AND BORROWINGS

All borrowings are initially stated at the fair value of the consideration received after deduction of issue costs. Issue costs, together with finance costs, are charged to the Profit and Loss Account over the term of the borrowings and represent a constant proportion of the balance of capital repayments outstanding.

INTEREST RATE RISK MANAGEMENT

Interest rate swaps/caps are used to hedge the Company's exposure to interest rate movements. The amount payable or receivable on such hedging instruments is accrued in the same way as interest arising on borrowings.

DIVIDENDS

Dividends are recognised in the financial statements when they have been appropriately approved or authorised by the shareholders and are no longer at the discretion of the Company. Interim dividends declared by the Directors are recognised when paid.

INVESTMENT IN JOINT VENTURE

The investment in Joint Venture is stated at cost less amounts written off as impaired.

08 / PROFIT AND LOSS ACCOUNT

for the year ended 31 December 2012

	Notes	2012	2011
		€'000	€'000
Turnover	2	65,318	69,111
Cost of sales		(22,503)	(22,556)
Gross Profit		**42,815**	**46,555**
Administration and general expenditure		(11,253)	(14,175)
		31,562	32,380
Exceptional operating items	4	(2,455)	(4,550)
Operating Profit		**29,107**	**27,830**
Exceptional items	5	94	8,876
Profit on Ordinary Activities Before Interest and Taxation		**29,201**	**36,706**
Interest receivable		1,659	1,414
Interest payable	6	(1,805)	(2,352)
Other finance cost	32	(2,670)	(1,839)
Profit on Ordinary Activities Before Taxation	7	**26,385**	**33,929**
Taxation	8	(3,562)	(6,018)
Profit for the Financial Year	22	**22,823**	**27,911**

Turnover and Operating Profit arose solely from continuing activities.

On Behalf of the Board
Lucy McCaffrey
Eamonn O'Reilly
26 March 2013

09 / STATEMENT OF TOTAL RECOGNISED GAINS & LOSSES

for the year ended 31 December 2012

	Notes	2012	2011
		€'000	**€'000**
Profit for the Financial Year		22,823	27,911
Actuarial (loss)/gain recognised on defined benefit obligations	**32**	(17,246)	12,284
Deferred tax related to actuarial (loss)/gain on defined benefit obligations	**19**	2,156	(1,535)
Total Recognised Gains and Losses	**22**	**7,733**	**38,660**

10 / BALANCE SHEET

as at 31 December 2012

	Notes	2012 €'000	2011 €'000
Fixed Assets			
Tangible assets	10	**279,577**	**275,257**
Investments			
Joint Venture	11	**750**	**750**
Current Assets			
Development land	12	1,246	1,246
Stocks	13	750	920
Debtors and prepayments	14	15,124	17,094
Cash at bank and in hand	27	438	971
Investments	27	30,211	28,228
		47,769	**48,459**
Creditors – Amounts falling due within one year	15	**(8,200)**	**(47,237)**
Net Current Assets		**39,569**	**1,222**
Total Assets less Current Liabilities		**319,896**	**277,229**
Creditors – Amounts falling due after one year	16	**(34,777)**	**-**
Deferred Income	18	**(11,694)**	**(12,855)**
Provisions for Liabilities	19	**(3,751)**	**(3,520)**
Net Assets excluding Defined Benefit Pension (Liability)/Asset		**269,674**	**260,854**
Funded Defined Benefit Pension (Liability)/Asset	32	**(2,506)**	**8,414**
Unfunded Defined Benefit Liability	32	**(1,417)**	**(1,050)**
Net Assets including Defined Benefit Pension (Liability)/Asset		**265,751**	**268,218**
Capital and Reserves			
Called up Share Capital	20	14,464	14,464
Capital Conversion Reserve Fund	21	119	119
Profit and Loss Account	22	251,700	254,167
Investment Property Revaluation Reserve	23	(1,250)	(1,250)
Capital Contribution	24	718	718
Shareholders' Funds	25	**265,751**	**268,218**

On Behalf of the Board

Lucy McCaffrey

Eamonn O'Reilly

26 March 2013

11 / CASHFLOW STATEMENT

for the year ended 31 December 2012

	Notes	2012	2011
		€'000	€'000
Reconciliation of Operating Profit to Net Cash Inflow from Operating Activities			
Operating Profit		29,107	27,830
Amortisation of capital grants	18	(501)	(568)
Depreciation charges	10	8,583	8,876
Write-off of fixed assets	10	216	-
Impairment of Joint Venture Investment	11	-	4,550
Decrease/(Increase) in stocks		170	(57)
Decrease in debtors		1,877	922
Increase/(Decrease) in creditors		1,123	(156)
Change in relation to pension provision		(7,016)	(5,327)
Net cash inflow from operating activities		**33,559**	**36,070**

	Notes	2012	2011
Cash Flow Statement			
Net cash inflow from operating activities		33,559	36,070
Returns on investments and servicing of finance	26	55	(1,007)
Taxation		(3,187)	(4,513)
Capital Expenditure and financial investment	26	(13,777)	4,888
Acquisitions and disposals	24	-	523
		16,650	35,961
Equity Dividends paid		(10,200)	(16,500)
		6,450	19,461
Management of liquid resources	27	(1,983)	(19,177)
Financing	26	(5,000)	-
(Decrease)/Increase in cash and cash equivalents		**(533)**	**284**

	Notes	2012	2011
Reconciliation of Net Cash Flow to Movement in Net Debt			
(Decrease)/Increase in cash and cash equivalents in the year	27	(533)	284
Cash used to increase liquid resources	27	1,983	19,177
Cash flow from Decrease in debt	27	5,000	-
Change in net debt		6,450	19,461
Opening net debt	27	(10,801)	(30,262)
Closing net debt	27	**(4,351)**	**(10,801)**

1. ASSETS AND LIABILITIES ACQUIRED ON VESTING DAY

Under the provisions of the Harbours Act, 1996, the Company took over the functions carried on by the former Dublin Port and Docks Board on 3 March 1997 ("Vesting Day").

The cost to the Company of the assets acquired on Vesting Day was determined by the then Minister for Communications, Marine and Natural Resources. Liabilities (including pensions and capital grants) were taken over at their actual or determined amounts. Pension liabilities (see note 32) include those in respect of pre-Vesting Day pension entitlements of the Company's employees and the current and deferred pensioners of its predecessor entity, Dublin Port and Docks Board.

The assets and functions of the Pilotage Committee, established under the Pilotage Act 1913, were transferred by operation of law to Dublin Port Company in July 1997, under the Harbours Act, 1996 (Commencement)(No. 3) Order 1997.

The consideration for the net assets transferred to the Company was satisfied by the creation and issue of 6.023 million ordinary shares of IR£1 (€1.27) each fully paid. One ordinary share is held by the Minister for Finance and the remainder are held by the Minister for Transport at 31 December 2012.

2. TURNOVER

	2012	2011
	€'000	**€'000**
By class of business		
Port dues	51,983	55,109
Rents	11,285	11,765
East Link *(see note 3)*	1,128	1,105
Licences	619	547
Other	303	585
	65,318	**69,111**

3. EAST-LINK

Under agreements dated the 16 March 1983 and 24 November 1983, the latter being in consideration for the loss of limited berthage and the disposal of certain lands, the Board acquired the right to participate in the future profits of the Toll Scheme for a period of 25 years from the date on which the building costs were finally discharged or until 31 December 2015, whichever date first occurs. The appropriate date, therefore, is 31 December 2015.

4. EXCEPTIONAL OPERATING ITEMS

	2012	2011
	€'000	€'000
Redundancy Costs	2,455	-
Impairment of Joint Venture Investment	-	4,550
	2,455	**4,550**

The above redundancy costs would have been classified in the Profit and Loss Account under the heading Administration and general expenditure if it had not been classified as Exceptional Operating Items by virtue of size or incidence under FRS 3 – "Reporting Financial Performance".

In 2011 non-exceptional redundancy costs amounting to €0.7m were incurred which were classified under the heading Administration and general expenditure.

5. EXCEPTIONAL ITEMS

	2012	2011
	€'000	€'000
Net Profit on Disposal of CPO Land	-	9,426
Investment Property – Permanent diminution in value (see note 10)	(505)	(550)
Profit on Disposal of Fixed Assets	599	-
	94	**8,876**

The Company's Investment Property has been valued at open market value by an independent valuer in accordance with Statement of Standard Accounting Practice (SSAP) 19 – "Accounting for Investment Properties". The valuation placed an open market value of €4.2m (2011: €4.7m) on the property at 31 December 2012 compared to its original cost of €10.9m. This further reduction in value was deemed to be permanent and was charged to the Profit and Loss Account. On a cumulative basis €5.5m of the reduction of €6.75m in value has been deemed to be permanent and has been charged to the Profit and Loss Account as an Exceptional Item. The remaining €1.25m of the reduction in value is deemed to be temporary in nature and has been recognised in an Investment Property Revaluation Reserve *(see note 23)*.

6. INTEREST PAYABLE

	2012	2011
	€'000	€'000
Bank overdraft and Loans		
- borrowings wholly repayable within five years	(1,805)	(2,352)

7. PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION

	2012	2011
	€'000	€'000
Profit on ordinary activities before taxation has been arrived at after charging/(crediting):		
Staff costs		
- wages and salaries	10,300	10,143
- social welfare costs (PRSI)	891	840
- other pension costs Defined Benefit Schemes *(see note 32)*	(574)	1,162
- other pension costs Defined Contribution Scheme *(see note 32)*	131	146
	10,748	**12,291**
Depreciation *(see note 10)*	8,557	8,876
Redundancy payments *(see note 4)*	2,455	733
Amortisation of capital grants *(see note 18)*	(501)	(568)

Auditors remuneration:

Remuneration for the statutory audit and other services carried out by the Company's auditors is as follows:

Audit of financial statements	42	44
Other assurance services	31	11
Tax advisory services	85	96
	158	**151**

8. TAXATION

	2012	2011
Current tax charge	**€'000**	**€'000**
Based on Port activity profits for the year:		
Corporation Tax at an effective rate of 12.5% (2011:12.5%)	(2,357)	(2,790)
Based on non-Port activity profits		
Corporation Tax at an effective rate of 25% (2011:25%)	(692)	(853)
Capital Gains Tax at an effective rate of 25%	-	(2,003)
	(3,049)	**(5,646)**
Overprovision in prior year – Corporation Tax	261	105
Current tax charge for the year	**(2,788)**	**(5,541)**
Deferred Tax charge:		
Timing differences on accelerated Capital Allowances	(230)	(390)
Timing differences between pension contributions paid and pensions charged	(543)	(436)
Deferred tax charge for the year	(773)	(826)
(Under)/Over provision in prior year	(1)	349
	(774)	**(477)**
Total tax charge	**(3,562)**	**(6,018)**

8. TAXATION - CONTD.

The current Corporation Tax charge for the year is lower (2011: higher) than the current tax charge that would result from applying the standard rate of Irish Corporation Tax to profit on ordinary activities. The differences are explained below:

	2012	2011
	€'000	€'000
Profit on ordinary activities before tax	**26,385**	**33,929**
Profit on ordinary activities multiplied by the average rate of Irish Corporation Tax for the year of 12.5% (2011:12.5%)	(3,298)	(4,241)
Effects of:		
Disallowable expenses	(190)	(225)
Investment Property diminution in value not deductible for tax	(63)	(69)
Joint Venture impairment in value not deductible for tax	-	(569)
Profit on disposal of assets	75	1,062
Difference between depreciation and capital allowances	230	389
Pension contributions in excess of pensions charge	543	436
Passive income liable to tax at 25%	(346)	(426)
Adjustment to tax charge in respect of prior year	261	105
Capital Gains tax	-	(2,003)
Current tax charge for the year	**(2,788)**	**(5,541)**

9. DIVIDEND PAID

	2012	2011
	€'000	€'000
Interim dividend paid of €0.88 per share (2011: €1.43 per share)	(10,200)	(16,500)

10. TANGIBLE ASSETS

	Land and Buildings	Terminals	Dock Structures, Dry Docks & Quays	Floating Craft	Cranes	Plant & Machinery	Investment Property	Total
	€'000	€'000	€'000	€'000	€'000	€'000	€'000	€'000
Cost or valuation								
At 1 January 2012	68,327	206,137	61,302	22,863	3,789	15,588	4,700	382,706
Additions during year	5,663	4,055	3,053	75	11	3,479	-	16,336
Write -offs	-	-	(242)	-	-	-	-	(242)
Revaluation of Investment Property	-	-	-	-	-	-	(505)	(505)
Disposals	-	-	-	(6,379)	-	(39)	-	(6,418)
At 31 December 2012	**73,990**	**210,192**	**64,113**	**16,559**	**3,800**	**19,028**	**4,195**	**391,877**
Accumulated Depreciation								
At 1 January 2012	9,732	63,601	17,209	5,081	3,093	8,733	-	107,449
Charge for year	1,111	3,848	1,888	549	101	1,086	-	8,583
Write-offs	-	-	(26)	-	-	-	-	(26)
Disposals	-	-	-	(3,693)	-	(13)	-	(3,706)
At 31 December 2012	**10,843**	**67,449**	**19,071**	**1,937**	**3,194**	**9,806**	**-**	**112,300**
Net Book Amounts								
At 1 January 2012	58,595	142,536	44,093	17,782	696	6,855	4,700	275,257
At 31 December 2012	**63,147**	**142,743**	**45,042**	**14,622**	**606**	**9,222**	**4,195**	**279,577**

The cost to the Company of assets acquired on Vesting Day, 3 March 1997, under the Harbours Act, 1996 was determined by the then Minister for Communications, Marine and Natural Resources in consideration for shares issued.

The original cost of the Investment Property was €10.95m.

10. TANGIBLE ASSETS - CONTD

The Company's investment property was independently valued by Savills as at 31 December 2012, at its open market value of €4.2m. The valuation represented the valuer's opinion of market value at 31 December 2012 and complied with the requirements of the Valuation and Appraisal Standards (6th Edition) issued under the auspices of the Society of Chartered Surveyors. The valuer noted that values are subject to changes on account of market adjustments and other factors, and that values in the future may therefore be higher or lower than at the valuation date.

The main risks to the Company in respect of the value of the investment property is the continuing downturn in the Irish property market and the length of time, and at what prices, it takes to clear the current excess supply in the Irish market. It may take some time for this to happen. In the meantime, values may fall further before recovery takes place.

The original cost of the investment property was €10.95m. In determining the extent to which the diminution in value to €4.2m may be considered to be of a permanent/temporary nature, the Company was cognisant of the location of the property, the long term nature of the asset involved, the absence of any requirement to sell the property in the short term and the long term performance of property over the previous 25 years. On this basis, the investment is considered to have a "core" value of €5.4m and it is expected that the investment will recover to this level over time. Accordingly, the diminution below this amount of €1.25m is considered to be temporary in nature and remains in the Investment Property Revaluation Reserve. The balance of €5.5m is considered to be permanent and has been charged to the Profit and Loss Account.

In accordance with SSAP 19 no depreciation is provided in respect of the investment property. This departure from the requirements of the Companies Acts 1963 to 2012, for all properties to be depreciated, is, in the opinion of the Directors, necessary for the financial statements to give a true and fair view in accordance with applicable accounting standards, as the investment property is included in the financial statements at its open market value.

The effect of depreciation is already reflected annually in the valuation of the property, and the amount attributed to this factor by the valuers cannot reasonably be separately identified or quantified. Had the provisions of the Acts been followed, net assets would not have been affected but revenue profits would have been reduced for this.

11. INVESTMENT IN JOINT VENTURE

During 2002, the Company established a Joint Venture Company, Renore Ltd., on a 50/50 basis with One51 plc. The registered office of Renore Ltd. is located at Port Centre, Alexandra Road, Dublin 1. This Joint Venture was established in order to purchase the Greenore Port group of Companies, the nature of its business being port operations. This purchase was completed in April 2002 at a cost to Dublin Port Company of €7.25m. The class of shares held by the Company are ordinary shares.

	2012	2011
	€'000	**€'000**
Shares at cost	7,250	7,250
Loan	1,550	1,550
Investment in Joint Venture	**8,800**	**8,800**
Amounts written off as impaired	(8,050)	(8,050)
Carrying value at 31 December 2012	**750**	**750**

This loan is non-interest bearing and there is no fixed date of repayment.

The carrying value of the Company's investment in the Joint Venture has been written down from €8.8m to €0.75m. This impairment was charged to the Profit and Loss Account in 2010 and 2011 as an Exceptional Operating Item.

The recoverable amount of the investment in the Renore JV was based on value-in-use calculations. The cash flow forecasts for the purposes of these calculations were based on a five year cash flow model with an appropriately calculated terminal value. The cash flow forecasts used were derived from a combination of internal and external factors based on historical experience and take into account the likely outlook for throughput for Greenore Port. A long term growth rate of 1% was then applied in calculating the terminal value. The cash flows, including terminal value estimations, were discounted using a discount rate of 9.75% reflecting the risk associated with the future cash flows and the risk free rate consistent with appropriate external indices. There is no significant growth potential in Greenore Port over the coming years.

These calculations require the use of estimates which are inherently judgemental and susceptible to change from period to period because they require the Company to make assumptions about the future including future throughput levels, rental income, likely cost experience as well as an appropriate discount rate.

In 2012, in accordance with FRS 11 the Company carried out a "look-back" review of the impairment calculations used which did not indicate any further impairment based on the forecasts made at that time.

11. INVESTMENT IN JOINT VENTURE - CONTD

In accordance with FRS 9 "Associates and Joint Ventures", the following disclosure presents, on a pro-forma basis, the Company's share of amounts included in the draft un-audited financial statements of Renore Limited for the year ended 31 December 2012. The un-audited financial statements of Renore Limited do not include any provision for impairment.

		Pro-forma information	
	Company	Joint Venture (Unaudited)	Total
		€'000	€'000
Turnover	**65,318**	**1,871**	**67,189**
Cost of Sales	(22,503)		
Gross Profit	**42,815**		
Administration and general expenditure	(11,253)		
	31,562		
Exceptional Operating Items	(2,455)		
Operating Profit	**29,107**	**66**	**29,173**
Exceptional Items	94	-	94
Profit on Ordinary Activities Before Interest and Taxation	**29,201**	**66**	**29,267**
Net financing expense	(2,816)	(47)	(2,863)
Profit on Ordinary Activities Before Taxation	**26,385**	**19**	**26,404**
Taxation	(3,562)	(16)	(3,578)
Profit for the Financial Year	**22,823**	**3**	**22,826**

11. INVESTMENT IN JOINT VENTURE - CONTD

	Company	Proforma information Company including joint venture (unaudited)
	€'000	**€'000**
Fixed Assets		
Tangible Assets	**279,577**	**279,577**
Investments:		
Company:	750	-
Joint Venture:		
Share of gross assets	-	6,118
Share of gross liabilities	-	(2,100)
	280,327	**283,595**
Current Assets		
Development land	1,246	1,246
Stocks	750	750
Debtors and prepayments	15,124	15,124
Cash at bank and in hand	438	438
Investments	30,211	30,211
	47,769	**47,769**
Creditors – Amounts falling due within one year	**(8,200)**	**(8,200)**
Net Current Assets	**39,569**	**39,569**
Total Assets less Current Liabilities	**319,896**	**323,164**
Creditors – Amounts falling due after one year	**(34,777)**	**(34,777)**
Deferred Income	**(11,694)**	**(11,694)**
Provision for Liabilities	**(3,751)**	**(3,751)**
Net Assets excluding Defined Benefit Pension Liability	**269,674**	**272,942**
Funded Defined Benefit Pension Liability	**(2,506)**	**(2,506)**
Unfunded Defined Benefit Pension Liability	**(1,417)**	**(1,417)**
Net Assets including Defined Benefit Pension Liability	**265,751**	**269,019**
Capital and Reserves		
Called up share capital	14,464	-
Capital conversion Reserve Fund	119	-
Profit and Loss Account	251,700	-
Investment Property Revaluation Reserve	(1,250)	-
Capital Contribution	718	-
Shareholders' Funds	**265,751**	-

12. DEVELOPMENT LAND

The Company entered into a Development Agreement dated 6th July 1999 with Earlsfort East Point and Eastpoint (Development) Two Ltd. ("the Developer"), for a development comprising approximately 14 acres of land adjoining the East Point Business Park Development Phase I.

At 31 December 2012, €1.246m remains outstanding relating to the final three sites of land (comprising approximately 6 acres of land) which are subject to this arrangement. However, while these lands have now been fully developed, in accordance with the terms of the contract between the Company and the Developer, the final sale of the land to the Developer is pending the ultimate disposal of the developed land, the timing of which is currently uncertain given market conditions for commercial property in Dublin. The Directors are satisfied that the carrying value of this land is fully recoverable at 31 December 2012.

In addition to consideration for the land sold, the Company is entitled to share in the net profits realised on the sale of the developed properties by Eastpoint (Development) Two Ltd. These profits will be recognised in the financial statements when they are realised by Dublin Port Company. There was no profit distribution received during the year (2011: NIL).

13. STOCKS

	2012	2011
	€'000	€'000
	750	**920**

Stocks comprise consumable items, spare parts and stores used in the maintenance of plant. There was no material difference between the replacement cost of stocks and the above book amount.

14. DEBTORS – Amounts falling due within one year

	2012	2011
	€'000	€'000
Trade Debtors	13,083	14,835
VAT	121	84
Corporation Tax	88	-
Overpayment of contributions receivable from pension scheme	980	1,059
Other	852	1,116
	15,124	**17,094**

15. CREDITORS – Amounts falling due within one year

	2012	2011
	€'000	€'000
Trade creditors and accruals	7,291	5,917
Deferred income *(see note 18)*	501	502
Corporation Tax	-	314
Professional Services Withholding Tax/Relevant Contracts Tax	19	102
Income tax deducted under PAYE	302	290
Pay related social insurance	87	181
Bank Loans *(see note 17)*	-	39,931
	8,200	**47,237**
Creditors for taxation and social welfare included above	**408**	**887**

16. CREDITORS – Amounts falling due after one year

	2012	2011
	€'000	€'000
Bank Loans *(see note 17)*	**34,777**	**-**

17. BANK LOANS

	2012	2011
	€'000	€'000
Bank Loans	34,777	39,931
	34,777	**39,931**
These loans are repayable in the following periods after the year end:	-	-
Within one year	-	39,931
Between one and two years	-	-
Between two and five years	34,777	-
	34,777	-
	34,777	**39,931**

Bank Loans are shown net of capitalised debt issue costs of €223k (2011: €69k) which are being amortised over the term of the debt.

The Company has a borrowing facility with Bank of Ireland, which amounts to €50m, consisting of a €35m term loan facility and a €15m revolving credit facility. This facility is for a five year term and is due for repayment in April 2017. €35m of the facility was drawn down at the year end.

18. DEFERRED INCOME

	2012	2011
	€'000	€'000
Capital grants and contributions to fixed assets		
Opening Balance	13,357	13,925
Amortised to Profit and Loss Account during the year	(501)	(568)
Write-off	(661)	-
Closing Balance	**12,195**	**13,357**
Creditors – amounts falling due within one year *(see note 15)*	501	502
Deferred Income	11,694	12,855
	12,195	**13,357**

19. PROVISIONS FOR LIABILITIES

Deferred Tax Assets and Liabilities	2012	2011
	€'000	€'000
Deferred Tax on accelerated Capital Allowances	(3,751)	(3,520)
Deferred Tax Liability excluding that relating to pension scheme liability	**(3,751)**	**(3,520)**
Deferred tax on pension scheme liability/(asset) *(see below)*	561	(1,052)
Total provision for deferred tax	**(3,190)**	**(4,572)**

Movement in Deferred Tax Assets and Liabilities	2012	2011
	€'000	€'000
Opening Balance		(3,520)
Transfer to Profit and Loss *(see note 8)*		
In respect of accelerated Capital Allowances	(230)	
Under provision in prior year	(1)	(231)
Closing Balance		**(3,751)**

Deferred Tax Asset /(Liability) on Pension scheme (Liability)/ Asset *(See Note 32)*

	2012	2011
	€'000	€'000
Opening Balance	**(1,052)**	**753**
Transfer to Profit and Loss *(see note 8)*	(543)	(436)
Transfer to/(from) the Statement of Total Recognised Gains and Losses	2,156	(1,535)
Acquisitions *(see note 24)*	-	166
Closing Balance	**561**	**(1,052)**

The above Deferred Tax Asset is included in the Pension Liability Balance on the Balance Sheet.

20. SHARE CAPITAL

	No. ('000)	€'000
Authorised – 96.5m ordinary shares of €1.25 each at 31 December 2012 and 2011	**96,500**	**120,625**
Allotted and fully paid at 31 December 2012 and 2011	**11,571**	**14,464**

21. CAPITAL CONVERSION RESERVE FUND

The ordinary shares of the Company were re-nominalised from €1.269738 each to €1.25 each in 2001 and the amount by which the issued share capital of the Company was reduced was transferred to a fund known as the Capital Conversion Reserve Fund.

22. PROFIT AND LOSS RESERVE

	2012 €'000	2011 €'000
Opening Balance	**254,167**	**232,007**
Total recognised gains and losses	7,733	38,660
Dividends Paid *(see note 9)*	(10,200)	(16,500)
(Decrease)/Increase in Profit and Loss account for the year	(2,467)	22,160
Closing Balance	**251,700**	**254,167**

23. INVESTMENT PROPERTY REVALUATION RESERVE

	2012	2011
	€'000	€'000
Opening Balance	**(1,250)**	**(1,250)**
Revaluation of Investment Property *(see note 10)*	(505)	(550)
Revaluation deemed to be permanent *(see note 5)*	505	550
Total transferred to/(from) the Statement of Total Recognised Gains and Losses	-	-
Closing Balance	**(1,250)**	**(1,250)**

The Investment Property has been re-valued in accordance with SSAP 19 and the deficit on revaluation has been transferred to the Investment Property Revaluation Reserve where the deficit is expected to be temporary in nature. The amount of the deficit below original cost which is expected to be permanent has been recognised in the Profit and Loss Account.

24. CAPITAL CONTRIBUTION

On 12 July 2011, as permitted by the Harbours Acts, 1996 to 2009, the Minister for Transport, Tourism and Sport ordered that the functions of Dundalk Port Company be transferred to the Company. The assets and liabilities taken on by the Company as a result of this Ministerial Order have been recorded at their fair values at that date. A corresponding amount has been recognised as a Capital Contribution in Shareholders' Funds reflecting that the assets received and liabilities assumed are considered to be a contribution from the Company's principal shareholder.

The book values of the assets and liabilities taken on by the Company as well as the fair value adjustments made by the Company at the take-on date are set out below;

	Book values in Dundalk port Company	Fair value adjustments	Fair value taken on by the Company
	€'000	€'000	€'000
Tangible assets	5,329	(3,734)	1,595
Debtors and prepayments	80		80
Cash at bank and in-hand	523		523
Creditors and accruals	(215)		(215)
Bank loans	(101)		(101)
Defined benefit liability	(1,500)	336	(1,164)
	4,116	**(3,398)**	**718**

24. CAPITAL CONTRIBUTION CONTD

The fair value adjustments to tangible assets relate to revaluation adjustments to state these assets at their fair values at the take on date and in the main reflect adjustments to the value of the quays and surrounding land and yards, a warehouse and an administrative office.

The adjustment to the defined benefit liability has been calculated based on the advice of a qualified actuary. The take-on value of €1.164m is net of the related deferred tax asset of €166k.

No value has been recognised at the take-on date in respect of the tax losses in Dundalk Port Company amounting to €2.0m (tax value of €0.3m) as their availability to be utilised by the Company is uncertain.

The turnover and operating result attributable to the operations of Dundalk Port Company in the period prior to and post the take-on by the Company is wholly immaterial to these financial statements.

25. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	2012	2011
	€'000	€'000
Profit for the financial year	**22,823**	**27,911**
Dividend Paid *(see note 9)*	(10,200)	(16,500)
Actuarial (loss)/gain recognised on pension schemes	(17,246)	12,284
Deferred Tax related to actuarial (loss)/gain	2,156	(1,535)
Capital Contribution	-	718
Net (decrease)/increase in Shareholders' Funds	(2,467)	22,878
Opening Shareholders' Funds	268,218	245,340
Closing Shareholders' Funds	**265,751**	**268,218**

26. GROSS CASH FLOWS

	2012	2011
	€'000	**€'000**
Return on investments and servicing of finance		
Interest received	1,738	1,149
Interest and similar charges paid	(1,683)	(2,156)
Net cash inflow/(outflow) from return on investments and servicing of finance	**55**	**(1,007)**
Capital expenditure and financial investment		
Payments to acquire tangible fixed assets	(16,336)	(4,353)
Receipts from sales of tangible fixed assets	2,559	9,241
Net cash (outflow)/inflow from capital expenditure	**(13,777)**	**4,888**
Management of liquid resources		
Increase in cash on deposit	**1,983**	**19,177**
Financing		
Receipts from medium term borrowings	70,000	20,000
Repayment of amounts borrowed	(75,000)	(20,000)
	(5,000)	**-**

27. ANALYSIS OF CHANGES IN NET DEBT

	1 January 2012	Cash Flows	Non Cash Changes	31 December 2012
	€'000	€'000	€'000	€'000
Net cash at bank and in hand	971	(533)	-	438
Debt due within one year	(40,000)	5,000	35,000	-
Debt due after one year	-	-	(35,000)	(35,000)
Current asset investments	28,228	1,983	-	30,211
Total	**(10,801)**	**6,450**	**-**	**(4,351)**

28. COMMITMENTS

	2012	2011
	€'000	€'000
Future capital expenditure not provided for:		
Contracted for	13,475	4,014
Authorised by the Directors but not contracted for	1,950	1,950
	15,425	**5,964**

Derivative financial instruments

In accordance with the Company's policy on hedging, the interest rate exposure on the Company's borrowings for the next five years is mitigated by entering into interest SWAP and interest CAP contracts. The principal amount of such contracts at 31 December 2012 and 2011 was as follows:

	2012	2011
	€'000	€'000
Nominal amount	30,000	36,000

The fair value of the above SWAP contract at 31 December 2012 was (€0.3m) (2011: minimal value) as a result of expected market rates to the expiry of the agreement in March 2017.

29. DIRECTORS' REMUNERATION

	2012	2011
	€'000	€'000
Remuneration		
- fees for services as Directors	99	102
- emoluments for other services	377	382
- pension contributions	118	106
	594	590
Past service pension benefit to Chief Executive	-	70
	594	**660**

Included in the above is the remuneration package of the Chief Executive made up as follows:

	2012	2011
	€'000	€'000
Director's Fees	15	11
Salary	185	185
Other Benefits including Pension Costs and Taxable Benefits	85	89
	285	**285**

Directors' Fees	2012	2011
	€'000	€'000
L McCaffrey	21,600	21,600
E O'Reilly	14,654	10,546
E Finnan	12,600	10,753
B W Kerr (term of office expired 12 June 2012)	5,646	12,600
J Kiersey (term of office expired 12 June 2012)	5,646	12,600
P Magner	11,167	12,600
J Moore *	11,116	10,546
C Rochfort * (term of office expired 18 September 2012)	11,116	10,546
H Collins (appointed 27 July 2012)	5,454	-
	98,999	**101,791**

*In Addition to the Directors' fees, Mr Moore and Mr Rochfort were paid as employees of Dublin Port Company.

30. EMPLOYEES

The average number of persons employed by the Company during the year was 145 (2011: 145).

31. RELATED PARTY TRANSACTIONS

As noted in note 1, one ordinary share is held by the Minister for Finance and the remainder are held by the Minister for Transport at 31 December 2012.

In common with many other entities, Dublin Port Company deals in the normal course of business with Government entities and other state owned companies on normal commercial terms, none of which are considered to be individually material for disclosure.

The Company had deposits with Allied Irish Bank at various times during the year and earned €0.3m in interest. At year end there was deposit balances outstanding amounting to €13.1m with AIB. The Company also had deposits with EBS at various times during the year and earned €0.6m in interest. At year end there was deposit balances outstanding amounting to €6.0m with EBS. Allied Irish Bank and EBS became related parties subsequent to being taken into State ownership.

Bank of Ireland is considered to be a related party due to the Bank's participation in the Government Guarantee scheme and the investment by the National Pensions Reserve Fund Commission in the 2009 preference stock of the Bank. The Company had borrowings with Bank of Ireland amounting to €35.0m at year end. The Company also had deposits with Bank of Ireland at various times during the year and earned €0.1m in interest. At year end the Company had deposit balances amounting to €1.0m.

No Board member, who would be regarded as a related party, or members of key management staff have undertaken any material transactions with the Company during the year.

As noted in note 14, the Company's pension funds owe the Company €1.0m (2011: €1.1m) due to the overpayment of contributions in the current year.

32. PENSIONS

The Company operates four defined benefit pension schemes and a defined contribution pension scheme. On 1 January 2005 the defined benefit schemes were closed to new entrants.

Defined Contribution Scheme

Employees joining the Company after 1 January 2005 are members of the defined contribution scheme. Contributions are paid by the members and by the Company at fixed rates. During the year the Company contributed €131k (2011: €146k) to the defined contribution scheme and this amount was charged to the Profit and Loss account. Irish Pensions Trust Limited, an independent professional trustee Company, is the sole trustee of the defined contribution scheme.

32. PENSIONS - CONTD

Defined Benefit Schemes

a) The Company operates four defined benefit pension schemes based on final pensionable salaries for eligible employees, including employees and former employees of Dundalk Port Company and the Company's predecessor entity, Dublin Port & Docks Board.

Under the provisions of the Harbours Act, 1996 the Company is responsible for funding the payment of pension entitlements (including the entitlements relating to pre-Vesting Day service with Dublin Port & Docks Board) of:

i. all eligible current employees of the Company;

ii. all eligible current and deferred pensioners of Dublin Port & Docks Board;

iii. former eligible employees of the Company who since Vesting Day have or may become current or deferred pensioners of the Company;

iv. eligible spouses and children of eligible employees or former employees.

Separate trustee administered schemes have been established for this purpose.

The most recent member trustee election for one of the schemes was held on 25 November 2011 and the appointment of four candidates was ratified by the Board at its meeting on 15 December 2011. In addition to the four member trustees, the Company also appointed a further four trustees. Irish Pensions Trust Limited, an independent professional trustee Company is the sole trustee of the other scheme.

During the year a formal scheme was established in respect of the Chief Executive and the name of this scheme is "The Dublin Port Company Chief Executive Retirement Benefits Scheme".

A formal trustee administered scheme is currently being established for one of the schemes in respect of eligible former employees of Dundalk Port Company. Consequently, the scheme is unfunded with no assets at 31 December 2012 and pensions are paid directly from Company resources. The liability obligation in respect of these defined benefit pension liabilities is included on the Company's Balance Sheet in accordance with Financial Reporting Standard 17.

32. PENSIONS - CONTD

b) Actuarial Valuation

The funding position of the defined benefit schemes is assessed in accordance with the advice of independent actuaries. The funding position is formally assessed at three yearly intervals. The most recent applicable actuarial valuation reports were prepared at 1 January 2012 and were completed by Mercer, who are neither officers nor employees of the Company. The valuation reports at 1 January 2012 are available for inspection by scheme members but not for public inspection. The Company intends to make regular contributions to the schemes in accordance with the recommendations set out by the actuaries in their reports at 1 January 2012. The next valuation reports are due to be prepared at 1 January 2015.

Minimum Funding Standard valuation basis (unaudited information):

The funded schemes are required to meet the Minimum Funding Standard (MFS) in accordance with Section 44 of the Pensions Act, 1990 (as amended). The MFS, in general terms, measures whether accumulated assets cover liabilities accrued to members, assuming the schemes were wound up at the valuation date. The assumptions on which the MFS liability is determined are prescribed in legislation and actuarial guidance. The most recently completed actuarial funding certificates, where applicable, were submitted to the Pensions Board with an effective date of 31 December 2011 and confirmed that the schemes satisfied the MFS at that date.

Following an interim actuarial review at 1 January 2013, it was found that the applicable schemes would have met the MFS as at 1 January 2013. Overall assets of the schemes were €244.7m and overall liabilities were €204.0m, resulting in an aggregate surplus of €40.7m.

Long-term valuation basis (unaudited information):

The Company's intention is to continue to provide funding in accordance with the actuary's recommendation to ensure that the schemes continue to operate and provide for pension payments in the long term future.

The valuation at 1 January 2012 for such funding purposes was prepared using an actuarial valuation method known as "the attained age method". The principal actuarial assumptions adopted in the valuation were that the annual rate of return on investments before retirement would be 4.5% per annum, the annual rate of return on investments after retirement would be 3.0% per annum, the increase in salaries would be nil for the next 3 years and increase by 3.5% thereafter per annum and the increase in pensions in payment would be nil for the next 3 years and increase at 3% thereafter per annum. Under this valuation method at 1 January 2012, overall assets were €214.7m and overall accrued liabilities were €259.8m. This resulted in an aggregate deficit of €45.1m and a funding ratio (assets: liabilities) as at 1 January 2012 of 83%.

Following an interim actuarial review at 1 January 2013 overall assets were €244.7m and overall liabilities measured under this valuation method were €282.7m resulting in an aggregate deficit of €37.9m and a funding ratio (assets:liabilites) as at 1 January 2013 of 87%. The next formal valuation will be prepared at 1 January 2015.

32. PENSIONS - CONTD

c) Financial Reporting Standard 17 (FRS 17) "Retirement Benefits"

The defined benefit obligations of the Company have been valued by independent actuaries for the purposes of FRS 17 based on data provided for an actuarial valuation of the schemes as at 31 December 2012.

As required by FRS 17 the valuation was prepared using an actuarial valuation method known as the "projected unit cost method". As the schemes are closed to new entrants, the schemes have an age profile that is rising and therefore under the projected unit method the current service cost will increase as members of the scheme approach retirement.

Financial Assumptions:

The main financial assumptions to calculate the liabilities under FRS 17 at the Balance Sheet date were:

	31 December 2012	31 December 2011
Rate of interest applied to discount liabilities	3.50%	4.85%
Projected rate of increase of salaries	Nil for 2 years and 3.5% thereafter	Nil for 3 years and 3.5% thereafter
Projected rate of increase of pensions in payment	Nil for 2 years and 3% thereafter	Nil for 3 years and 3% thereafter
Rate of increase of pensions in deferment	Nil for 2 years and 3% thereafter	Nil for 3 years and 3% thereafter
Inflation assumption	2.00%	2.00%

The discount rate used in the calculation of the pension liability is determined by reference to market yields at the Balance Sheet date on high quality corporate bonds. The currency and term of the corporate bonds is consistent with the currency and estimated term of the liabilities. Having regard to the duration of the scheme liabilities, a discount rate of 3.50% was adopted at 31 December 2012.

32. PENSIONS - CONTD

c) Financial Reporting Standard 17 (FRS 17) "Retirement Benefits" contd

Demographic Assumptions:

The assumptions relating to the life expectancy at retirement for members is set out below:

	2012		2011	
	Male Years	Female Years	Male Years	Female Years
Current members age 40 (life expectancy at age 65)	26.3	27.3	26.2	27.2
Current pensioners age 65 (life expectancy at age 65)	23.2	24.6	23.0	24.5

Scheme Assets:

The investment allocations of assets at the Balance Sheet date were:

	Proportion of Scheme assets at 31 December 2012	Proportion of Scheme assets at 31 December 2011
Equities	22.76%	21.40%
Bonds	72.85%	73.70%
Property	1.93%	2.30%
Other	2.46%	2.60%
	100.00%	**100.00%**

To develop the expected long term rate of return on assets assumption, the Company considered the current level of expected returns on least risk investments (primarily government bonds), 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 the gross expected return on assets assumptions of 3.23%. During 2011, legislation was passed by the Government which establishes an annual levy of 0.6% of pension scheme assets payable for the four year period 2011-2014. The expected return for 2013, net of this levy is therefore 2.63% (2011: 3.36%).

32. PENSIONS - CONTD

c) Financial Reporting Standard 17 (FRS 17) "Retirement Benefits" contd

The fair value of the assets in the pension schemes and the expected rate of return at the Balance Sheet date were:

	Rate of Return Expected at 31 December 2012	Fair Value at 31 December 2012	Rate of Return Expected at 31 December 2011	Fair Value at 31 December 2011
		€'000		€'000
Equities	5.70%	55,732	6.40%	46,026
Bonds	1.70%	178,246	2.50%	158,274
Property	4.20%	4,715	4.90%	4,954
Other	0.40%	6,223	1.40%	5,462
Total Fair value of Assets		**244,916**		**214,716**

Scheme assets do not include any amounts invested in the Company's own financial instruments or any amounts invested in property occupied by the Company.

The amounts recognised in the Balance Sheet are as follows:

	31 December2012	31 December 2011
	€'000	€'000
Assets	244,916	214,716
Liabilities	(247,780)	(205,100)
Net (deficit)/surplus in funded pension schemes	**(2,864)**	**9,616**
Liabilities on unfunded schemes	**(1,620)**	**(1,200)**
Net (deficit)/surplus in pension schemes	**(4,484)**	**8,416**
Related deferred tax asset/(liability)	561	(1,052)
Net Pension (liability)/asset	**(3,923)**	**7,364**

32. PENSIONS - CONTD

c) Financial Reporting Standard 17 (FRS 17) "Retirement Benefits" contd

Analysis of the amounts recognised in the Profit and Loss Account:

	2012	2011
	€'000	€'000
Charged to Operating Profit		
Current service cost	(1,095)	(1,092)
Past service cost	1,669	(70)
	574	**(1,162)**
Charged/(Credited) to other finance cost		
Expected return on pension scheme assets	7,160	9,383
Interest on pension scheme liabilities	(9,830)	(11,222)
Net financing cost	**(2,670)**	**(1,839)**
Total Charge in the Profit and Loss Account	**(2,096)**	**(3,001)**

Analysis of amount recognised in Statement of Total Recognised Gains and Losses (STRGL):

	2012	2011
	€'000	€'000
Actual less expected return on scheme assets	26,437	(2,511)
Experience gains arising on scheme liabilities	1,117	8,695
Changes in assumptions underlying the present value of the scheme liabilities	(44,800)	6,100
Actuarial (loss)/gain recognised in the STRGL	**(17,246)**	**12,284**

The cumulative actuarial loss recognised in the statement of total recognised gains and losses up to and including the financial year ended 31 December 2012 is €93m (2011: €75.7m).

	2012	2011
	€'000	€'000
Actual return on scheme assets	**33,597**	**6,872**

32. PENSIONS - CONTD

c) Financial Reporting Standard 17 (FRS 17) "Retirement Benefits" contd

Movement in scheme assets and liabilities

	Pension Assets	Pension Liabilities	Pension Deficit
	€'000	€'000	€'000
At 31 December 2010	211,474	(217,500)	(6,026)
Current service cost	-	(1,092)	(1,092)
Past service cost	-	(70)	(70)
Interest on scheme liabilities	-	(11,222)	(11,222)
Expected return on scheme assets	9,383	-	9,383
Actual less expected return on scheme assets	(2,511)	-	(2,511)
Experience gain on scheme liabilities	-	8,695	8,695
Actuarial gain on scheme liabilities	-	6,100	6,100
Members' contributions	428	(428)	-
Benefits paid from scheme	(10,547)	10,547	-
Dundalk Port Pension Liability	-	(1,330)	(1,330)
Employer contributions	6,489	-	6,489
As at 31 December 2011	**214,716**	**(206,300)**	**8,416**

Movement in scheme assets and liabilities:

	Pension Assets	Pension Liabilities	Pension Deficit
	€'000	€'000	€'000
At 31 December 2011	214,716	(206,300)	8,416
Current service cost	-	(1,095)	(1,095)
Past service cost	-	1,669	1,669
Interest on scheme liabilities	-	(9,830)	(9,830)
Expected return on scheme assets	7,160	-	7,160
Actual less expected return on scheme assets	26,437	-	26,437
Experience gain on scheme liabilities	-	1,117	1,117
Actuarial loss on scheme liabilities	-	(44,800)	(44,800)
Members' contributions	415	(415)	-
Benefits paid from scheme	(10,254)	10,254	-
Employer contributions	6,442	-	6,442
As at 31 December 2012	**244,916**	**(249,400)**	**(4,484)**

All but €1.6m of the liabilities above arise from schemes that are wholly funded.

The employer expects to contribute €6.3 million to the pension schemes in 2013.

32. PENSIONS - CONTD

c) Financial Reporting Standard 17 (FRS 17) "Retirement Benefits" contd

History of defined benefit obligations, assets and experience gains and losses for years end 31 December:

	2012	2011	2010	2009	2008
	€'000	€'000	€'000	€'000	€'000
Liabilities	(249,400)	(206,300)	(217,500)	(205,000)	(201,000)
Assets	244,916	214,716	211,474	203,919	187,912
Net Surplus/(Deficit)	(4,484)	8,416	(6,026)	(1,081)	(13,088)

Experience gains and losses on scheme assets:

Amount (€m)	26,437	(2,511)	1,514	10,337	(30,862)
Percentage of scheme assets	10.8%	(1.2%)	0.7%	5.1%	(16.4%)

Experience gains and losses on scheme liabilities:

Amount (€m)	1,117	(8,695)	4,884	(1,365)	(2,495)
Percentage of the present value of the scheme liabilities:	(0.4%)	4.0%	(2.2%)	0.7%	1.2%

32. PENSIONS - CONTD

c) Financial Reporting Standard 17 (FRS 17) "Retirement Benefits" contd

Sensitivity Analysis of Scheme Liabilities:

The sensitivity of the defined benefit obligation to changes in the mortality assumptions is set out below:

	2012	2012	2012
	Existing Assumption	**-1 Year**	**+1 Year**
Current Male Member age 40 (Life Expectancy at age 65)	26.3 years	25.3 years	27.3 years
Current Male Pensioner age 65 (Life Expectancy at age 65)	23.2 years	22.2 years	24.2 years
Liabilities (€'000)	249,400	241,400	257,500
Change in liabilities (€'000)		8,000	(8,100)
% Change (as % of original)		3.2%	(3.2%)

The sensitivity of the defined benefit obligation to changes in the discount rate is set out below:

	2012	2012	2012
	Existing Assumption	**-0.25%**	**+0.25%**
Discount Rate	3.50%	3.25%	3.75%
Liabilities (€'000)	249,400	259,500	239,900
Change in liabilities (€'000)		(10,100)	9,500
% Change (as % of original)		(4.0%)	3.8%

32. PENSIONS - CONTD

c) Financial Reporting Standard 17 (FRS 17) "Retirement Benefits" contd

The sensitivity of the defined benefit obligation to changes in the projected rate of increases in salaries, pensions in payment and pensions in deferments is set out below:

	2012	2012	2012
	Existing Assumption		
Projected rate of increase in salaries	Nil for 2 years and 3.5% thereafter	Nil for 1 year and 3.5% thereafter	3.5%
Projected rate of increase of pensions in payment	Nil for 2 years and 3.0% thereafter	Nil for 1year and 3.0% thereafter	3.0%
Rate of increase of pensions in deferment	Nil for 2 years and 3.0% thereafter	Nil for 1 year and 3.0% thereafter	3.0%
Liabilities (€'000)	249,400	256,600	264,200
Change in liabilities (€'000)		(7,200)	(14,800)
% Change (as % of original)		(2.9%)	(5.9%)

33. POST BALANCE SHEET EVENTS

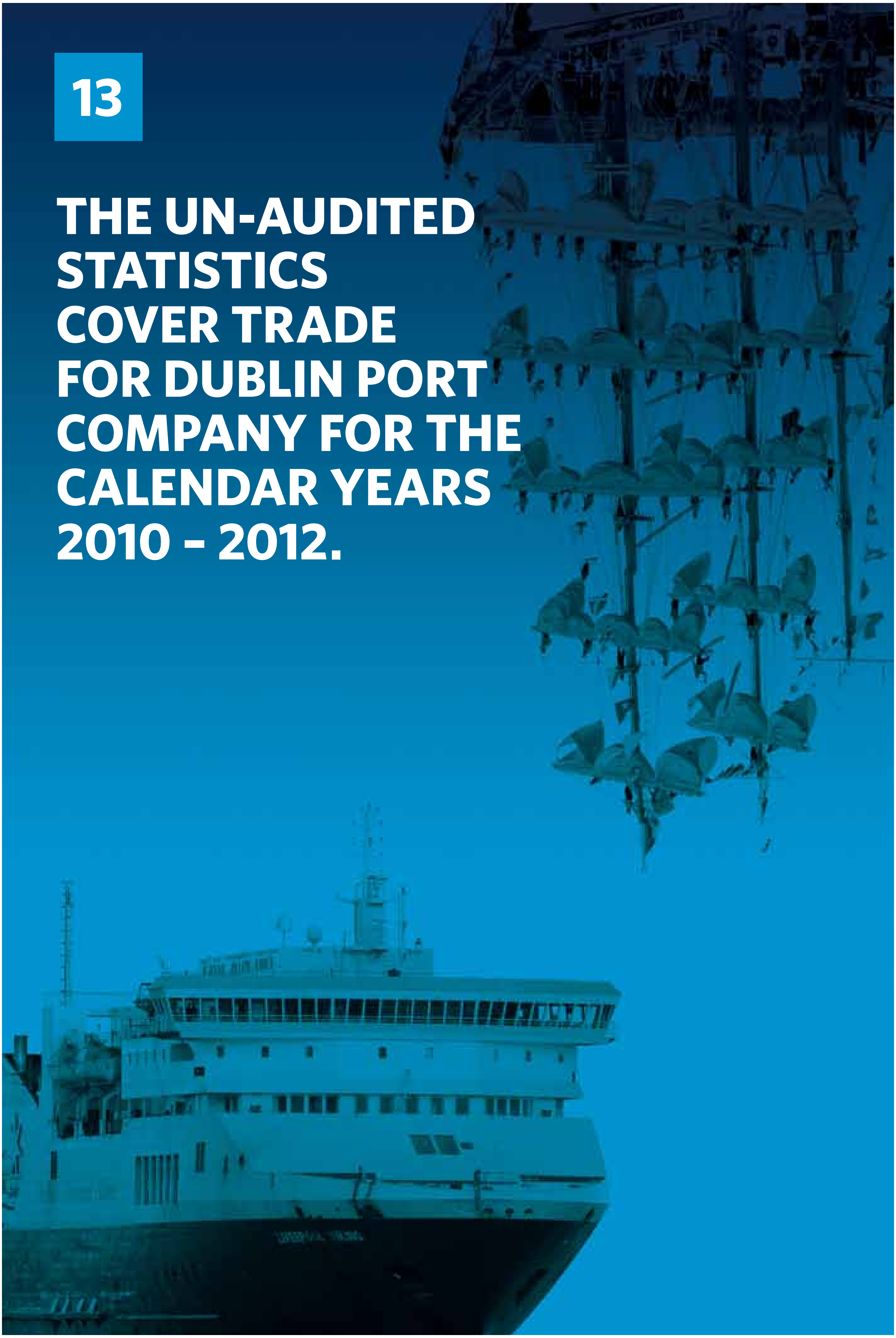
There have been no events between the Balance Sheet date and the date on which the financial statements were approved by the Board, which would require adjustment to the financial statements or any additional disclosures.

34. APPROVAL OF THE FINANCIAL STATEMENTS

The Directors approved the financial statements on 26 March 2013.

13

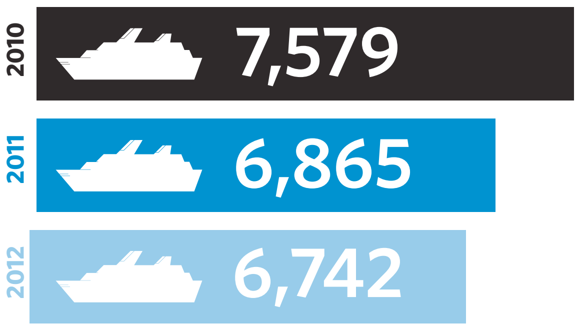
THE UN-AUDITED STATISTICS COVER TRADE FOR DUBLIN PORT COMPANY FOR THE CALENDAR YEARS 2010 – 2012.

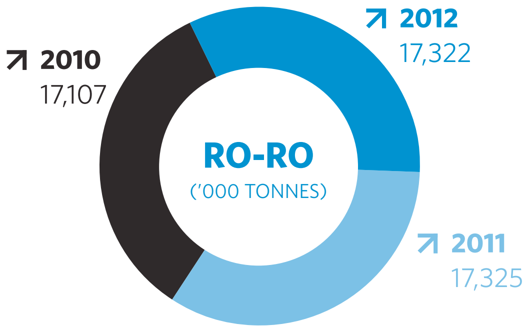


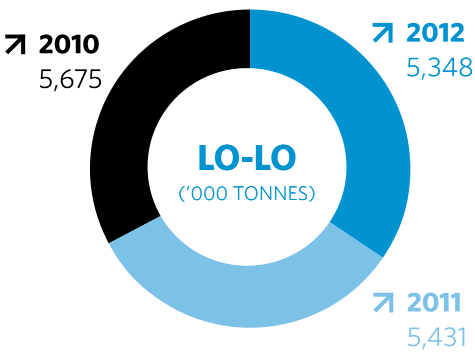
The financial statements cover the year ended 31 December 2012 together with comparative figures for 2011.

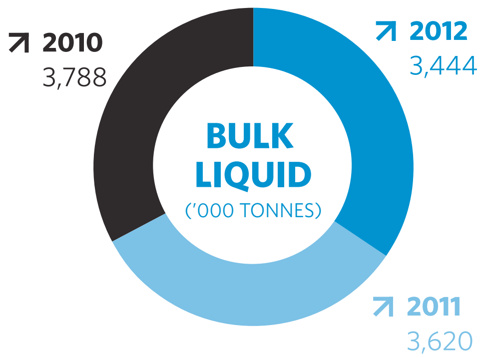
For comparison purposes, the un-audited statistics reproduced below cover trade for Dublin Port Company for the calendar years 2010 – 2012:

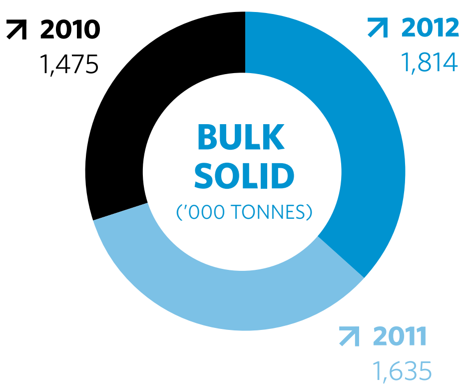
TOTAL VESSEL ARRIVALS

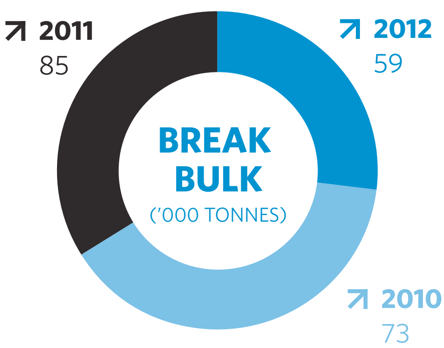












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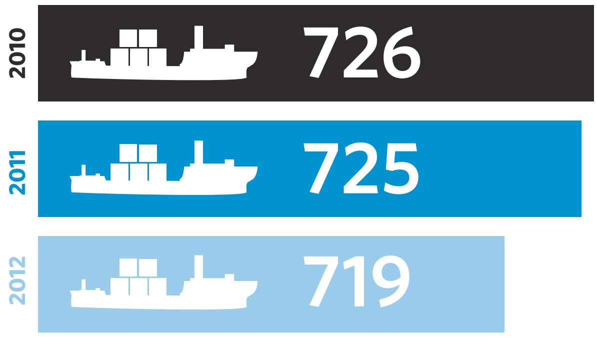

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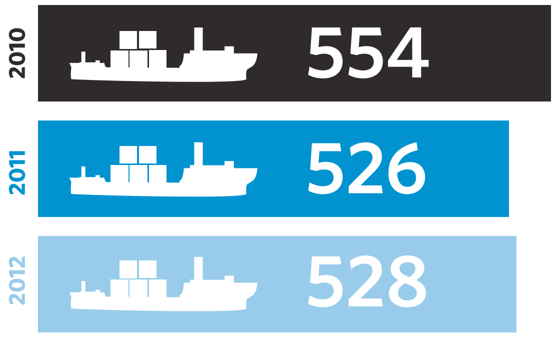
LO-LO TEU's



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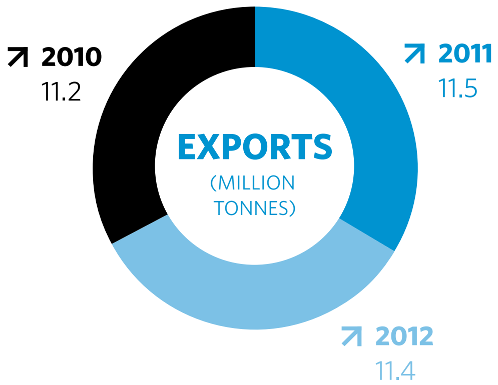
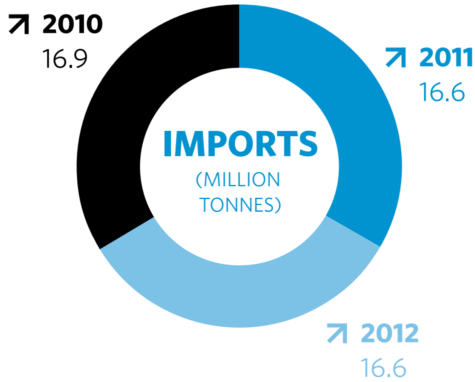
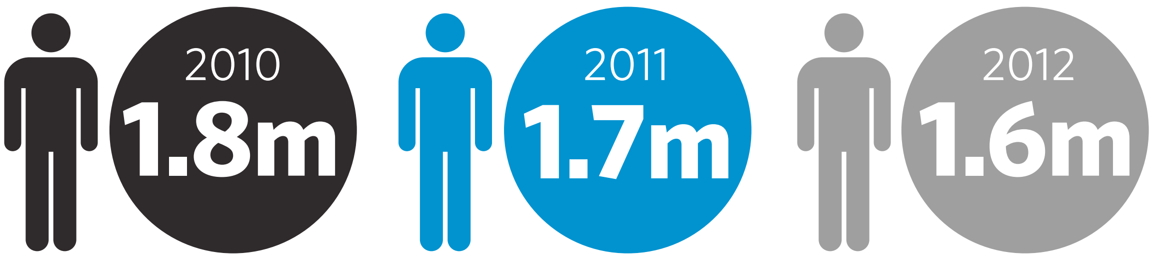




PASSENGER NUMBERS



TOTAL THROUGHPUT 2010

28,118

('000 TONNES)

TOTAL THROUGHPUT 2011

28,096

('000 TONNES)

TOTAL THROUGHPUT 2012

27,987

('000 TONNES)

NOTES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