ANNUAL REPORT 2011

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DUBLIN PORT COMPANY

Dublin Port Company, Port Centre, Alexandra Road, Dublin 1, Ireland
Phone: +353 1 887 6000 **Email:** info@dublinport.ie **Fax:** +353 1 855 1241

www.dublinport.ie

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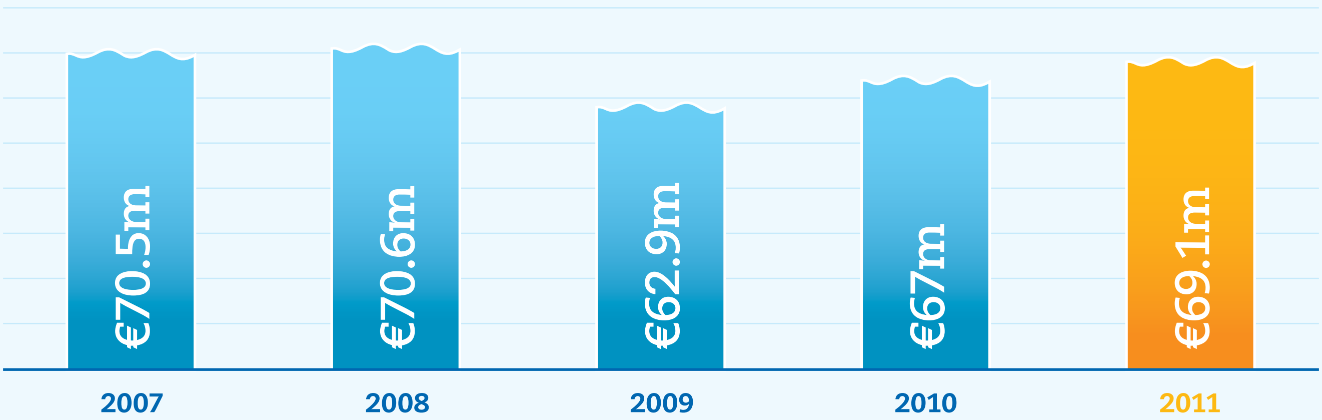
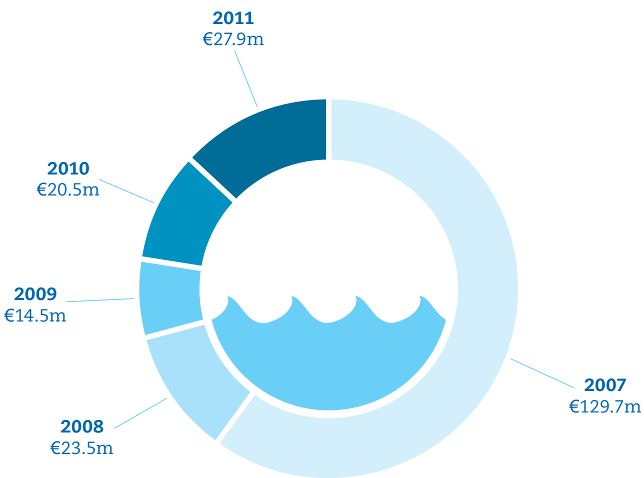
Financial Highlights

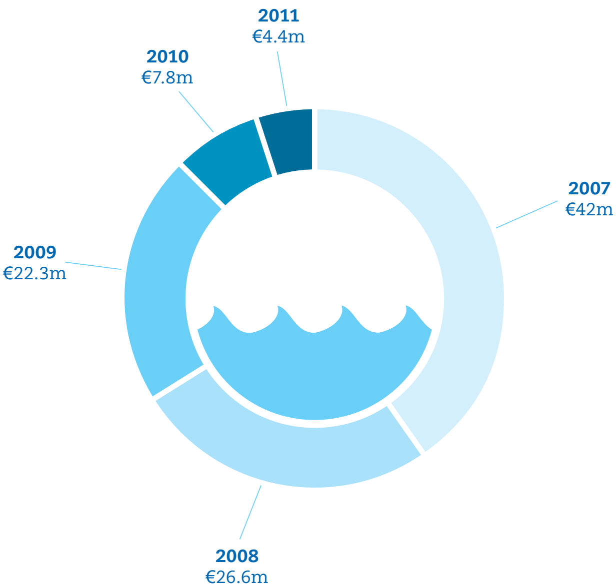
Turnover



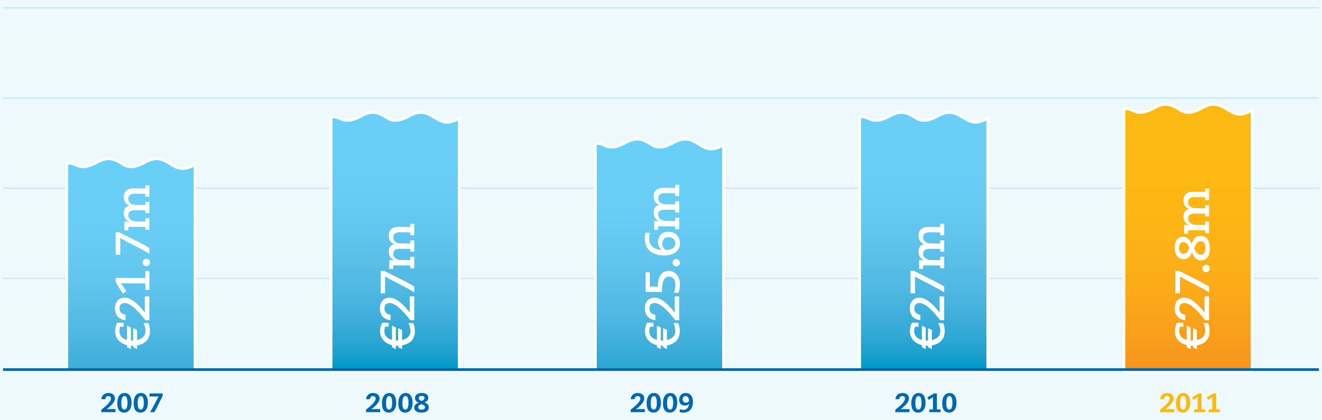
Profit After Tax



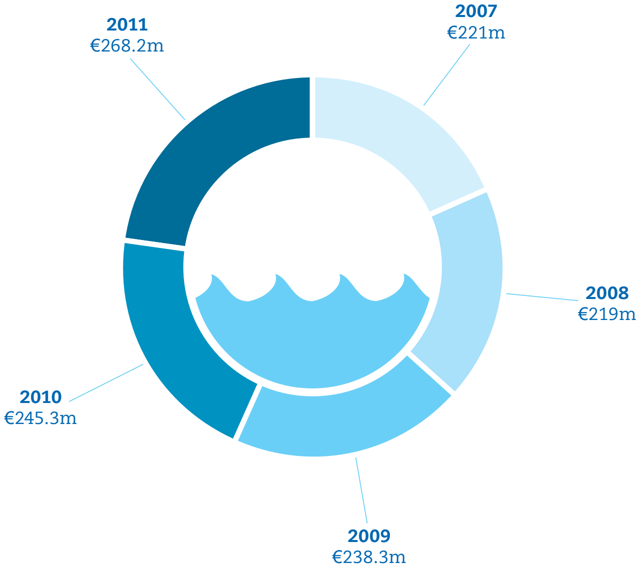
Capital Expenditure



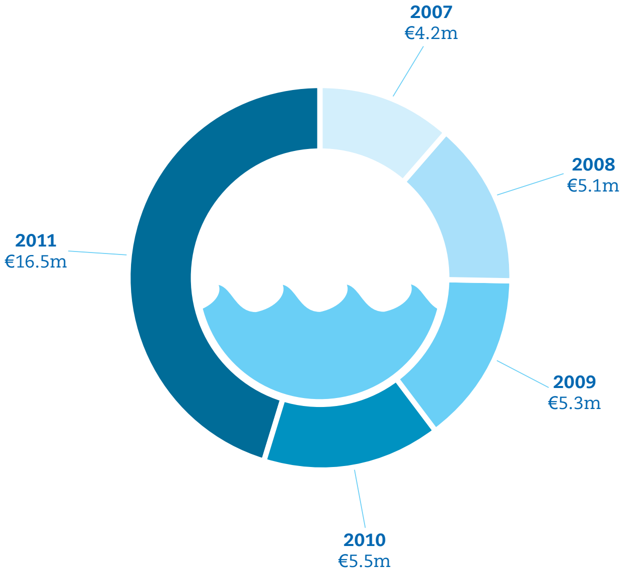
Operating Profit



Shareholders' Funds



Dividends



Key Financial Performance Indicators

	2011	2010
	€'000	€'000
Revenue	69,111	66,969
Operating Profit	27,830	27,031
Operating Margin (%)	40.3%	40.4%
EBITDA	40,688	37,810
EBIT	36,706	26,531
Net Interest Charges	938	1,623
Interest cover		
- EBITDA basis (times)	43.4	23.3
- EBIT basis (times)	39.1	16.3
Net Debt	10,801	30,262
Net Debt as a percentage of total equity (%)	4.0%	12.3%
Net Debt as a percentage of fixed assets (%)	3.9%	10.9%
Return on Capital Employed (ROCE) (%)	9.6%	9.4%
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		

	2011	2010
	€'000	€'000
EBIT	**36,706**	**26,531**
Depreciation	8,876	7,876
Amortisation	-568	-597
JV impairment	4,550	3,500
Exceptional Items	-8,876	500
EBITDA	**40,688**	**37,810**

Board of Directors

BOARD OF DIRECTORS
Lucy McCaffrey (Chairperson)
Eamonn O'Reilly (Chief Executive)
Emer Finnan
Brian W. Kerr
Jerry Kiersey
Pat Magner
John Moore
Charles Rochfort

Other Information

Secretary & Registered Office

Michael Sheary,
Port Centre,
Alexandra Road,
Dublin 1.

Registered Number 262367

Principal Bankers

Bank of Ireland,
2 Burlington Plaza,
Burlington Road,
Dublin 4.

Auditors

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

Solicitors

Arthur Cox,
Earlsfort Centre,
Earlsfort Terrace,
Dublin 2.

Actuaries

Mercer,
Charlotte House,
Charlemont Street,
Dublin 2.

Board of Directors – 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. and is currently the company's principal.

Previously Lucy 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). She was appointed Chairperson of Dublin Port Company by the Minister for Transport in December 2009 and is a Director of Eastlink Limited and Renore Limited, a Joint Venture with One51 plc which owns Greenore Port. 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.

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 years experience and is currently working as an independent consultant. Until December 2011, Emer held the role of Finance Director with EBS Building Society (appointed February 2010) 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 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.

Brian W. Kerr

Director

Brian W. Kerr is a Chartered Ship Broker who founded the Dublin-based shipping and transport company, Brian Kerr Shipping in 1987 which became part of the Hamilton Shipping Group in 1999. He is a former Managing Director of a George Bell Shipping Group subsidiary from 1976 until 1987 having previously worked for Clyde Shipping.

A former President and Board member of the European Community Shipowners' Association he has been involved in the development of European shipping policy since Ireland joined the European Community in 1973. He also served as Director for the Irish Chamber of Shipping which represents Irish ship owners and operators and is currently a committee member of the Irish Branch of the Institute of Chartered Shipbrokers.

Brian is a Fellow of both the Institute of Chartered Shipbrokers and the Chartered Institute of Transport and Logistics and served as President of both organisations.

Brian was first appointed as a Director of the Dublin Port and Docks Board in 1991 and served as Chairman on the Board from 1995 to 1997. Upon corporatisation in 1997 he was appointed to the newly constituted Dublin Port Company and was reappointed for further five year terms in 2002 and 2007. He is also a Director of Adria Ferries Limited and is Chairman of the Rehab Group.

Jerry Kiersey

Director

Jerry Kiersey has over forty years' experience in the marine and logistics sectors in Ireland and is currently Manager Director of road transport company Green Tiger Express Limited, a company he founded in 1999. A former Chief Executive of the Irish International Freight Association he has also served a two year term as President of the Irish Road Haulage Association in the 1980s.

He was appointed to the Board of Dublin Port Company in 2002 by the Minister for Transport and also serves as a Director of Saint Ultan's Educational Trust and the Interim Independent Prison Board. Jerry has served as a council member of the Dublin Chamber of Commerce and founding President of the West Dublin Chamber. He was admitted as a Fellow to the Chartered Institute of Logistics and Transport in 2001 and is a member of the Maritime Institute of 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.

Board of Directors – contd.

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. He currently manages the Company's involvement in the United Nations' training programme for managers in ports in developing countries. He is also involved in several European Union funded R&D projects and as part of Dublin Port Company's Research for Development team he is involved in opportunities to develop port related businesses abroad. He joined the Board in 2007 following his election as a worker representative to the Board.

John holds a Masters in Economic Policy Studies from Trinity College, a B.A in Management from the I.M.I. and is a Graduate Member of the Marketing Institute of Ireland. He is also a qualified Internal Auditor.

John is a member of the Institute of Internal Auditors (U.K. and Ireland), the Institute of Directors in Ireland and SIPTU and currently serves as Honorary Secretary of the National Worker Directors Group in Ireland.

Charles Rochfort

Director

Charles Rochfort joined the Dublin Port & Docks Board in 1978 and has served in a number of roles in the company's Maintenance and Services Department. He qualified as a fitter in 1982 and currently serves as a Maintenance Technician in the Maintenance and Services Department. He serves as a shop steward for the Technical Engineering & Electrical Union (TEEU) and was elected as a worker representative to the Board of Dublin Port Company in 2007.

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.

SECTION ONE

Chairperson’s Statement

Chairperson's Statement

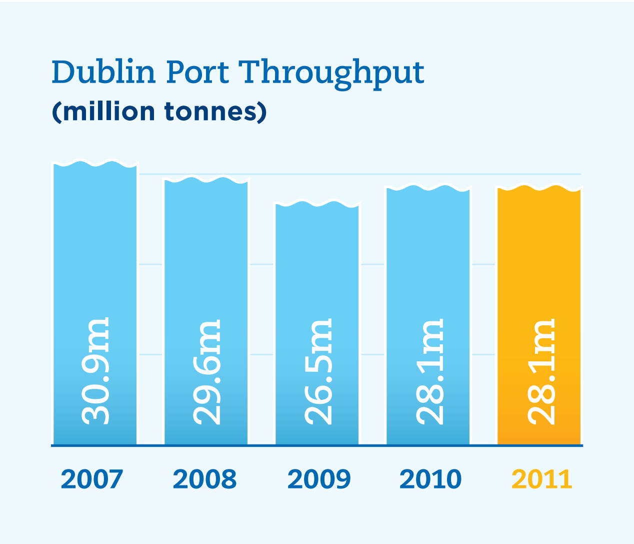
Trade Review

At a time of unprecedented economic difficulty for Ireland, I am pleased to report that trade through Dublin Port held up very strongly in 2011.

While total throughput was marginally down by 0.1% to 28.1m tonnes, it is encouraging that exports through Dublin continued to grow, recording a 2.9% increase over the previous year to over 11.5m tonnes.

The increase in exports was offset by a 2.0% decrease in imports, which declined to 16.6m tonnes.

This robust performance, following a 6.1% growth in throughput in 2010, means that trade through Dublin remains at over 90% of the trade levels experienced in our peak year in 2007.



The unitised sector comprising the Ro-Ro and Lo-Lo modes accounts for 81% of throughput through Dublin. In January 2011 we were disappointed to lose one of our main Ro-Ro customers when DFDS terminated its twice daily service to Liverpool and its daily service to Heysham, citing substantial losses due to overcapacity on the market.

The potential loss in throughput as a result of this development was partly offset by the commencement of a new daily service to Heysham by Seatruck together with service changes implemented by other Ro-Ro operators in the Port. As a result the number of Ro-Ro units handled was only marginally down by 0.1% to 724,693 units.

In contrast our Lo-Lo volumes decreased by 5.1% to 525,741 TEU's, reflecting the continued weak consumer sentiment that prevailed throughout the year.

On the tourism side, ferry passenger numbers fell by 5.5% to 1.7m. However, this followed a record year in 2010 when numbers were boosted by the impact of the severe weather and the ash cloud crisis. Passenger numbers were 11.2% higher than in 2009.

Finally, there was a 3.8% increase in cruise line passengers with 87 cruise ships bringing over 135,000 passengers and crew to Dublin in 2011.

Financial Review

The strong trade performance translated into a strong financial performance. Revenue was 3.2% higher at €69.1m and Operating Costs (before Exceptional Operating Items) were marginally higher by 0.8% at €36.7m. Payroll costs were €0.7m (5.9%) lower in 2011 at €11.0m. Non-payroll costs were €1.0m (3.9%) higher in 2011 at €25.7m impacted by a €1m increase in Depreciation. As a result, underlying Operating Profit (before Exceptional Operating Items) was 6.0% higher at €32.4m.

The Exceptional Operating Item amounting to €4.6m reflects an impairment charge in respect of the Company's investment in Renore. The corresponding charge in the 2010 accounts amounted to €3.5m.

Operating Profit, after inclusion of the Exceptional Operating Items, increased by €0.8m (3.0%) from €27.0m in 2010 to €27.8m in 2011.

ROCE increased from 9.4% to 9.6%.

The CPO process in relation to lands acquired by Dublin City Council for the purposes of the proposed Waste to Energy facility in Ringsend was concluded during the year and is reflected within the Profit and Loss Account as an exceptional gain of €9.4m which included statutory interest amounting to €0.9m. In addition, an exceptional charge of €0.5m arises in respect of the diminution in value of the Company's investment property located in the Eastpoint Business Park.

Dividends paid in 2011 amounted to €16.5m compared to €5.5m the previous year. Recognising the difficult economic challenges facing the exchequer, and following discussions with the shareholder, the amount paid in 2011 included an additional sum amounting to €10m.

In July 2011 the Minister transferred the functions of Dundalk Port Company to Dublin Port Company. Following the transfer, we exited a range of loss making activities including Dredging, Agency, Stevedoring and Warehousing and we outsourced the complete operation of Dundalk Port to a private sector Company.

The most significant liability which transferred to Dublin Port Company relates to the pension obligations amounting to €1.2m which had not been previously funded by Dundalk Port Company.

Chairperson's Statement – contd.

Planning Hierarchy

Dublin Port's primary objective is to provide port infrastructure to be operated by private sector companies. In doing this we seek to balance the requirement to make an economic return on our investments with the need to provide the infrastructure as cost effectively as possible.

In addition, port assets are long lived and major projects can take a long time to implement. It is important, therefore, that we have robust and well-researched long-term development plans in place.

To this end, we commenced a comprehensive Master-planning process for the Port with the objective of identifying how the Port might expand over the next 30 years.

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.

The final Masterplan, which was launched in February 2012, incorporates the over-riding commitment that Dublin Port Company will develop the Port within its current footprint to the maximum extent possible before any major reclamation works are undertaken.

The Masterplan is underpinned by a new Strategic Plan 2012 to 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 which keeps the level of financial risk exposure at acceptable levels consistent with continuing necessary investment in infrastructure.

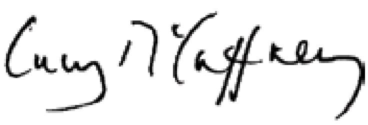
I am confident that this robust planning hierarchy provides the Board and the Executive with the means to deliver continued value for our shareholder and all our stakeholders.

Conclusion

In conclusion, I would like to thank my fellow Board members for their active contribution over the last year. In particular, I would like to acknowledge the arrival of Emer Finnan to the Board in 2011. The Board has benefited greatly from the financial expertise which Emer brings to our deliberations and I look forward to working with Emer and all my colleagues on the Board in the years ahead at what is both a challenging and exciting period in the development of Dublin Port.

I would also like to thank our Chief Executive Eamonn O'Reilly and his team for the excellent work undertaken in the last twelve months, particularly in the delivery of the comprehensive Masterplan and Strategic Plan process which provides a firm foundation for the continued development of the Company and the Port.

Lucy McCaffrey
Chairperson



29 March 2012

SECTION TWO

Chief Executive's Review

Chief Executive's Review

Trade Review

Having seen substantial growth in the previous year, Dublin Port's throughput in 2011 was virtually unchanged on 2010.

'000 TONNES	2011	2010	%
Imports	16,578	16,921	-2.0%
Exports	11,518	11,197	+2.9%
Total	**28,096**	**28,118**	**-0.1%**

Although we again saw export growth (+2.9%), this was insufficient to offset the on-going decline in imports, a reflection of persistent weak demand in the domestic economy. The continuing strong performance of the export sector has changed the pattern of trade through the Port. In 2007, exports accounted for 35% of our trade. By 2011, this had grown significantly to 41%.

The unitised sector dominates the business of Dublin Port. In 2011, 1.0m units loads (Ro-Ro and Lo-Lo combined) moved through the Port and accounted for 81% of total tonnage.

'000	2011	2010	%
Ro-Ro units	724,693	725,665	-0.1%
Lo-Lo TEU	525,741	554,259	-5.1%

However, within the unitised sector, there was a marked contrast between the performance of the Ro-Ro and Lo-Lo modes. Ro-Ro declined by a very modest 972 units. This was an excellent result for the Port given the departure of DFDS at the end of January. Aside from the net loss of two daily calls to the Port, the impact of DFDS's departure was that the same volume of Ro-Ro units was handled in one less terminal.

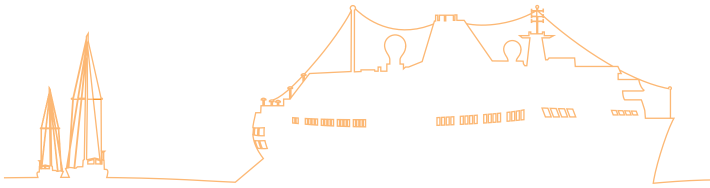
In contrast, the Lo-Lo mode contracted by 5.1%, a reduction of 28,518 TEU (or about 17,000 units). This decline was due, in part, to intermodal competition both on Irish Sea and Continental European routes. In all, the Port's Lo-Lo volumes are now down by 218,000 TEU from the peak of 2007.

In aggregate, the bulk modes had a modest contraction of 0.1% in the year with a 168,000 tonne decline in Bulk Liquid volumes (primarily petroleum products) largely offset by a 162,000 tonne increase in bulk solids.

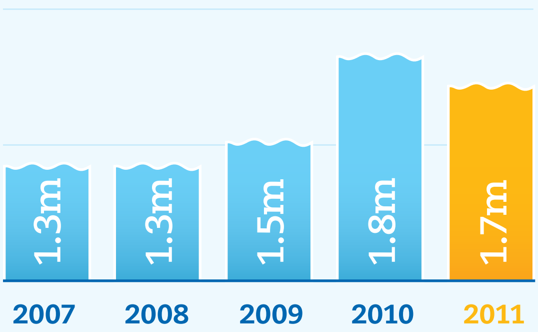
'000 TONNES	2011	2010	%
Bulk Liquid	3,620	3,788	-4.4%
Bulk Solid	1,635	1,473	+11.0%
Break Bulk	85	73	+16.8%
Totals	**5,340**	**5,334**	**+0.1%**

Taking the declines in Lo-Lo and Bulk Liquid tonnages since 2007 together with the freeing up of one Ro-Ro terminal during 2010, Dublin Port has significant proven additional capacity to cater for growth in volumes as and when the domestic economy recovers. With comparatively little investment, I estimate that Dublin can cater for future growth for at least a decade.

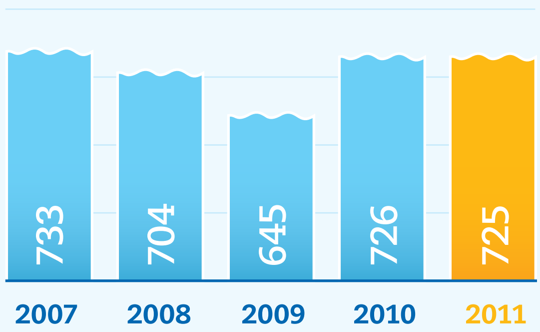
On the passenger and tourism side, there was a 5.5% decline in volumes during the year. Nonetheless, Dublin Port is second only to Dublin and Cork airports as a gateway for passenger traffic.



Dublin Port Passenger Traffic
(passenger numbers)



Dublin Port RoRo Trade
(freight units '000)



	YTD 2011	YTD 2010	%
Passengers	1,667,445	1,764,478	-5.5%
Tourist cars	361,029	381,748	-5.4%

By contrast, the cruise liner side of Dublin Port's business saw a 3.8% increase in cruise passengers. During the year, 87 cruise ships brought over 135,000 passengers and crew to Dublin.

Finally, trade car volumes remained depressed with a marginal (1.3%) increase in the year to 48,813 new cars.

Events During 2011

In July 2011, the assets, liabilities and employees of Dundalk Port Company were transferred to Dublin Port Company. Dundalk had, in relation to its scale, been significantly loss making. In order to stem the losses, we had to close down the operations of the former Dundalk Port Company. Regrettably, this necessitated the loss of eight jobs in the Port. The cost to Dublin Port Company of the transfer will be in the order of €1.8m in the main being the unfunded pension obligation assumed and redundancy costs. We hope during the year to realise some value by the sale of assets that were transferred to us and we have entered into a licence agreement with a local private sector operator who is now responsible for all port operations.

Towards the end of the year, we received an offer for five year bank facilities of €50m. The facilities agreement was concluded in early 2012 and provides financing certainty until April 2017.

Finally, speculation as to the possible privatisation of Dublin Port Company continued during the year. We have made the case that the current model of public ownership / private operation works well and this has been accepted by Government. However, we recognise that we are living through exceptionally difficult times and should the Government's view on privatisation alter for whatever reason, we will continue to work to maximise shareholder value.

Financial Performance

Notwithstanding the marginal decrease in trade volumes during the year, financial performance was very strong with an increase in profit before tax of 40.6% to €33.9m.

This was due in part to a boost from Exceptional Items of €4.3m. This included CPO proceeds of €9.4m, somewhat offset, however, by impairments of €4.6m on our investment in Renore Limited and €0.5m in our East Point property investment.

Chief Executive's Review – contd.

Aside from the Exceptional Items, we also saw revenues increase by 3.2% to €69.1m and costs increase by 0.8% leading to a 6.0% increase in operating profits to €32.4m.

The underlying strength of the business is confirmed by a 5.2% increase in Profit before Tax excluding all Exceptional Items. This is reflected in the table below:

€'000	2011	2010
Profit Before Taxation	33,929	24,138
Impairment of Joint Venture Investment	4,550	3,500
Net Profit on Disposal of CPO Land	(9,426)	-
Investment Property diminution in value	550	500
	29,603	**28,138**

At this stage, Dublin Port earns only 7.1% of its revenues (€4.9m) from the provision of services. These primarily comprise pilotage and towage. The balance of our revenues comes mainly from a combination of charges on ships and cargo and from land rentals. This reflects the role of the Port as an infrastructure provider rather than as an operator.

On the cost side, payroll, at €11.0m, represents 30.0% of our operating costs and was down 5.9% on the previous year. Our second largest cost is rates which, at €4.6m, make up a further 12.5% of operating costs.

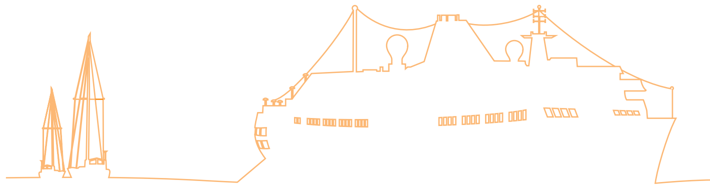
As part of our strategic plan, we will be looking at every means possible to reduce our operating costs in line with our corporate objectives.

EBITDA increased by 7.6% from €37.8m to €40.7m. EBITDA is stated before deduction of Exceptional operating items and is calculated as follows:

€'000	2011	2010
Operating Profit	27,830	27,031
Exceptional operating items	4,550	3,500
Depreciation	8,876	7,876
Amortisation	(568)	(597)
EBITDA	**40,688**	**37,810**

Capital expenditure was low during the year at €4.4m and at year end, net debt was €10.8m. At this level the ratio of net debt to EBITDA was only 26.5% leaving the Port in a very strong position to embark on the five year capital programme and also to take advantage of opportunities to consolidate our control over Port lands.

Finally, we recognise the importance that Dublin Port Company generates value for its shareholder, the State. I am pleased, therefore, to report that we paid a dividend of €16.5m during the year and that our ROCE (return on capital employed) rose to 9.6%. It is central to our corporate objectives that we generate a reasonable and appropriate reward on our capital and that we pay dividends to our shareholder.



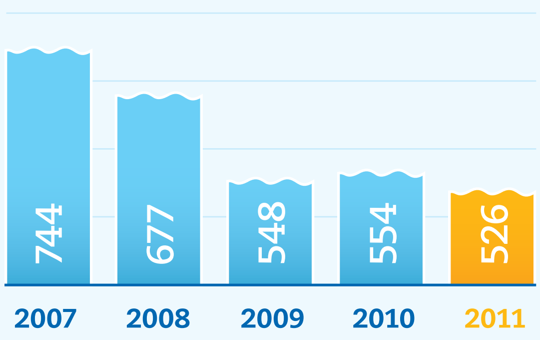
Masterplan 2012 to 2040

During the year, we concluded a Masterplan setting out how the Port might develop over the 30 years to 2040. This was a major exercise and required us to look openly and in detail at how we intend to develop the Port in the coming decades. The exercise produced two major outcomes.

Firstly, we have explicitly dedicated ourselves to extract the utmost from the Port's existing land area before we seek to expand the footprint of the Port by way of reclamation. This makes both financial and environmental sense.

Secondly, we have recognised the imperative for the Port to look outwards to the City and local communities as we develop. The reintegration of the Port with the City lies at the core of our Masterplan and we have set ourselves the target of working to achieve a better integration of the Port with both the natural and built environments.

Dublin Port LoLo Trade
(TEU's '000)



Strategic Plan 2012 to 2016

In the shorter-term, we have also prepared a new five year Strategic Plan. This was necessitated both by the thinking that developed from the Masterplan and from the major changes to the economy since 2007. The Strategic Plan includes a €110m capital development programme designed primarily to lay the foundations for providing capacity to meet the longer term needs of the Port as and when growth returns to our business.

Within our strategic plan, and also arising from our engagement with the Review Group on State Assets and Liabilities, we have developed a clear set of corporate objectives for the business of the Port.

- Provide port infrastructure to be operated by private sector customers (shipping lines, terminal operators and stevedores);
- Develop and maintain commercial relationships with customers in such a way as to maintain competitive forces in the shipping, terminal operation and stevedoring markets;
- Generate a return on capital employed (ROCE) sufficient to remunerate past investments appropriately and sufficient to allow future investment in port infrastructure;
- Subject all capital investment proposals to rigorous appraisal to ensure target ROCE is not compromised by inappropriate investment decisions;
- Manage operating costs downwards to appropriate levels;
- Manage port pricing consistent with the above objectives;
- Distribute surplus cash by way of dividends.

Alongside the capital development programme, we will focus on ensuring that Dublin Port Company is as cost effective and efficient as possible.

Chief Executive's Review – contd.

Outlook for 2012

Dublin Port's fortunes are very much allied to those of the economy. With no sign of any resurgence in the domestic economy, the outlook for 2012 is for volumes, at best, to remain at the levels of 2011. It is more likely, however, that we will see a decrease during the year.

It is important to the Port that our customers, particularly shipping lines, are profitable to ensure that services continue and Port volumes are protected. It is a matter for some concern, therefore, to see some services operating in and out of Dublin continuing to lose money. Although Port charges constitute a small part of overall supply chain costs, it is important that we endeavour to make Dublin Port as cost efficient as possible for our customers and that we do not add to pressures on their cost bases.

2012 will be a key year for us in delivering on the significant commitments we have made to work with environmental organisations (both State and NGO) and with Dublin City Council to enhance the natural and built environments within which the Port exists.

Finally, with so many companies in difficulty and with huge numbers without work, we recognise that those of us working for Dublin Port Company are in a fortunate position and that this places an onus on us to do everything we can to maximise the value we can deliver to all of the other stakeholders in Dublin Port including our shareholder, our customers and the local communities we support through our CSR programme.

Eamonn O'Reilly
Chief Executive

29 March 2012

SECTION THREE

Corporate Social Responsibility

Corporate Social Responsibility

Dublin Port defines CSR as follows:

Corporate Social Responsibility (CSR) is 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.

We recognise our role in the local communities with which we have strong connections over past generations. We aim through our CSR policy to heighten awareness of the positive role the Port plays in the daily life of the City and its citizens. We also aim to support the development of local communities. In doing this, we seek to re-establish the historical integration of the Port with the City.

Our CSR programme will comprise three elements of support for 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.

An Advisory Group with membership from both the Board and the Executive has been established to keep our CSR programme under continual review and to make recommendations as to how the Port's CSR policy and its implementation might be developed and improved.

A range of some of our activities on the CSR arena during 2011 are summarised as follows:

Scholarship Programme

Dublin Port Company scholarship programme started in 2001. This programme gives local residents the opportunity to pursue a third level qualification that they might not otherwise have been able to access. In 2001 fourteen students received funding compared to fifty three who were awarded funding in 2011. To date, over four hundred and fifty students have received support from the programme in courses that range from engineering to dance. Students can pursue degrees, diplomas, and certificates which can help them to change career, enhance their existing job prospects or simply achieve a lifelong dream. Students of any age can pursue courses under this programme.

Summer Projects

Once again Dublin Port Company supported local communities with their Annual Summer Projects. In 2011 the children of East Wall, North Wall, Pearse Street and Ringsend throughout the months of July and August visited Dublin Zoo, Tayto Park, Outdoor Adventure Parks, Barbeques and lots more fun things during their school holidays.

St. Patricks Rowing Club

On 29 April St. Patrick's Rowing Club held their 75th anniversary celebrations. The club looked spectacular following recent refurbishment works and a new sign 'Cassidy's Way' was erected on the freshly-laid grass. A new bench facing out to the Liffey was also installed, giving an excellent view of the Port.

The buoy which was salvaged from Ringsend basin, after 80 years, is now on display between the club and the East Link Bridge. The buoy features signs for all the major ports around the world.

Sea Safari

Supported by Dublin Port Company a new dedicated River Liffey and Dublin Port Tour began this year offering Dubliners and visitors to the City the chance to get close to the action of Dublin Port, learn about its fantastic heritage and history up to the present day.

Ringsend and District Response to Drugs (RDRD)

The Ringsend and District Response to Drugs (RDRD) is a community drugs project located at the Spellman Centre on Irishtown Road, Ringsend. The centre is named after the late Fr. Paul Spellman PP who was a valued patron of the project. RDRD is a Company limited by guarantee and is managed by a committee comprised of local people, people with special expertise, including a doctor, solicitor, a Garda, and an ex drugs user. Their mission is simple 'to support young people and their families in their struggle to become free of drugs'.

RDRD was set up over 16 years ago and has grown from a very basic service to one that is targeted and focused. The success of RDRD is due in no small measure to the dedication and commitment of the management and staff, but also to its patrons, including Dublin Port Company. The Company provided support to RDRD to purchase a house in Wexford for the use of both clients and their families. This became an important part of the programme in 2011.

Dublin Port Company also supports RDRD to run family support for those struggling with addiction in their home.

Sport

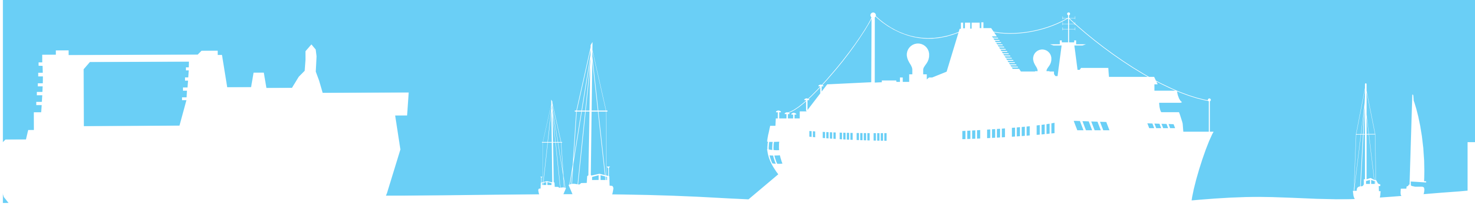
Dublin Port Company supports sport in the local communities through a number of initiatives, including sponsorship programmes with Clanna Gael Fontenoy GAA Club, and Clontarf Rugby Club. In addition to these main sponsorships, the Company also provided support to local schools and local soccer clubs in relation to various tournaments and events held during the year.

53 Students

were awarded funding from the Dublin Port Company scholarship programme in 2011

"We aim to support the development of local communities...to re-establish **the historical integration of the Port with the City**."

SECTION
FOUR



Environmental Matters

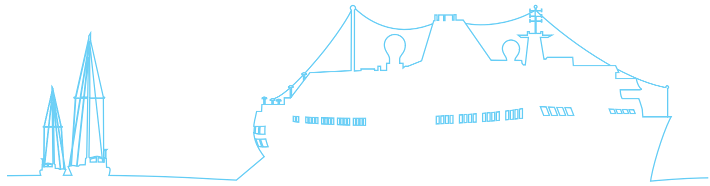
Environmental Matters

It was an important and industrious year in the Dublin Port Environmental management and initiatives calendar. Our commitment to environmental excellence and sustainable management was evidenced by achieving recertification for a further 3 years of ISO 14001 by the international independent awarding body Bureau Veritas. In addition Dublin Port Company was also a finalist in the Major User category of the SEAI (Sustainable Energy Authority of Ireland) national energy efficiency awards competition for their significant works in reducing the carbon footprint for the Number 1 Terminal and the Number 2 Ramp.

The on-going partnership with ESPO (European Sea Ports Organisation) through the Sustainable Development Committee and the IAPH (International Association of Ports and Harbours) in their capacity as European managers of the World Ports Climate Initiative has progressed and Dublin Port Company has been very active in not only supporting but initiating and implementing environmental initiatives. Dublin Port Company with its experience and commitment in sustainable development and environmental care has continued assisting ESPO in the redrafting of the Good Environmental Practice Guide for Port Management and together with other leading European ports presented an update at the Greenport Conference in September 2011. Indeed this active wider sharing of environmental experiences continued with visits from the Port of Ghent to review the Company programmes together with further participation in the UNCTAD training module in environmental practices.

The electricity supply to the Port was tendered in 2011 and from the first of January 2012 all electrical supplies to the Company are from renewable resources. An initial test on reduced energy consuming LED street lighting was carried out in 2010 and following on from this experiment a 500m section of Tolka Quay Road lighting was renewed in 2011 using this new technology. Complimenting this initiative and supporting further carbon savings an 11kW wind turbine has been ordered from an Irish manufacturer. This will be located at Berth 49 and will feed the Number 1 Terminal.

Water management is a continuous process and the annual water usage for the Port has again been reduced by 45% equalling the previous year's improvement. This has been achieved due to the perseverance of the water control team together with investment and training in the best available water leakage equipment and a challenging 20% reduction target has been set for 2012.



Good waste management is critical and, with significant staff assistance through enhanced waste segregation, the performance for 2011 from non-project related activities within the estate Dublin Port Company achieved a reduction in waste of 158 tonnes compared with 2010 and an 81% recycling rate thereby minimising the amount sent to landfill.

Last year also witnessed a Capital investment by Dublin Port Company in an extension of the Port's rail network by a further 1.6 km rail track into the container and bulk storage areas of Alexandra Quay East thereby promoting increased level of environmentally intermodal transport options. This investment further enhanced the Port's direct rail interconnection and provides yet more business opportunities for our Port users.

The ISO 14001 assists, guides, and directs Dublin Port Company in good, responsible and proactive port environment management in adherence with the CEO endorsed Port Environmental Policy. This is achieved using the many procedures outlined in the Environmental Management Manual and with a specific focus on the Port's significant Aspects and Impacts. Much credit is due not only to the Environmental Team but also to the commitment of all staff in Dublin Port Company and all our customers in the Port Estate who have facilitated many environmental audits and acted on the audit recommendations.

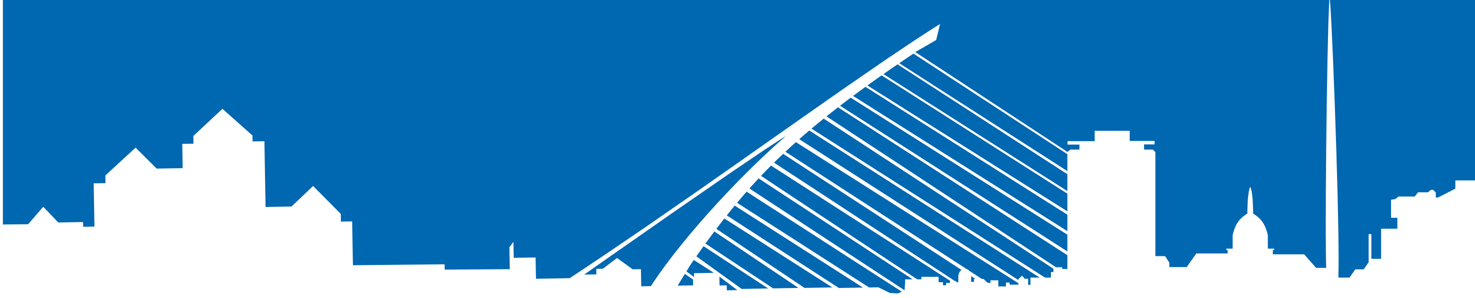
Dublin Port has

ISO 14001

environmental management
certification for a further 3 years

Dublin Port is committed to sustainable energy management & **environmental care**.

SECTION FIVE



Accounts 2011

Directors' Report

The Directors submit their Annual Report together with the audited financial statements of the Company for the year ended 31 December 2011.

Directors' Responsibility for Financial Statements

The Directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable Irish law and Generally Accepted Accounting Practice in Ireland including the accounting standards issued by the Accounting Standards Board and published by the Institute of Chartered Accountants in Ireland.

Irish Company law requires the Directors to prepare financial statements for each financial year that give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period. 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 accounting standards generally accepted in Ireland and comply with the Harbours Act, 1996 and the Companies Acts, 1963 to 2009. 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.

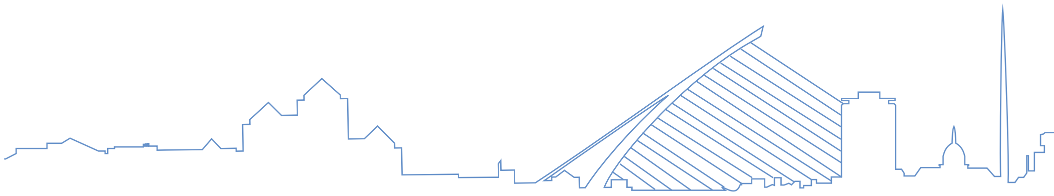
The Directors are also required to include in the Annual Report a statement on the system of internal financial control in accordance with the requirements of the Code of Practice for the Governance of State Bodies.

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 2010, 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 2010 at 28.1 million tonnes. Exports grew by 2.9% in the year to over 11.5 million tonnes while imports fell by 2.0% to 16.6 million tonnes.

Turnover for the year amounted to €69.1m, an increase of 3.2% on the previous year (2010: €67.0m).

Total Operating Costs, before Exceptional Operating Items, increased to €36.7m in 2011 from €36.4m in 2010. Cost reductions arose in payroll costs but these were offset by increased depreciation charges and redundancy payments arising from the transfer of Dundalk Port to Dublin Port Company.

Operating Profit increased to €27.8m in 2011 from €27.0m in 2010 resulting in an Operating Margin of 40.3% (2010: 40.4%). The underlying Operating Profit Margin, before Exceptional Operating Items, for 2011 was 46.8% (2010: 45.6%).

Exceptional Operating Items reflect a charge of €4.6m in respect of the impairment of the Company's Joint Venture investment in Renore. This follows a charge of €3.5m in 2010. In addition a charge of €0.6m is reflected in Exceptional Items relating to a further permanent diminution in value of an Investment Property held by the Company. A charge of €0.5m was reflected in 2010.

The Company benefitted from an Exceptional Gain of €9.4m arising from the disposal of lands to Dublin City Council under CPO.

Directors' Report – contd.

Net financing costs increased to €2.8m in 2011 from €2.4m in 2010. This was mainly due to an increased financing cost on the pension fund deficit arising from a lower expected return on pension scheme assets. Net Interest charges were €0.9m (2010: €1.6m) and the Company's interest cover is 39.1 times (2010: 16.3 times) based on Profit before interest and taxation over net interest charges. Net Debt decreased to €10.8m from €30.3m in 2010 and the Company is fully compliant with all covenants in respect of its borrowing facilities.

Profit for the financial year was €27.9m (2010: €20.5m).

The Profit and Loss Reserve increased from €232.0m at 31 December 2010 to €254.2m and Shareholders' Funds increased from €245.3m to €268.2m during the same period.

The Company has a target throughput of 28.5 million tonnes for 2012. Throughput of 28.1 million tonnes was achieved in 2011, which was 1.1% below its target of 28.4 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

The number of employees rose slightly in 2011 from 143 to 146, in order to cater for short time work commitments. The Company is committed to its on-going aim of reducing costs and ensuring continuous improvement in all aspects of its operations.

Aligned to the above is the on-going and targeted focus on Training & Development and the further development and roll out of performance management initiatives.

Presentations for staff took place in November 2011 on the Company's Draft Masterplan, which is a 30 year plan showing how Dublin Port might handle 60 million tonnes by 2040.

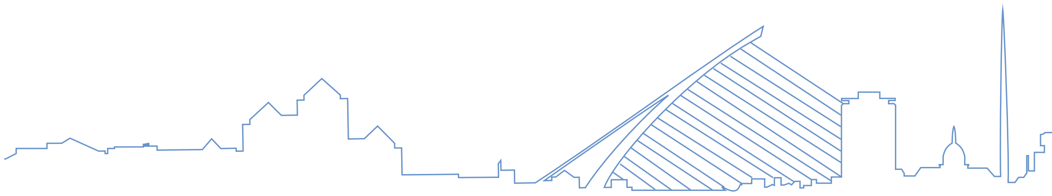
Employees remain at the heart of the Company's future strategy for the period 2012 to 2016 and all aspects of employee matters will be elaborated on and developed further in the first half of 2012 as part of the implementation of the strategy.

Membership of the Defined Contribution Pension Scheme continues to grow with 15% of employees now members of the Scheme.

Employees also play an active part in the Company's Health & Safety Committee, with employee representatives from each area of the Company's operations representing employees on the Committee, which meets on a regular basis.

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.



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. In 2011 trade was marginally down on the previous year by 0.1%. 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 2011 a further diminution in value amounting to €0.55m 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 €6.25m, reducing the carrying value of the property on the Company's Balance Sheet to €4.7m.

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, the lack of any significant growth potential over the coming years and the significant cash commitments amounting to €4.5m which Renore has to meet in 2012 and 2013. As a result of this review, the Company has written down the investment to its recoverable amount by including an impairment charge of €4.55m in the Profit and Loss Account following an impairment of €3.5m the previous year. The carrying value of the investment has been reduced to €0.75m.

The Company is committed to successfully managing its exposure to risk and to minimising its impact on the achievement of business objectives. The Company's Risk Management Policy and Risk Register have been approved by the Audit Committee. This Policy is to adopt best practice in the identification, assessment and control of risks to ensure that they are eliminated or reduced to an acceptable level.

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 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.

Directors' Report – contd.

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 (2010: 60 per cent) of its debt at fixed interest rates. In order to achieve this objective, the Company has in place interest rate cap 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 2011 the Company had in place un-drawn committed facilities of €20 million. The Company had put in place a borrowing facility during 2009 to replace and extend the Company's debt. This facility is due for repayment in September 2012.

Subsequent to the year-end a new borrowing facility has been put in place in 2012. This facility is for a five year term and will be 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

Other than the new borrowing facility put in place in early 2012 as described above there have been no other events between the Balance Sheet date and the date on which the financial statements were approved by the Board.

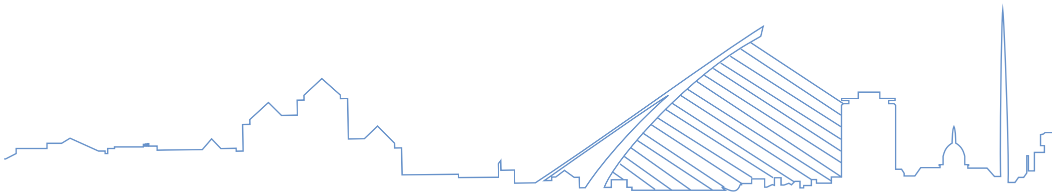
Future Developments

The Company has a budgeted Capital Investment Programme of €25m for 2012. The planned Capital Investment Programme includes:

- Firemain;
- Alex Quay East Development;
- Ro-Ro Ramp Berth 53;
- Ocean Pier Reorganisation;
- Trade Car Facility.

Results and Dividends

The Company's profit for the financial year amounted to €27.9m. The Directors' allocations and recommendations in respect of this amount were as follows:



	2011 €'000	2010 €'000
Interim Dividend of €1.43 (2010: €0.475) per share paid	16,500	5,500
Increase in Profit Retained	11,411	15,034
Profit for the Financial Year	**27,911**	**20,534**

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 2011 and 2010.

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 2011 are set out below. Unless otherwise indicated they served as Directors for the entire year.

L McCaffrey

E O'Reilly

E Finnan (appointed 22 February 2011)

B W Kerr

J Kiersey

P Magner

J Moore

C Rochfort

Directors' Report – contd.

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 (appointed 31 March 2011) and Mr P. Magner. The Audit Committee met five times during the year.

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

Attendance at Meetings

There were 13 General Board Meetings during the year ended 31 December 2011.

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

	ATTENDED	ELIGIBLE TO ATTEND
L McCaffrey	13	13
E O'Reilly	13	13
E Finnan	8	9
B W Kerr	12	13
J Kiersey	11	13
P Magner	11	13
J Moore	13	13
C Rochfort	12	13

AUDIT COMMITTEE		
B W Kerr	5	5
P Magner	5	5
E Finnan	3	3

REMUNERATION COMMITTEE		
L McCaffrey	4	4
B W Kerr	4	4
J Kiersey	3	3

Directors' Expenses

Expenses in the amount of €154 have been paid to the Board during the year in respect of car mileage expenses and €50 in respect of other expenses.

Internal Controls

The Board has overall responsibility for the Company's systems of internal control. Those 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

Directors' Report – contd.

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 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 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

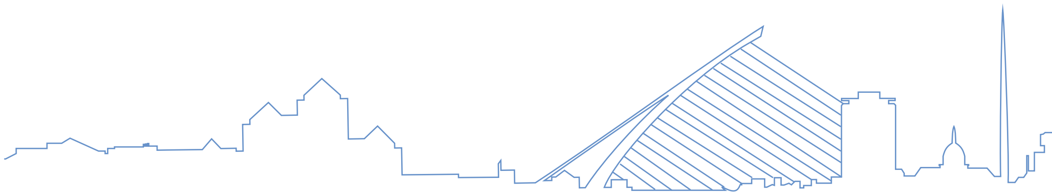
The auditors, PricewaterhouseCoopers, will be re-appointed in accordance with section 160(2) of the Companies Act, 1963.

On Behalf of the Board

Lucy McCaffrey

Eamonn O'Reilly

29 March 2012



Independent Auditors' Report

We have audited the financial statements of Dublin Port Company for the year ended 31 December 2011 which comprise the Profit and Loss Account, the Statement of Total Recognised Gains and Losses, the Balance Sheet, the Cash Flow Statement and the related notes. These financial statements have been prepared under the accounting policies set out in the statement of Accounting Policies therein.

Respective Responsibilities of Directors and Auditors

The Directors' responsibilities for preparing the Annual Report and the financial statements in accordance with applicable Irish law and the accounting standards issued by the Accounting Standards Board and published by the Institute of Chartered Accountants in Ireland (Generally Accepted Accounting Practice in Ireland) are set out in the Statement of Directors' Responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland). This report, including the opinion, 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 this opinion, 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.

We report to you our opinion as to whether the financial statements give a true and fair view, in accordance with Generally Accepted Accounting Practice in Ireland, and are properly prepared in accordance with Irish statute comprising the Companies Acts, 1963 to 2009. We state whether we have obtained all the information and explanations we consider necessary for the purposes of our audit, and whether the financial statements are in agreement with the books of account.

We also report to you our opinion as to:

- Whether the Company has kept proper books of account;
- Whether the Directors' Report is consistent with the financial statements; and
- Whether at the Balance Sheet date there existed a financial situation which may require the Company to convene an extraordinary general meeting of the Company; such a financial situation may exist if the net assets of the Company, as stated in the Balance Sheet, are not more than half of its called-up share capital.

We also report to you if, in our opinion, any information specified by law regarding Directors' remuneration and Directors' transactions is not disclosed and, where practicable, include such information in our report.

We read the other information contained in the Annual Report, and consider whether it is consistent with the audited financial statements. This other information comprises only the Chairperson's Statement, the Chief Executive's Review, the Corporate Social Responsibility statement, the Environmental Matters statement and the Directors' Report. We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements. Our responsibilities do not extend to any other information.

Independent Auditors' Report – contd.

We review whether the statement regarding the system of internal financial control required by the Code of Practice for the Governance of State Bodies made in the Directors' Report reflects the Company's compliance with para 13.1 (iii) of the Code and is consistent with the information of which we are aware from our audit work on the financial statements and we report if it does not. We are not required to consider whether the Board's statements on internal control cover all risks and controls, or form an opinion on the effectiveness of the Company's corporate governance procedures or its risk and control procedures.

Basis of Audit Opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgments made by the Directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the Company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In our opinion the financial statements:

- Give a true and fair view, in accordance with Generally Accepted Accounting Practice in Ireland, of the state of the Company's affairs as at 31 December 2011 and of its profit and cash flows for the year then ended; and
- Have been properly prepared in accordance with the Companies Acts, 1963 to 2009.

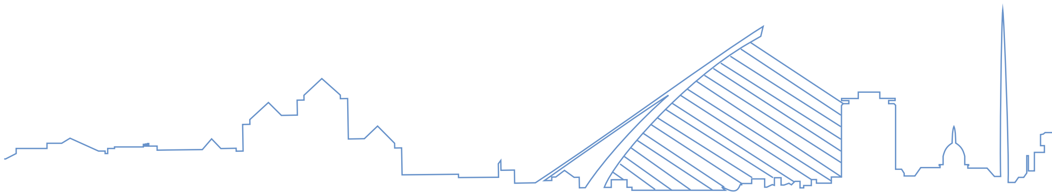
We have obtained all the information and explanations which we consider necessary for the purposes of our audit. In our opinion proper books of account have been kept by the Company. The financial statements are in agreement with the books of account.

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 2011 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.

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

29 March 2012



Accounting Policies

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 2009. 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.

Accounting Policies – contd.

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

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.

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

The cost of routine or on-going dredging projects is charged to the Profit and Loss Account as incurred. 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.

Accounting Policies – contd.

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

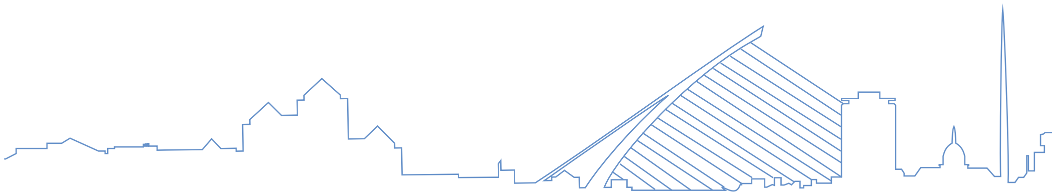
Interest rate swaps/caps are used to hedge the Company's exposure to interest rate movements. The amount payable or receivable on such hedging instruments is accrued in the same way as interest arising on borrowings.

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.



Profit and Loss Account

For the year ended 31 December 2011

	Notes	2011 €'000	2010 €'000
Turnover	2	69,111	66,969
Cost of sales		(22,556)	(21,044)
Gross Profit		**46,555**	**45,925**
Administration and general expenditure		(14,175)	(15,394)
		32,380	30,531
Exceptional operating items	4	(4,550)	(3,500)
Operating Profit		**27,830**	**27,031**
Exceptional items	5	8,876	(500)
Profit on Ordinary Activities Before Interest and Taxation		**36,706**	**26,531**
Interest receivable		1,414	621
Interest payable	6	(2,352)	(2,244)
Other finance cost	32	(1,839)	(770)
Profit on Ordinary Activities Before Taxation	7	**33,929**	**24,138**
Taxation	8	(6,018)	(3,604)
Profit for the Financial Year	22	**27,911**	**20,534**

Turnover and Operating Profit arose solely from continuing activities.

On Behalf of the Board

Lucy McCaffrey

Eamonn O'Reilly

29 March 2012

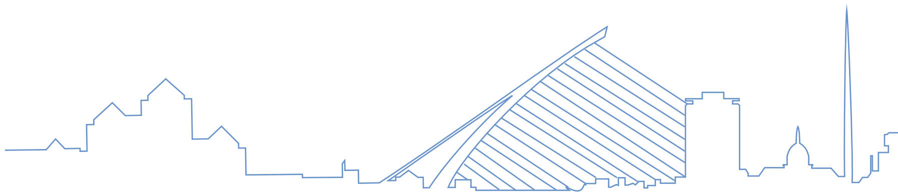
Statement of Total Recognised Gains and Losses

For the year ended 31 December 2011

	Notes	2011	2010
		€'000	€'000
Profit for the Financial Year		27,911	20,534
Actuarial gain/(loss) recognised on defined benefit obligations	**32**	12,284	(9,102)
Deferred tax related to actuarial gain/(loss) on defined benefit obligations	**19**	(1,535)	1,138
Total Recognised Gains and Losses		**38,660**	**12,570**

Balance Sheet

As at 31 December 2011



	Notes	2011	2010
		€'000	€'000
Fixed Assets			
Tangible assets	10	**275,257**	**278,735**
Investments			
Joint Venture	11	**750**	**5,300**
Current Assets			
Development land	12	1,246	1,246
Stocks	13	920	863
Debtors and prepayments	14	17,094	18,311
Cash at bank and in hand	27	971	687
Investments	27	28,228	9,051
		48,459	**30,158**
Creditors – Amounts falling due within one year	15	**(47,237)**	**(6,943)**
Net Current Assets		**1,222**	**23,215**
Total Assets less Current Liabilities		**277,229**	**307,250**
Creditors – Amounts falling due after one year	16	**-**	**(39,829)**
Deferred Income	18	**(12,855)**	**(13,328)**
Provisions for Liabilities	19	**(3,520)**	**(3,480)**
Net Assets excluding Defined Benefit Pension Asset/(Liability)		**260,854**	**250,613**
Funded Defined Benefit Pension Asset/(Liability)	32	**8,414**	**(5,273)**
Unfunded Defined Benefit Liability	32	**(1,050)**	**-**
Net Assets including Defined Benefit Pension Asset/(Liability)		**268,218**	**245,340**
Capital and Reserves			
Called up Share Capital	20	14,464	14,464
Capital Conversion Reserve Fund	21	119	119
Profit and Loss Account	22	254,167	232,007
Investment Property Revaluation Reserve	23	(1,250)	(1,250)
Capital Contribution	24	718	-
Shareholders' Funds	25	**268,218**	**245,340**

On Behalf of the Board

Lucy McCaffrey

Eamonn O'Reilly

29 March 2012

Cash Flow Statement

For the year ended 31 December 2011

	Notes	2011	2010
		€'000	€'000
Reconciliation of Operating Profit to Net Cash Inflow from Operating Activities			
Operating Profit		27,830	27,031
Amortisation of capital grants	18	(568)	(597)
Depreciation charges	10	8,876	7,876
Loss on disposal of tangible assets		-	27
Impairment of Joint Venture Investment	11	4,550	3,500
Increase in stocks		(57)	(76)
Decrease/(Increase) in debtors		922	(2,373)
Decrease in creditors		(156)	(3,192)
Change in relation to pension provision		(5,327)	(4,927)
Net cash inflow from operating activities		**36,070**	**27,269**

	Notes	2011	2010
Cash Flow Statement			
Net cash inflow from operating activities		36,070	27,269
Returns on investments and servicing of finance	26	(1,007)	(1,481)
Taxation		(4,513)	(3,617)
Capital Expenditure and financial investment	26	4,888	(7,808)
Acquisitions and disposals	24	523	-
		35,961	14,363
Equity Dividends paid		(16,500)	(5,500)
		19,461	8,863
Management of liquid resources	27	(19,177)	(9,051)
Financing	26	-	-
Increase/(decrease) in cash and cash equivalents		**284**	**(188)**

	Notes	2011	2010
Reconciliation of Net Cash Flow to Movement in Net Debt			
Increase/(decrease) in cash and cash equivalents in the year	27	284	(188)
Cash used to increase liquid resources	27	19,177	9,051
Cash flow from Increase in debt	27	-	-
Change in net debt		19,461	8,863
Opening net debt	27	(30,262)	(39,125)
Closing net debt	27	**(10,801)**	**(30,262)**

Notes to the Financial Statements

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 2011.

2. Turnover

	2011	2010
	€'000	**€'000**
By class of business		
Port dues	55,109	53,376
Rents	11,765	11,297
East Link (see note 3)	1,105	1,173
Licences	547	550
Other	585	573
	69,111	**66,969**

Notes to the Financial Statements – contd.

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

	2011	2010
	€'000	**€'000**
Impairment of Joint Venture Investment	4,550	3,500
	4,550	**3,500**

In accordance with the provisions of FRS 11 – "Impairment of Fixed Assets and Goodwill" the Company has reviewed the carrying value of its investment in Renore (see note 11). As a result of this review, the Company has written down the investment to its recoverable amount by including an impairment charge in arriving at operating profit of €3.5m in the Profit and Loss Account in 2010 and a further €4.55m in 2011.

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

5. Exceptional Items

	2011	2010
	€'000	**€'000**
Net Profit on Disposal of CPO Land	9,426	-
Investment Property – Permanent diminution in value (see note 10)	(550)	(500)
	8,876	**(500)**

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 €4.7m (2010: €5.25m) on the property at 31 December 2011 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 €5.0m of the reduction of €6.25m 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).

The CPO process in relation to lands acquired by Dublin City Council for the purposes of the proposed Waste to Energy facility in Ringsend was concluded during the year and is reflected within the Profit and Loss Account as an exceptional gain of €9.4m which includes statutory interest amounting to €0.9m. The net cash inflow from this transaction is included in capital expenditure and financial investment in the Cash Flow Statement.

6. Interest Payable

	2011	2010
	€'000	**€'000**
Bank overdraft and Loans		
- borrowings wholly repayable within five years	(2,352)	(2,244)

Notes to the Financial Statements – contd.

7. Profit on Ordinary Activities Before Taxation

	2011	2010
	€'000	€'000
Profit on ordinary activities before taxation has been arrived at after charging/(crediting):		
Staff costs		
- wages and salaries	10,143	10,828
- social welfare costs (PRSI)	840	838
- other pension costs Defined Benefit Schemes (see note 32)	1,162	1,577
- other pension costs Defined Contribution Scheme (see note 32)	146	147
	12,291	**13,390**
Depreciation (see note 10)	8,876	7,876
Redundancy payments	733	433
Amortisation of capital grants (see note 18)	(568)	(597)

Auditors remuneration:

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

	2011	2010
Audit of financial statements	44	44
Other assurance services	11	23
Tax advisory services	96	103
Other non-audit services	-	38
	151	**208**

8. Taxation

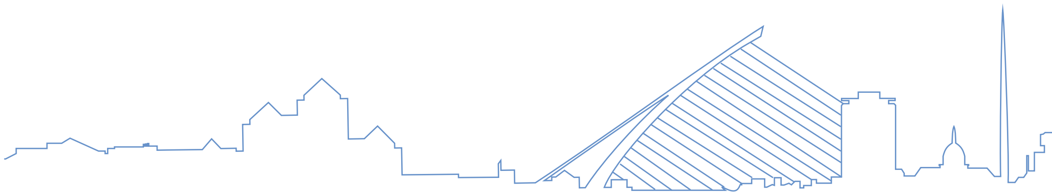
	2011	2010
	€'000	**€'000**
Current tax charge:		
Based on Port activity profits for the year:		
Corporation Tax at an effective rate of 12.5% (2010:12.5%)	(2,790)	(2,229)
Based on non-Port activity profits		
Corporation Tax at an effective rate of 25% (2010:25%)	(853)	(583)
Capital Gains Tax at an effective rate of 25%	(2,003)	-
	(5,646)	**(2,812)**
Overprovision in prior year – Corporation Tax	105	461
Current tax charge for the year	**(5,541)**	**(2,351)**
Deferred tax charge:		
Timing differences on accelerated Capital Allowances	(390)	(774)
Timing differences between pension contributions paid and pensions charged	(436)	(520)
Utilisation of tax losses	-	(50)
Deferred tax charge for the year	(826)	(1,344)
Over provision in prior year	349	91
	(477)	**(1,253)**
Total tax charge	**(6,018)**	**(3,604)**

Notes to the Financial Statements – contd.

8. Taxation – contd.

The current Corporation Tax charge for the year is higher (2010: lower) 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:

	2011	2010
	€'000	**€'000**
Profit on ordinary activities before tax	**33,929**	**24,138**
Profit on ordinary activities multiplied by the average rate of		
Irish Corporation Tax for the year of 12.5% (2010:12.5%)	(4,241)	(3,017)
Effects of:		
Disallowable expenses	(225)	(273)
Investment Property diminution in value not deductible for tax	(69)	(63)
Joint Venture impairment in value not deductible for tax	(569)	(438)
Profit on disposal of assets	1,062	-
Difference between depreciation and capital allowances	389	700
Pension contributions in excess of pensions charge	436	520
Utilisation of tax losses c/fwd	-	50
Passive income liable to tax at 25%	(426)	(291)
Adjustment to tax charge in respect of prior year	105	461
Capital Gains tax	(2,003)	-
Current tax charge for the year	**(5,541)**	**(2,351)**



9. Dividend Paid

	2011	2010
	€'000	€'000
Interim dividend paid of €1.43 per share (2010: €0.475 per share)	(16,500)	(5,500)

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 2011	69,934	202,921	58,340	22,571	3,786	14,506	5,250	377,308
Additions during year	269	22	2,962	-	-	1,100	-	4,353
Acquisitions (see note 24)	1,285	-	-	292	-	18	-	1,595
Revaluation of Investment Property	-	-	-	-	-	-	(550)	(550)
Reclassified	(3,161)	3,194	-	-	3	(36)	-	-
At 31 December 2011	**68,327**	**206,137**	**61,302**	**22,863**	**3,789**	**15,588**	**4,700**	**382,706**
Accumulated Depreciation								
At 1 January 2011	8,935	59,291	16,130	3,918	2,652	7,647	-	98,573
Charge for year	1,241	3,856	1,079	1,163	440	1,097	-	8,876
Reclassified	(444)	454	-	-	1	(11)	-	-
At 31 December 2011	**9,732**	**63,601**	**17,209**	**5,081**	**3,093**	**8,733**	**-**	**107,449**
Net Book Amounts								
At 1 January 2011	60,999	143,630	42,210	18,653	1,134	6,859	5,250	278,735
At 31 December 2011	**58,595**	**142,536**	**44,093**	**17,782**	**696**	**6,855**	**4,700**	**275,257**

Notes to the Financial Statements – contd.

10. Tangible Assets – contd.

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.

The Company's investment property was independently valued by Savills as at 31 December 2011, at its open market value of €4.7m. The valuation represented the valuer's opinion of market value at 31 December 2011 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 €4.7m 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 €5.95m 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 €5.0m 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 2009, 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.

	2011	2010
	€'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)	(3,500)
Carrying value at 31 December 2011	**750**	**5,300**

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

During 2010, the Company reviewed the carrying value of the investment in joint venture and as a result of this review an impairment of €3.5m was recorded. In 2011, 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. However, during 2011, the trading conditions experienced by the Greenore Port group of Companies continue to be difficult reflective of the wider economic environment in Ireland and the Directors view of the outlook for Greenore Port over the coming years has fundamentally changed. On that basis, the Directors determined that the investment in the Renore JV needed to be retested again in 2011 for further impairment.

Notes to the Financial Statements – contd.

11. Investment in Joint Venture – contd.

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.

The resulting value-in-use calculation for the underlying business of approximately €5.6m is significantly reduced, however, by a €4.5m cash outlay commitment payable in 2012 and 2013 relating to a property transaction undertaken by Renore in 2009 which has not delivered the anticipated value to the business. Accordingly, our 50% equity stake in the joint venture is significantly impacted by this and has been written-down to €0.75m.

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.

As a result of this review, the Company has written down the investment to its recoverable amount by including a further impairment charge of €4.55m in the Profit and Loss Account following an impairment of €3.5m the previous year.

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 2011.

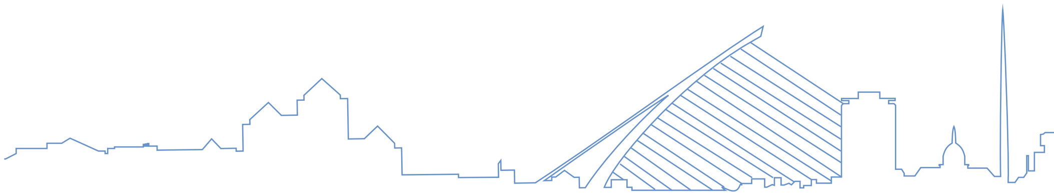
11. Investment in Joint Venture – contd.

		Pro-forma information	
	Company	Joint Venture (Unaudited)	Total
		€'000	€'000
Turnover	**69,111**	**1,957**	**71,068**
Cost of Sales	(22,556)		
Gross Profit	**46,555**		
Administration and General Expenditure	(14,175)		
	32,380		
Exceptional Operating Items	(4,550)		
Operating Profit/(Loss)	**27,830**	**(38)**	**27,792**
Exceptional Items	8,876	27	8,903
Profit/(Loss) on Ordinary Activities Before Interest and Taxation	**36,706**	**(11)**	**36,695**
Net Financing Expense	(2,777)	(51)	(2,828)
Profit on Ordinary Activities Before Taxation	**33,929**	**(62)**	**33,867**
Taxation	(6,018)	(3)	(6,021)
Profit/(Loss) for the Financial Year	**27,911**	**(65)**	**27,846**

Notes to the Financial Statements – contd.

11. Investment in Joint Venture – contd.

	Company	Proforma information Company including joint venture (unaudited)
	€'000	€'000
Fixed Assets		
Tangible Assets	**275,257**	**275,257**
Investments:		
Company:	750	-
Joint Venture:		
Share of gross assets	-	11,941
Share of gross liabilities	-	(5,178)
	276,007	**282,020**
Current Assets		
Development land	1,246	1,246
Stocks	920	920
Debtors and prepayments	17,094	17,094
Cash at bank and in hand	971	971
Investments	28,228	28,228
	48,459	**48,459**
Creditors – Amounts falling due within one year	**(47,237)**	**(47,237)**
Net Current Assets	**1,222**	**1,222**
Total Assets less Current Liabilities		
Creditors – Amounts falling due after one year	**277,229**	**283,242**
Deferred Income	**(12,855)**	**(12,855)**
Provision for Liabilities	**(3,520)**	**(3,520)**
Net Assets excluding Defined Benefit Pension Asset	**260,854**	**266,867**
Funded Defined Benefit Pension Asset	**8,414**	**8,414**
Unfunded Defined Benefit Pension Liability	**(1,050)**	**(1,050)**
Net Assets including Defined Benefit Pension Asset	**268,218**	**274,231**
Capital and Reserves		
Called up share capital	14,464	
Capital conversion Reserve Fund	119	
Profit and Loss Account	254,167	
Investment Property Revaluation Reserve	(1,250)	
Capital Contribution	718	
Shareholders' Funds	**268,218**	



12. Development Land

The Company entered into a Development Agreement dated 6 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 2011, €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 2011.

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 (2010: NIL).

13. Stocks

	2011	2010
	€'000	€'000
	920	863

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.

Notes to the Financial Statements – contd.

14. Debtors – Amounts falling due within one year

	2011	2010
	€'000	€'000
Trade Debtors	14,835	13,771
VAT	84	64
Corporation Tax	-	515
Overpayment of contributions receivable from pension scheme	1,059	2,320
Other	1,116	1,641
	17,094	**18,311**

15. Creditors – Amounts falling due within one year

	2011	2010
	€'000	€'000
Trade creditors and accruals	5,917	5,934
Deferred income (see note 18)	502	597
Corporation tax	314	-
Professional Services Withholding Tax/Relevant Contracts Tax	102	41
Income tax deducted under PAYE	290	255
Pay related social insurance	181	116
Bank Loans (see note 17)	39,931	-
	47,237	**6,943**
Creditors for taxation and social welfare included above	**887**	**412**

16. Creditors – Amounts falling due after one year

	2011	2010
	€'000	€'000
Bank Loans (see note 17)	**-**	**39,829**

17. Bank Loans

	2011	2010
	€'000	€'000
Bank Loans	39,931	39,829
	39,931	**39,829**
These loans are repayable in the following periods after the year end:		
Within one year	39,931	-
Between one and two years	-	39,829
Between two and five years	-	-
	-	39,829
	39,931	**39,829**

Bank Loans are shown net of capitalised debt issue costs of €69k (2010: €171k) which are being amortised over the term of the debt.

The Company has a borrowing facility, with Bank of Ireland and KBC Bank, which amounts to €60m, consisting of a €40m term loan facility and a €20m revolving credit facility. This facility is for a three year term and is due for repayment in September 2012. €40m of the facility was drawn down at the year end.

The Company has put in place a new borrowing facility with Bank of Ireland in 2012 to replace the Company's debt. This facility amounts to €50m consisting of a €35m term loan facility and a €15m revolving credit facility. This facility is for a five year term.

Notes to the Financial Statements – contd.

18. Deferred Income

	2011	2010
	€'000	€'000
Capital grants and contributions to fixed assets		
Opening Balance	13,925	14,522
Amortised to Profit and Loss Account during the year	(568)	(597)
Closing Balance	**13,357**	**13,925**
Creditors – amounts falling due within one year (see note 15)	502	597
Deferred Income	12,855	13,328
	13,357	**13,925**

19. Provisions for Liabilities

Deferred Tax Assets and Liabilities

	2011	2010
	€'000	€'000
Deferred Tax on accelerated Capital Allowances	(3,520)	(3,480)
Deferred Tax Liability excluding that relating to pension scheme liability	**(3,520)**	**(3,480)**
Deferred tax on pension scheme (asset)/liability (see below)	(1,052)	753
Total provision for deferred tax	**(4,572)**	**(2,727)**

19. Provisions for Liabilities - contd.

Movement in Deferred Tax Assets and Liabilities

	2011	2011
	€'000	**€'000**
Opening Balance		(3,480)
Transfer (to)/from Profit and Loss (see note 8)		
In respect of accelerated Capital Allowances	(389)	
Over provision in prior year	349	
Utilisation of tax losses carried forward	-	(40)
Closing Balance		**(3,520)**

Deferred Tax (Liability)/Asset on Pension scheme asset/liability (see note 32)

	2011	2010
	€'000	**€'000**
Opening Balance	**753**	**135**
Transfer to Profit and Loss (see note 8)	(436)	(520)
Transfer (from)/to the Statement of Total Recognised Gains and Losses	(1,535)	1,138
Acquisitions (see note 24)	166	-
Closing Balance	**(1,052)**	**753**

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

Notes to the Financial Statements – contd.

20. Share Capital

	No. ('000)	€'000
Authorised – 96.5m ordinary shares of €1.25 each at 31 December 2011 and 2010	**96,500**	**120,625**
Allotted and fully paid at 31 December 2011 and 2010	**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

	2011	2010
	€'000	**€'000**
Opening Balance	**232,007**	**224,937**
Total recognised gains and losses	38,660	12,570
Dividends Paid (see note 9)	(16,500)	(5,500)
Increase in profit and loss account for the year	22,160	7,070
Closing Balance	**254,167**	**232,007**

23. Investment Property Revaluation Reserve

	2011	2010
	€'000	**€'000**
Opening Balance	**(1,250)**	**(1,250)**
Revaluation of Investment Property (see note 10)	(550)	(500)
Revaluation deemed to be permanent (see note 5)	550	500
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.

Notes to the Financial Statements – contd.

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**

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.

All of the fair values at the take-on date are considered to be final except for any adjustments that might arise from resolving the uncertainty as to the availability of the tax losses above.

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.

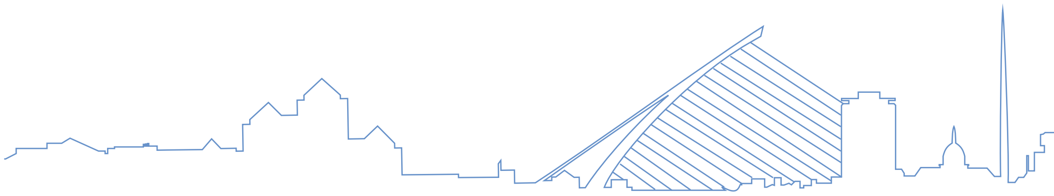
25. Reconciliation of Movements in Shareholders’ Funds

	2011	2010
	€’000	**€’000**
Profit for the financial year	**27,911**	**20,534**
Dividend Paid (see note 9)	(16,500)	(5,500)
Actuarial gain/(loss)recognised on pension schemes	12,284	(9,102)
Deferred Tax related to actuarial gain/(loss)	(1,535)	1,138
Capital Contribution	718	-
Net increase in Shareholders’ Funds	22,878	7,070
Opening Shareholders’ Funds	245,340	238,270
Closing Shareholders’ Funds	**268,218**	**245,340**

Notes to the Financial Statements – contd.

26. Gross Cash Flows

	2011 €'000	2010 €'000
Return on investments and servicing of finance		
Interest received	1,149	622
Interest and similar charges paid	(2,156)	(2,103)
Net cash outflow from return on investments and servicing of finance	**(1,007)**	**(1,481)**
Capital expenditure and financial investment		
Payments to acquire tangible fixed assets	(4,353)	(7,841)
Receipts from sales of tangible fixed assets	9,241	33
Net cash inflow/(outflow) from capital expenditure	**4,888**	**(7,808)**
Management of liquid resources		
Increase in cash on deposit	**19,177**	**9,051**
Financing		
Receipts from medium term borrowings	20,000	20,000
Repayment of amounts borrowed	(20,000)	(20,000)
	-	-



27. Analysis of Changes in Net Debt

	1 January 2011	Cash Flows	Non Cash Changes	31 December 2011
	€'000	€'000	€'000	€'000
Net cash at bank and in hand	687	284	-	971
Debt due within one year	-	-	(40,000)	(40,000)
Debt due after one year	(40,000)	-	40,000	-
Current asset investments	9,051	19,177	-	28,228
Total	**(30,262)**	**19,461**	**-**	**(10,801)**

28. Commitments

	2011	2010
	€'000	€'000
Future capital expenditure not provided for		
Contracted for	4,014	2,012
Authorised by the Directors but not contracted for	1,950	1,950
	5,964	**3,962**

Notes to the Financial Statements – contd.

28. Commitments – contd.

Derivative financial instruments

In accordance with the Company's policy on hedging, the interest rate exposure on the Company's borrowings for the next two years is mitigated by entering into interest SWAP and interest CAP contracts. The principal amount of such contracts at 31 December 2011 and 2010 was as follows:

	2011	2010
	€'000	€'000
Nominal amount	**36,000**	**36,000**

The fair value of the above CAP contract is minimal at 31 December 2011 as a result of expected market rates to the expiry of the agreement in September 2012.

29. Directors' Remuneration

	2011	2010
	€'000	€'000
Remuneration		
- fees for services as Directors	102	101
- emoluments for other services	382	246
- pension contributions	106	29
	590	376
Past service pension benefit to Chief Executive	70	-
	660	**376**

29. Directors' Remuneration – contd.

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

	2011 €'000	2010 €'000
Director's Fees	11	5
Salary	185	70
Other Benefits including Pension Costs and Taxable Benefits	89	-
	285	**75**

The Chief Executive, Eamonn O'Reilly was appointed on 16 August 2010 following the retirement of Enda Connellan on 8 December 2009.

Directors' Fees

	2011 €'000	2010 €'000
L McCaffrey	21,600	22,133
E O'Reilly	10,546	4,764
E Finnan (appointed 22 February 2011)	10,753	-
B W Kerr	12,600	12,600
J Kiersey	12,600	12,600
P Magner	12,600	12,600
J Moore *	10,546	12,600
C Rochfort *	10,546	12,600
T. Hussey (resigned 25 November 2010)	-	11,409
	101,791	**101,306**

*In Addition to the Directors' fees, the two Worker Board Members were paid as employees of Dublin Port Company.

Notes to the Financial Statements – contd.

30. Employees

The average number of persons employed by the Company during the year was 145 (2010: 152).

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 2011.

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 €0.2m in interest. At year end there was deposit balances outstanding amounting to €9.1m with AIB. The Company also had deposits with EBS at various times during the year and earned €0.4m in interest. At year end there was deposit balances outstanding amounting to €6.1m 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 €23.3m at year end. The Company also had deposits with Bank of Ireland at various times during the year and earned €0.3m in interest. At year end the Company had deposit balances amounting to €5.0m.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 €1.1m (2010: €2.3m) due to the overpayment of contributions in the current year.

32. Pensions

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

In addition, defined benefit pension benefits in respect of eligible former employees of Dundalk Port Company are paid from Company resources.

32. Pensions – contd.

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 €146k (2010:€147k) 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.

a) Defined Benefit Schemes

The Company operates two defined benefit pension schemes based on final pensionable salaries for eligible employees, including employees and former employees of 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:

- All eligible current employees of the Company;
- All eligible current and deferred pensioners of Dublin Port & Docks Board;
- Former eligible employees of the Company who since Vesting Day have or may become current or deferred pensioners of the Company;
- 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.

Dundalk Port Company

The Company became responsible for defined benefit pension liabilities of Dundalk Port following the transfer of Dundalk Port Company in 2011. A formal trustee administered scheme is currently not in place and consequently, the scheme has no assets, is unfunded 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. On this basis, the unfunded liability was €1.2m at 31 December 2011.

Notes to the Financial Statements – contd.

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 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.

An actuarial valuation was carried out at 1 January 2012 in order to confirm the funding position in relation to the MFS. This valuation showed that the schemes met the MFS as at 1 January 2012. Overall assets of the schemes were €214.7m and overall liabilities were €202.1m resulting in an aggregate surplus of €12.6m.

Long-term valuation basis (unaudited information)

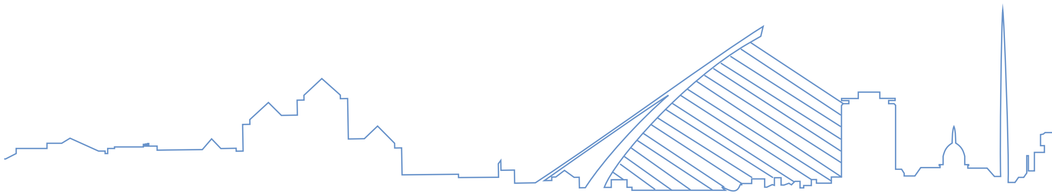
The Company's intention is to continue to provide funding in accordance with the actuary's recommendation to ensure that the schemes continue to operate and provide for pension payments in the long term future.

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%.

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 2011.

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.



32. Pensions – contd.

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

Financial Assumptions

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

	31 DECEMBER 2011	31 DECEMBER 2010
Rate of interest applied to discount liabilities	4.85%	5.25%
Projected rate of increase of salaries	Nil for 3 years and 3.5% thereafter	3.50%
Projected rate of increase of pensions in payment	Nil for 3 years and 3% thereafter	3.00%
Rate of increase of pensions in deferment	Nil for 3 years and 3% thereafter	3.00%
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 4.85% was adopted at 31 December 2011.

During 2011, legislation was passed by the Government that established an annual levy of 0.6% of pension scheme assets payable for the four year period 2011 to 2014. The expected rate of return on scheme assets at 31 December 2011 of 3.36% incorporates an expected 0.6% reduction in assets due to the payment of this levy.

Demographic Assumptions

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

	2011		2010	
	MALE YEARS	FEMALE YEARS	MALE YEARS	FEMALE YEARS
Current members age 40 (life expectancy at age 65)	26.2	27.2	26.1	27.1
Current pensioners age 65 (life expectancy at age 65)	23.0	24.5	22.8	24.4

Notes to the Financial Statements – contd.

32. Pensions – contd.

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

Scheme Assets

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

Asset Class	Proportion of Scheme assets at 31 December 2011	Proportion of Scheme assets at 31 December 2010
Equities	21.40%	23.30%
Bonds	73.70%	73.20%
Property	2.30%	2.40%
Other	2.60%	1.10%
	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 on 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 the assets assumption for the portfolio. The return was then reduced by 0.6% to take account of the pension levy. This resulted in the selection of the 3.36% assumption (2010: 4.48%).

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 2011	Fair value at 31 December 2011	Rate of Return Expected at 31 December 2010	Fair value at 31 December 2010
		€'000		€'000
Equities	6.40%	46,026	7.50%	49,222
Bonds	2.50%	158,274	3.50%	154,835
Property	4.90%	4,954	6.00%	5,124
Other	1.40%	5,462	2.00%	2,293
Total Fair value of Assets		**214,716**		**211,474**

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

Notes to the Financial Statements – contd.

32. Pensions – contd.

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

The amounts recognised in the Balance Sheet are as follows:

	31 December 2011	31 December 2010
	€'000	**€'000**
Assets	214,716	211,474
Liabilities	(205,100)	(217,500)
Net surplus/(deficit) in funded pension schemes	**9,616**	**(6,026)**
Liabilities on unfunded schemes	**(1,200)**	**-**
Net surplus/(deficit) in pension schemes	**8,416**	**(6,026)**
Related deferred tax asset	(1,052)	753
Net Pension asset/(liability)	**7,364**	**(5,273)**

Comprising:		Related Deferred Tax	Net Pension Asset/ (Liability)
Surplus	9,616	(1,202)	8,414
Deficit	(1,200)	150	(1,050)
	8,416	**(1,052)**	**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

	2011 €'000	2010 €'000
Charged to Operating Profit		
Current service cost	(1,092)	(927)
Past service cost	(70)	(650)
	(1,162)	**(1,577)**
Charged/(Credited) to other finance cost		
Expected return on pension scheme assets	9,383	10,664
Interest on pension scheme liabilities	(11,222)	(11,434)
Net financing cost	(1,839)	(770)
Total Charge in the Profit and Loss Account	**(3,001)**	**(2,347)**

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

	2011 €'000	2010 €'000
Actual less expected return on scheme assets	(2,511)	1,514
Experience (gains) and losses arising on scheme liabilities	8,695	4,884
Changes in assumptions underlying the present value of the scheme liabilities	6,100	(15,500)
Actuarial gain/(loss) recognised in the STRGL	**12,284**	**(9,102)**

The cumulative actuarial loss recognised in the statement of total recognised gains and losses up to and including the financial year ended 31 December 2011 is €75.7m (2010: €88.0m).

Notes to the Financial Statements – contd.

32. Pensions – contd.

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

	2011	2010
	€'000	€'000
Actual return on scheme assets	**6,872**	**12,178**

Movement in scheme assets and liabilities

	Pension Assets	Pension Liabilities	Pension Deficit
	€'000	€'000	€'000
At 31 December 2009	203,919	(205,000)	(1,081)
Current service cost	-	(927)	(927)
Past service cost	-	(650)	(650)
Interest on scheme liabilities	-	(11,434)	(11,434)
Expected return on scheme assets	10,664	-	10,664
Actual less expected return on scheme assets	1,514	-	1,514
Net loss on liabilities	-	(10,616)	(10,616)
Members' contributions	454	(454)	-
Benefits paid from scheme	(11,581)	11,581	-
Employer contributions	6,504	-	6,504
As at 31 December 2010	**211,474**	**(217,500)**	**(6,026)**

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)
Net gain on liabilities	-	14,795	14,795
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**

All but €1.2m of the liabilities above arise from schemes that are wholly funded.

The employer expects to contribute €6.25 million to the pension schemes in 2012.

Notes to the Financial Statements – contd.

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

	2011	2010	2009	2008	2007
	€'000	**€'000**	**€'000**	**€'000**	**€'000**
Liabilities	(206,300)	(217,500)	(205,000)	(201,000)	(210,796)
Assets	214,716	211,474	203,919	187,912	204,704
Net Surplus/(Deficit)	8,416	(6,026)	(1,081)	(13,088)	(6,092)
Experience gains and losses on scheme assets:					
Amount (€m)	(2,511)	1,514	10,337	(30,862)	(5,492)
Percentage of scheme assets	(1.2%)	0.7%	5.1%	(16.4%)	(2.7%)
Experience gains and losses on scheme liabilities:					
Amount (€m)	(8,695)	4,884	(1,365)	(2,495)	(1,503)
Percentage of the present value of the scheme liabilities:	(4.0%)	2.2%	0.7%	1.2%	0.7%

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:

	2011	2011	2011
	EXISTING ASSUMPTION	-1 YEAR	+1 YEAR
Current Male Member age 40 (Life Expectancy at age 65)	26.2 years	25.2 years	27.2 years
Current Male Pensioner age 65 (Life Expectancy at age 65)	23.0 years	22.0 years	24.0 years
Liabilities (€'000)	206,300	200,332	210,364
Change in liabilities (€'000)		5,968	(4,064)
% Change (as % of original)		2.9%	(2.0%)

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

	2011	2011	2011
	EXISTING ASSUMPTION	-0.25%	+0.25%
Discount Rate	4.85%	4.60%	5.10%
Liabilities (€'000)	206,300	213,476	199,158
Change in liabilities (€'000)		(7,176)	7,142
% Change (as % of original)		(3.5%)	3.5%

Notes to the Financial Statements – contd.

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:

	2011	2011	2011
	EXISTING ASSUMPTION		
Projected rate of increase in salaries	Nil for 3 years and 3.5% thereafter	Nil for 2 years and 3.5% thereafter	Nil for 1 year and 3.5% thereafter
Projected rate of increase of pensions in payment	Nil for 3 years and 3.5% thereafter	Nil for 2 years and 3.5% thereafter	Nil for 1 year and 3.5% thereafter
Rate of increase of pensions in deferment	Nil for 3 years and 3.5% thereafter	Nil for 2 years and 3.5% thereafter	Nil for 1 year and 3.5% thereafter
Liabilities (€'000)	206,300	212,000	217,800
Change in liabilities (€'000)		(5,700)	(11,500)
% Change (as % of original)		(2.8%)	(5.6%)

33. Post Balance Sheet Events

The Company put in place a new five year loan facility with Bank of Ireland to replace and extend the Company's debt (see note 17). This facility is effective from April 2012 and consists of a €35m committed term loan facility and a €15m committed revolving credit facility.

There have been no other 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 29 March 2012.

SECTION SIX

Port Statistics

The financial statements cover the year ended 31 December 2011 together with comparative figures for 2010.

For comparison purposes, the un-audited statistics reproduced below cover trade for Dublin Port Company for the calendar years 2009 – 2011.

	2011	2010	2009
Vessels - Total Arrivals	**6,865**	**7,579**	**7,379**
Throughput ('000 tonnes)			
Ro-Ro	17,325	17,107	15,344
Lo-Lo	5,431	5,675	5,422
Bulk Liquid	3,620	3,788	4,051
Bulk Solid	1,635	1,475	1,583
Break Bulk	85	73	102
	28,096	**28,118**	**26,502**
Ro-Ro units ('000)	**725**	**726**	**645**
Lo-Lo TEU's ('000)	**526**	**554**	**548**
Passenger Numbers (millions)	**1.7**	**1.8**	**1.5**

COMHLACHT CHALAFORT
ÁTHA CLIATH
DUBLIN PORT COMPANY

Dublin Port Company, Port Centre, Alexandra Road, Dublin 1, Ireland
Phone: +353 1 887 6000 **Email:** info@dublinport.ie **Fax:** +353 1 855 1241

www.dublinport.ie

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